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REVIEW OF RATE CASE EXPENSES
INCURRED BY TEXAS NEW MEXICO
POWER COMPANY AND
MUNICIPALITIES IN DOCKET NOS.
48401, 35038, AND 41901

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS



REDACTED DIRECT TESTIMONY OF

ANNA GIVENS

RATE REGULATION DIVISION

PUBLIC UTILITY COMMISSION OF TEXAS

AUGUST 5, 2019

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1 **I. STATEMENT OF QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Anna Givens. My business address is 1701 N. Congress Avenue, Austin,
4 Texas.

5 **Q. By whom are you employed and in what position?**

6 A. I am employed by the Public Utility Commission of Texas (PUCT or Commission) as
7 Director of Financial Review in the Rate Regulation Division.

8 **Q. What are your principal responsibilities at the Commission?**

9 A. My responsibilities include testifying as an expert witness on accounting matters in rate
10 cases and other applications filed with the Commission and participating in the overall
11 examination, review and analysis of such applications.

12 **Q. Please describe your professional and educational background.**

13 A. In 1991, I received a Bachelor of Business Administration degree in Accounting from the
14 University of Texas. I am a Certified Public Accountant (CPA) licensed to practice in the
15 State of Texas.

16 From November 1991 to June 1992, I was employed by McLane Corporation as an
17 Accounts Payable Auditor. From June 1992 to October 1996, I was a Securities Analyst
18 for the State Securities Board. In October of 1996, I began employment with the Public
19 Utility Commission of Texas. Since that time I have reviewed numerous utility filings
20 and have attended a variety of utility-related seminars.

21 **Q. Have you previously filed testimony in regulatory proceedings before the Public**
22 **Utility Commission of Texas?**

23 A. Yes, please see Attachment AG-9 for a list of previously filed testimony.

1 **II. PURPOSE AND SCOPE OF TESTIMONY**

2 **Q. What is the purpose of your testimony?**

3 A. The purpose of my testimony is to provide Staff's recommendations related to the Review
4 of Rate Case Expenses Incurred by Texas-New Mexico Power Company (TNMP or the
5 Company) and Municipalities in Docket Nos. 48401, 35038, and 41901 (Application).

6 **Q. What is basis of your recommendation?**

7 A. The basis of my recommendation is my review of TNMPS's filing package and
8 accompanying work papers, the Company's responses to requests for information (RFIs),
9 and the testimony filed on behalf of the Company. I verified the accuracy of schedules in
10 the application and reviewed expenditure categories for reasonableness and necessity.

11 **Q. What is the standard that you are using to make your determination concerning the**
12 **overall reasonableness of the rate-case expenses?**

13 A. The standard that I am using is 16 Texas Admin. Code (TAC) § 25.245(b) which states:
14 Requirements for claiming recovery of or reimbursement for rate-case expenses.

15 A utility or municipality requesting recovery of or reimbursement for its
16 rate-case expenses shall have the burden to prove the reasonableness of
17 such rate-case expenses by a preponderance of the evidence. A utility or
18 municipality seeking recovery of or reimbursement for rate-case expenses
19 shall file sufficient information that details and itemizes all rate-case
20 expenses, including, but not limited to, evidence verified by testimony or
21 affidavit, showing:

22 (1) the nature, extent, and difficulty of the work done by the attorney or
23 other professional in the rate case;

24 (2) the time and labor required and expended by the attorney or other
25 professional;

26 (3) the fees or other consideration paid to the attorney or other professional
27 for the services rendered;

28 (4) the expenses incurred for lodging, meals and beverages, transportation,
29 or other services or materials;

30 (5) the nature and scope of the rate case, including:

- 1 (A) the size of the utility and number and type of consumers served;
2 (B) the amount of money or value of property or interest at stake;
3 (C) the novelty or complexity of the issues addressed;
4 (D) the amount and complexity of discovery;
5 (E) the occurrence and length of a hearing; and
6 (6) the specific issue or issues in the rate case and the amount of rate-case
7 expenses reasonably associated with each issue.

