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DOCKET NO. 58443

APPLICATION OF TEXAS-NEW MEXICO POWER COMPANY FOR INTERIM UPDATE OF WHOLESALE TRANSMISSION RATES § **PUBLIC UTILITY COMMISSION**
§
§ **OF TEXAS**
§

NOTICE OF APPROVAL

This Notice of Approval addresses the application of Texas-New Mexico Power Company (TNMP) for an interim update of its wholesale transmission rates. The Commission adjusts TNMP's annual revenue requirement, on an interim basis, to \$187,335,996 and adjusts its wholesale transmission rate, on an interim basis, to \$2.311573 per kilowatt (kW), with a corresponding increase in its hourly export rate, effective the date of this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. TNMP is a Texas corporation registered with the Texas secretary of state under filing number 19241500.
2. TNMP owns and operates for compensation in Texas facilities and equipment to transmit and distribute electricity within the Electric Reliability Council of Texas (ERCOT) region.
3. TNMP holds certificate of convenience and necessity number 30038 to provide service to the public.

Application

4. On July 24, 2025, TNMP filed the application at issue in this proceeding seeking an interim update of its previously approved transmission cost of service revenue requirement and wholesale transmission rate, and export rate from the ERCOT region.
5. On August 5, 2025, TNMP filed a supplement to the application.
6. In its application, as supplemented, TNMP requested the following:
 - a. an \$87,407,303 interim increase in total transmission rate base to a total of \$1,264,845,696;

- b. a \$12,294,042 interim increase in its annual wholesale transmission revenue requirement to a total of \$187,335,996;
 - c. an interim increase in its annual wholesale transmission rate from \$2.159874 to \$2.311573 per kW; and
 - d. a corresponding increase in its hourly export rate for the transmission of electricity to be exported from the ERCOT region to \$0.000264 per kW.
7. No party filed a motion to find the application materially deficient, and the administrative law judge (ALJ) did not file a written order concluding material deficiencies exist.
 8. In Order No. 2 filed on August 15, 2025, the ALJ found the application administratively complete.

Notice

9. On August 18, 2025, TNMP filed the amended affidavit of Cathie Piontek, attesting that, on July 25, 2025, notice of the application was mailed or emailed to the following:
 - a. all parties in TNMP's last transmission cost of service proceeding, Docket No. 48401¹; and
 - b. all distribution service providers listed in the matrix utilized by the Commission in Docket No. 57491,² which established wholesale transmission charges in the ERCOT region for calendar year 2025.
10. In Order No. 3 filed on September 4, 2025, the ALJ found notice sufficient.

Evidentiary Record

11. In Order No. 4 filed on September 19, 2025, the ALJ admitted the following evidence into the record of this proceeding:
 - a. TNMP's application and all attachments filed on July 24, 2025;
 - b. TNMP's affidavit of notice filed on July 31, 2025;

¹ *Application of Texas-New Mexico Power Company to Change Rates*, Docket No. 48401, Order (Dec. 20, 2018).

² *Commission Staff's Petition to Set 2025 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas, Inc.*, Docket No. 57491, Order (Jun. 5, 2025).

- c. TNMP's supplement to WP Schedule E-2.1.2 filed on August 5, 2025;
- d. Commission Staff's recommendation on material deficiency filed on August 14, 2025;
- e. TNMP's amended affidavit of notice filed on August 18, 2025; and
- f. Commission Staff's amended recommendation on final disposition filed on August 29, 2025.

Eligibility for Interim Update

- 12. TNMP's last interim update to transmission rates was approved on March 25, 2025, in Docket No. 57578.³
- 13. This application is TNMP's second requested interim increase initiated in 2025.

Interim Transmission Rate

- 14. TNMP's requested interim increase in its wholesale transmission rate is based on the difference between the actual transmission rate base balance as of June 30, 2025, and the transmission rate base balance established in Docket No. 57578.
- 15. The requested interim increase in the wholesale transmission rate is based on an interim increase of \$12,294,042 in TNMP's annual revenue requirement, resulting in a total interim annual revenue requirement of \$187,335,996.
- 16. The requested interim increase in wholesale transmission rates is calculated using the 2025 average ERCOT four-coincident peak demand of 81,042,656.5 kW identified in the final transmission charge matrix filed by Commission Staff in Docket No. 57491.
- 17. The requested interim increase in the wholesale transmission rate accurately reflects additions and retirements of TNMP's transmission facilities, as well as changes to return on rate base, depreciation and amortization, taxes other than income taxes, federal income taxes associated with the additional rate base.

