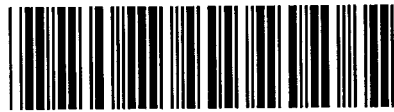




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**PUC DOCKET NO. 27576
SOAH DOCKET NO. 473-03-2933**

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**APPLICATION OF TEXAS-NEW § BEFORE THE STATE OFFICE
MEXICO POWER COMPANY FOR §
FINAL RECONCILIATION OF FUEL § OF
COSTS §
§ ADMINISTRATIVE HEARINGS**

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSES TO COMMISSION STAFF'S SIXTH
REQUEST FOR INFORMATION
QUESTIONS BA-59 THROUGH BA-64**

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**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSES TO COMMISSION STAFF'S SIXTH
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Texas-New Mexico Power Company ("TNMP") files this response to Commission Staff's Sixth Request for Information. Staff's Sixth Request for Information was received on June 17, 2003. Pursuant to Staff's Sixth Request for Information, TNMP's response is due by July 7, 2003. This response is therefore timely. The answers may be treated by all parties as if the answers were filed under oath.

Respectfully submitted,
TEXAS-NEW MEXICO POWER COMPANY


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CERTIFICATE OF SERVICE

Counsel for Texas-New Mexico Power Company, certify that a copy of this document was served on all parties of record in this proceeding on July 7th, 2003, by hand delivery, facsimile, or United States mail, postage pre-paid.



Joe Reynolds

**TEXAS-NEW MEXICO POWER COMPANY'S RESPONSES TO
COMMISSION STAFF'S SIXTH REQUEST FOR INFORMATION
QUESTIONS BA-59 THROUGH BA-64**

QUESTION BA-59 Please refer to the response to Question 15 of Cities' 1st RFI, Bate 00964. Please explain the circumstances that caused TNMP to make off-system sales that resulted in a loss to the ratepayer as shown for the months of June, July, August, and September 2000 and May 2001. In your response, please identify the supplier of the purchased power that was sold off-system, and indicate if the purchased power came from a firm or non-firm transaction.

RESPONSE: Higher priced resources were assigned to off-system sales leaving the lower priced resources to serve native customers. In June, July, August, and September 2000 and May 2001, costs assigned to off-system sales were greater than the revenue received.

A listing identifying the suppliers and whether the transaction was firm or non-firm is as follows:

SPONSOR: Larry P. Gunderson/Richard J. Kilar
ATTACHMENT(S): None

**TEXAS-NEW MEXICO POWER COMPANY'S RESPONSES TO
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Firm (F) or Non-Firm (NF)	Supplier
<i>NF</i>	<i>Austin Energy</i>
<i>F</i>	<i>Calpine (Firm Contract)</i>
<i>NF</i>	<i>Calpine (Market)</i>
<i>NF</i>	<i>City of Bryan</i>
<i>NF</i>	<i>Constellation Power</i>
<i>F</i>	<i>CPS (Firm Contract)</i>
<i>NF</i>	<i>CSWS (Market)</i>
<i>NF</i>	<i>Duke Energy Trading & Marketing</i>
<i>NF</i>	<i>Dynegy</i>
<i>NF</i>	<i>Enron Capital & Trade</i>
<i>NF</i>	<i>Entergy</i>
<i>F</i>	<i>HLP (DSL Contract)</i>
<i>F</i>	<i>HLP (DSL Contract) Calpine Replacement</i>
<i>NF</i>	<i>LCRA</i>
<i>F</i>	<i>LPPCON</i>
<i>NF</i>	<i>NorAm Energy Services / Reliant</i>
<i>NF</i>	<i>Oklahoma Municipal Power Agency</i>
<i>F</i>	<i>Reliant Energy (RESCON)</i>
<i>F</i>	<i>SCLP (Firm Contract)</i>
<i>NF</i>	<i>South Texas Electric Coop</i>
<i>NF</i>	<i>Southern Company (Market)</i>
<i>NF</i>	<i>Tenaska</i>
<i>F</i>	<i>TNP One</i>
<i>NF</i>	<i>TU Electric</i>

SPONSOR: Larry P. Gunderson/Richard J. Kilar
ATTACHMENT(S): None

**TEXAS-NEW MEXICO POWER COMPANY'S RESPONSES TO
COMMISSION STAFF'S SIXTH REQUEST FOR INFORMATION
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QUESTION BA-60 Please refer to the response to Question 15 of Cities 1st RFI, Bates 00964. Please describe the types of costs that are included in Direct Costs that are provided in column "D", and explain why TNMP believes these Direct Costs should be included in the calculation of the margin.

