



Control Number: 27576



Item Number: 89

Addendum StartPage: 0

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

2003 MAY 27 PM 2:54  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**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 THIRD REQUEST FOR INFORMATION  
QUESTION NOS. BA-27 THROUGH BA-34**

<u>Document</u>	<u>Filename(s)</u>	<u>Page(s)</u>
Table of Contents	PUCT's 3 <sup>rd</sup> .doc	1
RFI Responses	PUCT's 3 <sup>rd</sup> .doc	4

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

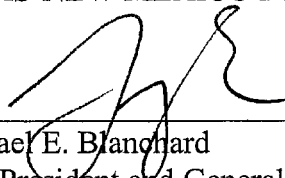
<b>APPLICATION OF TEXAS-NEW</b>	§	<b>BEFORE THE STATE OFFICE</b>
<b>MEXICO POWER COMPANY FOR</b>	§	
<b>FINAL RECONCILIATION OF FUEL</b>	§	<b>OF</b>
<b>COSTS</b>	§	
	§	<b>ADMINISTRATIVE HEARINGS</b>

**TEXAS-NEW MEXICO POWER COMPANY'S  
RESPONSES TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION  
QUESTION NOS. BA-27 THROUGH BA-34**

Texas-New Mexico Power Company ("TNMP") files this response to Commission Staff's Third Request for Information. Staff's Third Request for Information was received on May 6, 2003. Pursuant to Staff's Third Request for Information, TNMP's response is due by May 27, 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



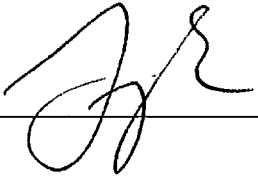
---

Michael E. Blanchard  
Vice-President and General Counsel  
State Bar No. 02447300  
Gary W. Boyle  
4100 International Plaza, Tower II, Suite 900  
Fort Worth, Texas 76109  
Telephone No. (817) 731-0099  
Facsimile No. (817) 737-1333

ATTORNEYS FOR TEXAS-NEW  
MEXICO POWER COMPANY

# 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 May 27, 2003, by hand delivery, facsimile, or United States mail, postage pre-paid.



---

**TNMP'S RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION**  
**QUESTION NOS. BA-27 THROUGH BA-34**

**QUESTION BA-27** What is the minimum amount of Western coal that would be needed to be purchased to determine a market price for the price re-determination under the Fuel Supply Agreement with Walnut Creek Mining Company ("WCMC")?

**RESPONSE:** TNMP required an amount of Western coal sufficient to demonstrate that the unit could operate at full load with 100% alternative fuel and to demonstrate all the costs and benefits related to burning that fuel. TNMP believes that 350,000 mmBtu or a ten-day supply for one unit was the minimum necessary to make the contractually required showing consistent with prudent plant operations.

SPONSOR: Douglas Hobbs  
ATTACHMENT(S): None

**TNMP'S RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION**  
**QUESTION NOS. BA-27 THROUGH BA-34**

**QUESTION BA-28** Please explain why it was necessary to purchase petroleum coke during the reconciliation period.

**RESPONSE:** TNMP purchased petroleum coke to test it and to determine whether or not it was a viable alternate fuel under the contract.

**SPONSOR:** Douglas Hobbs  
**ATTACHMENT(S):** None

**TNMP'S RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION**  
**QUESTION NOS. BA-27 THROUGH BA-34**

**QUESTION BA-29** Please explain how the petroleum coke was handled after it was delivered by rail cars to TNP One.

**RESPONSE:** The petroleum coke was transferred from the rail cars to dump trucks through use of a track hoe. The trucks then delivered the coke to the emergency storage area at the plant. From there it was pushed through a feeder grate and transported to the coal silos.

**SPONSOR:** Douglas Hobbs  
**ATTACHMENT(S):** None

**TNMP'S RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION**  
**QUESTION NOS. BA-27 THROUGH BA-34**

**QUESTION BA-30** Is it possible under the Fuel Supply Agreement with WCMC to use an alternative fuel at TNP One? If so, please provide the maximum amount of alternative fuel (in MMBtu) that can be used under the terms of the Agreement.

**RESPONSE:** The Fuel Supply Agreement allowed TNMP to purchase up to 540,000 Dth of alternative fuel from suppliers other than WCMC annually for test burn purposes.

**SPONSOR:** Douglas Hobbs  
**ATTACHMENT(S):** None



**TNMP'S RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION**  
**QUESTION NOS. BA-27 THROUGH BA-34**

**QUESTION BA-31** Please refer to Confidential LWD-8, Bate Stamp 00394-00397. Was this price indication requested by TNMP? If so, please explain why it was requested.

**RESPONSE:** TNMP requested the price indication as part of its efforts to comply with the price redetermination provisions of the Fuel Supply Agreement.

**SPONSOR:** Douglas Hobbs  
**ATTACHMENT(S):** None

**TNMP'S RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION**  
**QUESTION NOS. BA-27 THROUGH BA-34**

**QUESTION BA-32** Did TNMP consider or evaluate the use of petroleum coke at TNP One after February 2000? If so, please explain the consideration or evaluation, and provide all documents related to this consideration.

**RESPONSE:** TNMP did not consider or evaluate the use of petroleum coke at TNP One after February 2000.

**SPONSOR:** Douglas Hobbs  
**ATTACHMENT(S):** None

**TNMP'S RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION**  
**QUESTION NOS. BA-27 THROUGH BA-34**

**QUESTION BA-33** Please refer to Confidential Exhibit LWD-2. Please confirm that under fuel type of alternate fuels the label of "Western coke" should be "Western coal."

**RESPONSE:** The label "Western coke" should be "Western coal".

**SPONSOR:** Douglas Hobbs  
**ATTACHMENT(S):** None

**TNMP'S RESPONSE TO STAFF'S THIRD REQUEST FOR INFORMATION**  
**QUESTION NOS. BA-27 THROUGH BA-34**

**QUESTION BA-34 Did TNMP burn petroleum coke at TNP One before January 1, 2000?**

**If so, how much petroleum coke (in MMBtu) was burned?**

**RESPONSE:** In 1993 TNP One burned approximately 1,969,528 Dths (72,706 tons) of petroleum coke.

**SPONSOR:** Douglas Hobbs  
**ATTACHMENT(S):** None