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PUC PROJECT NO. 32182

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| INVESTIGATION OF METHODS     | § | PUBLIC UTILITY COMMISSION |
| TO IMPROVE ELECTRIC          | § |                           |
| AND TELECOM INFRASTRUCTURE   | § | OF TEXAS                  |
| THAT WILL MINIMIZE LONG TERM | § |                           |
| OUTAGES AND RESTORATION      | § |                           |
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**RESPONSES OF TEXAS - NEW MEXICO POWER COMPANY TO STAFF'S  
SUMMARY ON METHOD'S TO IMPROVE INFRASTRUCTURE TO MINIMIZE  
LONG TERM OUTAGES AND RESTORATION COSTS**

Texas-New Mexico Power Company (TNMP) files the following responses to Staff's Draft Executive Summary recommendations filing of May 10, 2006. TNMP urges all parties to consider the actual economic impacts of developing and implementing new requirements regarding infrastructure improvement. Further, any increases in TNMP operations and maintenance expenses will require the implementation of appropriate cost recovery mechanisms. With these comments in mind, TNMP submits the following responses to Staff's recommendations.

**Summary of Staff Recommendations, Immediate (within six Months)**

1. *Require the development and implementation of an inspection cycle for vegetation management for all overhead electrical and telecommunication lines. This cycle should consider the growth rates of common vegetation in the service area. Utilities should provide the Commission with the details of its vegetation inspection program within six months.*

TNMP has a program for periodic inspection of its electrical facilities. As part of the program tree growth and vegetation problems are noted on the reports. TNMP does not trim trees that affect telecommunication facilities. TNMP believes that is the responsibility of the telecommunication company.

TNMP recommends that the commission reconsider the language in order to distinguish vegetation management inspection responsibilities between the two types of utilities such that responsibility for each type of line is accounted for respectively, electrical versus telecommunications.

2. *Require the development and implementation of a regular, ground-based inspection cycle for all overhead electrical and telecommunication facilities, including a condition-based assessment of wood pole suitability for continued*

*service. Utilities should provide the Commission with the details of this inspection program within six months.*

TNMP has a program for periodic inspection of its electrical facilities.

3. *Require utilities to establish processes, and incorporate these requirements into their existing contracts or tariffs, to ensure the structural integrity of poles and attachments in situations where utilities augment or add cable facilities to existing poles.*

TNMP's recent joint pole agreements require telecommunication companies attaching to TNMP's facilities to furnish engineering analysis to ensure structural integrity of poles before attachment is permitted.

#### **Short - Term (one year)**

4. *Require each utility to provide the Commission with a report within one year that evaluates the level of inventory for transmission facilities considering the requirements of staff's recommendations.*

No comment at this time.

5. *Require removal within one year of all trees that could potentially damage electrical or telecommunication structures or facilities and that are located within the right of way (ROW) easement.*

TNMP believes that it is impossible to remove all trees within right-of-way easements in a one-year period. If this does become a requirement, then we suggest the period should be extended to a period of ten years.

This recommendation will create a very high financial burden upon any utility and recovery of expenses would result in substantial tariff increases to ratepayers.

Landowners and customers will not be receptive to this recommendation and it will have a negative impact on the utility's customer relations. If this does become a requirement, then the Public Utility Commission should highly publicize this requirement and the implications of higher rate costs.

6. *Require each utility to perform a study within one year that evaluates the reasonableness and costs of retrofitting overhead distribution facilities so that, under conditions of high wind and/or ice loading, the conductors and/or support hardware will fail before the structures fail and provide the Commission with its evaluation and any recommendations.*

TNMP strongly opposes this recommendation. We believe that it violates NESC standards and potentially increases the risk to Public Safety.

7. *Require utilities to perform a study within one year that evaluates the current practice of automatically sectionalizing a distribution line to improve reliability and examines a practice of increasing the number of automatic sectionalizers to gain additional enhancements to reliability. The utilities should provide the Commission with this study and any recommendations.*

Where circuit coordination permits, TNMP utilizes fuses and automatic sectionalizers on laterals to protect main feeder circuits from outages due to faults on lateral lines.

8. *Require utilities to conduct inspections of all distribution circuits to determine whether the amount of non-electric equipment on structures is causing an overload on those structures. If overloads are identified utilities should be required to correct the problem. Furthermore, utilities should be required to institute practices that will prevent such overloads in the future. The results of this initial inspection should be reported to the Commission within a year.*

It is not possible to accomplish this recommendation within one year. This cannot be done with a simple inspection of the facility. It requires an engineering analysis of each pole with attachments. For new facility additions, engineering studies are performed ensuring that the new facilities meet applicable NESC rules.

9. *Require telecommunications utilities to install onsite generators with a minimum of seventy-two hours of fuel in all central offices in hurricane prone areas. Utilities should also be required to have processes in place to ensure refueling of these generators for extended periods of time.*

Not applicable to TNMP.

**Long Term (more than one year, ongoing)**

10. *Require annual upgrades to current National Electric Safety Code (NESC) wind loading standards of at least 10% of the 230 kV or greater aboveground transmission infrastructure and 5% of the 138 kV or less starting with the highest voltage lines. In addition, all transmission infrastructure upgrades within ten (10) miles of the Texas coastline should be required to meet current NESC standards assuming 140 mile-per-hour wind speed. Annual reports on the utilities' upgrading programs should be reported to the Commission.*

Typically, the NESC does not require facilities to be upgraded to meet current code if it was installed and met the requirements of a previous edition of

the Code in effect at the time of installation. If this recommendation is adopted by the Commission, it will require unwarranted expense and cause undue burden on the ratepayers.

*11. Require all new and replacement transmission structures to be pre-stressed concrete or steel.*

Transmission structures should be designed to meet the required strength requirements regardless of material type. Therefore, the material should not be limited to pre-stressed concrete or steel.

*12. Require utilities, through negotiation with landowners, to remove all trees that have limbs extending into, or those that may potentially extend into, the transmission and distribution ROW easements under high wind conditions.*

Landowners and customers will not be receptive to this recommendation and it will have a negative impact on the utility's customer relations. Landowners will perceive this requirement as having a negative impact on the value of their property.

*13. Require utilities to identify any damage of transmission and distribution facilities that occurs as the result of a weather event other than lightning, and provide an annual report to the Commission that includes; the cause of the damage, the type of facility involved and the voltage, and age of the structure or facility.*

No comment at this time.

*14. Require utilities to design and construct all substations so that no water enters the control house or damage any electrical equipment in the substation during a 500-year rain event rendering electrical equipment inoperable due to accumulated water.*

TNMP believes that this requirement is not practical and would cause undue burden on the ratepayer.

*15. Electric utilities have embarked on projects to modernize the electric grid by deploying intelligent devices on the network. These deployments will enable real time monitoring of outages, selective switching of electric supply routes, and preventative maintenance of protective devices to increase the reliability of the power grid. The Commission should establish incentives to encourage such deployments by electric utilities.*

No comment at this time.

16. *If new underground distribution facilities must be installed in the rear of residential lots, require developers and homeowners to provide at least a 10-foot ROW restriction upon the inclusion of trees or other structures so that suitable access is available for any future repair work.*

If this becomes a requirement, then the Public Utility commission should publicize it.

17. *Require burial of all new distribution lines serving new residential developments.*

This requirement will be an unnecessary burden on the ratepayers.

18. *Encourage developers of new residential developments to locate underground facilities in front of homes or in accessible alleyways.*

No comment at this time.

A handwritten signature in black ink, appearing to read 'T. Thompson', is written over a horizontal line.

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