RESPONSE: Payroll and other costs associated with operating TNMP's trading function and directly attributable to that function are the types of costs included in Column D of the referenced material. Off-system expenses include the purchased power costs attributed to the off-system sale as well as costs directly attributed to the off-system transaction. These costs are included in the calculation of margin which is defined as off-system revenue less off-system expenses. Direct costs were included in the computation of off-system sales margins in Docket No. 22745, TNMP's previous fuel reconciliation.

SPONSOR: Richard J. Kilar
ATTACHMENT(S): None

**TEXAS-NEW MEXICO POWER COMPANY'S RESPONSES TO
COMMISSION STAFF'S SIXTH REQUEST FOR INFORMATION
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QUESTION BA-61 Please refer to the confidential Workpaper WP/FR-7 Bate 00582-00584. The letter amendment appears to be a sales agreement with AMOCO and not a purchased power agreement. Please confirm if document is a sale or purchased power agreement.

RESPONSE: Confidential Bate 00582 to 00584 is Amendment No. 1 for Sale of Economy Service to Amoco Chemical Company.

SPONSOR: Larry P. Gunderson/Richard J. Kilar
ATTACHMENT(S): None

**TEXAS-NEW MEXICO POWER COMPANY'S RESPONSES TO
COMMISSION STAFF'S SIXTH REQUEST FOR INFORMATION
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QUESTION BA-62 Please refer to the confidential Workpaper WP/FR-7 Bate 01920-01935. The response appears to be an agreement with Bio Energy, whereas the response to Question BA-15 of Staff's 1st RFI indicated that the agreement has not been located. Please confirm the correct disposition.

RESPONSE: TNMP FR CONFID 01920 to TNMP FR CONFID 01935, provided in response to Question BA-15 of Staff's First Request for Information, is the Bio Energy Partners agreement.

SPONSOR: Larry P. Gunderson
ATTACHMENT(S): None

**TEXAS-NEW MEXICO POWER COMPANY'S RESPONSES TO
COMMISSION STAFF'S SIXTH REQUEST FOR INFORMATION
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QUESTION BA-63 Please refer to column (ae) on Schedule FR-4.4c, page 2 and column (F) on Bate 00964 of the response to Cities' RFI questions 1-15. Please reconcile the differences in the dollar amounts for the months of October 2000 and March 2001.

RESPONSE: The information requested by this RFI is being provided pursuant to the Protective Order entered in this docket. TNMP designates this information HIGHLY SENSITIVE PROTECTED MATERIALS. Counsel for TNMP has reviewed the information sufficiently to state in good faith that this information merits the Highly Sensitive Protected Materials designation and that it is exempt from public disclosure under the Public Information Act, Tex. Gov't Code ch. 552 under sections 552.101 and 552.110. Because these documents contain sensitive commercial and financial information that is recognized as confidential under PURA §32.101, they are exempt under section 552.101 and 552.110. Moreover, this information includes trade secret information exempt under section 552.110. The information used to develop this response constitutes information that is not widely available or known outside of TNMP, is information that the parties have spent considerable time and effort in acquiring and analyzing, and such information and analysis would be of considerable value to competitors of TNMP to the serious detriment of TNMP.

As reported in response to Question 96 of Cities' First Request for Information, an off-system sales credit adjustment was made in October

SPONSOR: Richard J. Kilar
ATTACHMENT(S): Market Revenues (Staff's 6-BA-63.xls)
TNMP FR CONFID 09382 to TNMP FR 09382

**TEXAS-NEW MEXICO POWER COMPANY'S RESPONSES TO
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2000. Off-System sales revenue was adjusted by \$243,988.89 matching the difference between the \$1,209,330.11 reported in response to Question 15 of Cities' First Request for Information and the \$1,453,319.00 reported on Schedule FR-4.4c.

The March 2001 difference between TNMP's Response to Question 15 of Cities' First Request for Information (\$2,720,456.25) and FR4.4c (\$2,717,000) is attributed to rounding. See attached worksheet by individual sale.

SPONSOR: Richard J. Kilar
ATTACHMENT(S): Market Revenues (Staff's 6-BA-63.xls)
TNMP FR CONFID 09382 to TNMP FR 09382

**TEXAS-NEW MEXICO POWER COMPANY'S RESPONSES TO
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QUESTION BA-64 Please provide a document that shows how the 90% off-system fuel credit, as shown on column (I) of Bate 00964 of the response to Cities' RFI questions 1-15, was incorporated into Schedule FR-21.

RESPONSE: Please refer to the attachment to TNMP's Response to Question 2 of Cities' Sixth Request for Information for the reconciliation of firm and non-firm purchases to Schedule FR-21. The 90% off-system fuel credit is included as a component of the reconciliation.

SPONSOR: Richard J. Kilar
ATTACHMENT(S): None