8 **Q. Are you using an additional standard to make your determination concerning the**
9 **overall reasonableness of the rate-case expenses?**

10 A. I am also using 16 TAC § 25.245(c) which states:

11 Criteria for review and determination of reasonableness. In determining
12 the reasonableness of the rate-case expenses, the presiding officer shall
13 consider the relevant factors listed in subsection (b) of this section and any
14 other factor shown to be relevant to the specific case. The presiding officer
15 shall decide whether and the extent to which the evidence shows that:

16 (1) the fees paid to, tasks performed by, or time spent on a task by an
17 attorney or other professional were extreme or excessive;

18 (2) the expenses incurred for lodging, meals and beverages, transportation,
19 or other services or materials were extreme or excessive;

20 (3) there was duplication of services or testimony;

21 (4) the utility's or municipality's proposal on an issue in the rate case had
22 no reasonable basis in law, policy, or fact and was not warranted by any
23 reasonable argument for the extension, modification, or reversal of
24 commission precedent;

25 (5) rate-case expenses as a whole were disproportionate, excessive, or
26 unwarranted in relation to the nature and scope of the rate case addressed
27 by the evidence pursuant to subsection (b)(5) of this section; or

28 (6) the utility or municipality failed to comply with the requirements for
29 providing sufficient information pursuant to subsection (b) of this section.

30 **Q. On whose behalf are you testifying?**

31 A. I am testifying on behalf of the Commission Staff (Staff).

III. DISCUSSION OF THE COMPANY'S AND MUNICIPALITIES' REQUESTS

Q. Please describe the Company's request for recovery of rate-case expenses.

A. TNMP requests in this proceeding \$2,946,603 of its own rate-case expenses incurred in Docket No. 48401.¹ Additionally, the Company requests recovery of the expenses incurred in its 2007 compliance filing, Docket No. 35038,² and the expenses incurred in its 2013 compliance filing, Docket No. 41901.³ The Company's request is detailed in the table below.

Table AG-1

Docket	TNMP's Requested Expenses⁴
Docket No. 48401	\$ 2,946,603
Docket No. 35038	\$ 230,174
Docket No. 41901	\$ 22,809
Total	\$ 3,199,586

As shown in the next table, the composition of the Docket No. 48401 rate-case expenses in the amount of \$2,946,603 consists of the following disciplines, vendors, and amounts.

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

² *Texas-New Mexico Power Company's Tariff Filing in Compliance With the Final Order in Docket No 33106*, Docket No. 35038 (Oct. 22, 2008)

³ *Compliance Tariff of Texas-New Mexico Power Company Related to Non-Standard Metering Service Pursuant to P.U.C. Subst. R. 25.133*, Docket No. 41901 (Jun. 20, 2014).

⁴ Direct Testimony of Stacy R. Whitehurst at Exhibit SRW-3 at 2.

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Table AG-2⁵

Discipline	Vendor	Amount
Outside Legal	Jackson Walker	\$1,081,950
Return on Equity	Scott Madden	\$ 80,701
Investor/Credit Agencies	Lapson Advisory	\$ 146,926
Affiliate	Strategy&	\$1,208,545
Depreciation Study	Alliance Consulting	\$ 80,701
Self Insurance	Lewis & Ellis	\$ 9,756
Pension	Willis Towers Watson	\$ 41,350
Load/Weather Study	Itron, Inc.	\$ 37,775
Lead/Lag Study	Expergy	\$ 45,681
Internal Expenses	TNMP/PNMR	\$ 75,258
Printing	Misc	\$ 38,572
Taxes	PWC	\$ 54,416
Noticing	Misc	\$ 44,973
Total		\$2,946,603

2 **Q. Please describe the amount of rate-case expenses submitted by the intervening**
3 **municipalities for reimbursement.**

4 A. Based upon testimony filed previously in this proceeding, the Alliance of Texas-New
5 Mexico Power Company Municipalities requests recovery of \$214,584 in total rate-case

⁵ Direct Testimony of Stacy R. Whitehurst at Exhibit SRW-3 at 2.

1 expenses related to Docket No. 48401 through February 28, 2019.⁶ The Cities Served by
2 Texas-New Mexico Power Company request recovery of \$186,136 in rate-case expenses
3 through May 31, 2019.⁷

4 **Q. Does your testimony address the reasonableness, necessity, and recovery of the rate-**
5 **case expenses of the intervening municipalities?**

6 A. No. The review of the rate-case expenses incurred by the intervening municipalities is
7 addressed in the direct testimony of Staff witness Frederick Quijano. Please refer to his
8 testimony for the details of his recommendation.