³ *Application of Texas-New Mexico Power Company for Interim Update of Wholesale Transmission Rates*, Docket No. 57578, Order, (Mar. 25, 2025).

Interim Revenue Requirement

18. The interim transmission revenue requirement reflects an interim increase of \$87,407,303 in TNMP's total transmission rate base to a total interim transmission rate base of \$1,264,845,696.
19. The interim annual transmission revenue requirement reflects an increase in the return on transmission rate base of \$6,896,436, to a total of \$99,796,325, which is based on TNMP's approved rate of return of 7.89% established in Docket No. 48401.
20. The interim revenue requirement also reflects operations and maintenance expenses of \$7,064,252; depreciation and amortization expenses of \$56,125,599; taxes other than income taxes of \$14,234,500; federal income taxes of \$10,101,725; other expenses of \$280,227; and other revenues of negative \$266,633.

Informal Disposition

21. More than 15 days have passed since completion of the notice provided in this docket.
22. No person filed a protest or motion to intervene.
23. TNMP and Commission Staff are the only parties to this proceeding.
24. No party requested a hearing and no hearing is needed.
25. Commission Staff recommended approval of the application, subject to a more comprehensive analysis and reconciliation at the next complete review of TNMP's transmission cost of service.
26. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has authority over this application under PURA⁴ §§ 32.001 and 35.004.
2. TNMP is a public utility as defined in PURA § 11.004 and an electric utility as defined in PURA § 31.002(6).

⁴ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.017.

3. TNMP is a transmission service provider, as defined in 16 Texas Administrative Code (TAC) § 25.5(141), that provides transmission service, as defined in PURA § 31.002(20).
4. As a transmission service provider in the ERCOT region, TNMP may update its transmission rates, on an interim basis, to reflect changes in its invested capital under 16 TAC § 25.192(h)(1).
5. TNMP's application complies with the requirements of 16 TAC § 25.192(h)(1).
6. TNMP's application was deemed sufficient under 16 TAC § 25.192(h)(4)(B).
7. TNMP provided notice of the application in accordance with 16 TAC § 25.192(h)(4)(A).
8. This application does not constitute a major rate proceeding as defined in 16 TAC § 22.2(27).
9. The interim rates set in this Notice of Approval must be reconciled as provided in 16 TAC § 25.192(h)(2).
10. The interim rates established in this Notice of Approval are just and reasonable under PURA § 36.003(a).
11. The interim rates established in this Notice of Approval are not unreasonably preferential, prejudicial, or discriminatory, as required by PURA §36.003(b).
12. In accordance with PURA § 36.003(b), the interim rates set in this Notice of Approval are sufficient, equitable, and consistent in application to each class of customers.
13. The interim revenue requirement set in this Notice of Approval meets the requirements of PURA § 36.051.
14. The Commission processed the application in accordance with PURA, the Administrative Procedure Act,⁵ and Commission rules.
15. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.

⁵ Tex. Gov't Code § 2001.001-.903.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission adjusts TNMP's annual transmission revenue requirement on an interim basis to \$187,335,996, effective the date of this Notice of Approval.
2. The Commission adjusts TNMP's wholesale transmission rate, on an interim basis, to \$2.311573 per kW, effective the date of this Notice of Approval.
3. The Commission adjusts TNMP's hourly transmission rate for exports from ERCOT, on an interim basis, to \$0.000264 per kW, effective the date of this Notice of Approval.
4. TNMP may begin billing the updated wholesale transmission rate on services rendered on or after the date of this Notice of Approval. The updated transmission rate supersedes any inconsistent rate.
5. The interim rate set in this Notice of Approval must be reconciled in TNMP's next transmission cost of service rate case as provided in 16 TAC § 25.192(h)(2).
6. This Notice of Approval does not address or determine whether the costs underlying the rates established by this Notice of Approval are reasonable and necessary.
7. The interim rates set in this Notice of Approval must be reconciled in TNMP's next transmission cost of service rate case as provided in 16 TAC § 25.192(h)(2).
8. Within ten days of the date of this Notice of Approval, TNMP must provide the Commission with a clean copy of its revised wholesale transmission service tariff to be stamped *Approved* and be retained by Central Records.
9. The Commission denies all other motions and any other requests for general or specific relief that are not expressly granted.

Signed at Austin, Texas on the 19th day of September 2025.

PUBLIC UTILITY COMMISSION OF TEXAS



AARON HAAS
ADMINISTRATIVE LAW JUDGE