9 **Q. Does the Company request in its rate-case expenses the inclusion of any expenses**
10 **related to the processing of this proceeding?**

11 A. To the extent that additional rate-case expenses are incurred in this proceeding and are not
12 included in recovery in this proceeding, the Company requests approval to create a
13 regulatory asset for those additional expenses.⁸

14 **IV. STAFF'S RECOMMENDATION**

15 **Q. Before giving a description of your recommendation, please briefly describe Docket**
16 **No. 48401.**

17 A. Docket No. 48401 was the Application of Texas-New Mexico Power Company for
18 Authority to Change Rates, filed on May 30, 2018. Parties to the proceeding entered into
19 a Stipulation and Settlement Agreement on November 2, 2018 and the Commission issued
20 its Order on December 20, 2018. Among other issues, the Stipulation and Settlement
21 Agreement authorized a \$10 million base rate increase, established a 7.89% rate of return
22 based on a 9.65% return on equity and 6.44% cost of debt (with a 55% debt and 45%

⁶ Direct Testimony of Scott Smyth at 9:14-16.

⁷ Direct Testimony of Christopher L. Brewster at 5:8-9.

⁸ Direct Testimony of Stacey R. Whitehurst at 6:8-10.

equity capital structure), set new depreciation rates, addressed certain tax matters related to the Tax Cuts and Jobs Act of 2017,⁹ and provided for the recovery of Hurricane Harvey restoration costs.

Q. What is your recommendation regarding the Company's requested Docket No. 48401 rate-case expenses?

A. I propose a reduction of \$1,130,175 to the Company's request. The adjustment that I recommend is to remove expenses associated with the Strategy& fees, invoice adders charged by Alliance Consulting and Scott Madden Inc., hourly attorney and consultant fees in excess of \$550 per hour, and internal and consultant expenses not supported by sufficient information and details. My recommended adjustment is summarized below.

Table AG-2

Billing Entity	Amount
Jackson Walker	\$28,872
Strategy&	\$979,411
Alliance Consulting	\$3,841
Scott Madden, Inc.	\$799
Towers Watson	\$9,694
PricewaterhouseCoopers	\$54,416
Meals and Travel	\$53,143
Total	\$1,130,175

⁹ Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018, Pub. L. No. 115-97, 131 Stat. 2054 (Dec. 22, 2017).

1 **A. Jackson Walker Adjustments.**

2 **Q. Please explain the Company's request for Jackson Walker legal expenses.**

3 A. The Company's requests recovery of \$1,081,950 in legal expenses incurred in prosecuting
4 the general rate proceeding in Docket No. 48401.¹⁰

5 **Q. Based upon your review of the supporting documentation presented in this**
6 **proceeding, do you recommend any adjustments to the Company's requested legal**
7 **expenses?**

8 A. After reviewing the supporting documentation presented in the voluminous Exhibit SRW-
9 6, I recommend an adjustment to the \$1,081,950 requested legal fees in the amount of
10 \$(28,872). The documentation that I reviewed included hourly attorney rates of \$560 per
11 hour for two Jackson Walker attorneys.¹¹ The reason for my adjustment is to remove the
12 amount of hourly legal fees in excess of \$550 per hour that total \$22,992. Additionally, I
13 recommend removing \$5,880 for a time entry that was include twice.¹² Please refer to
14 Attachment AG-2 for the details of my recommended adjustment.

15 **Q. Why do you recommend an adjustment to remove hourly legal fees in excess of \$550**
16 **per hour?**

17 A. I recommend the use of the \$550 hourly rate referenced in Finding of Fact 64 from the
18 Commission's order Docket No. 46831¹³ as a reasonable benchmark for capping the
19 recovery from ratepayers of the hourly rate for TNMP's outside legal counsel. In the
20 referenced El Paso Electric Company proceeding, a comprehensive base rate proceeding
21 of a vertically integrated electric utility, the Commission found that rate-case expenses

¹⁰ Direct Testimony of Michael S. Seamster at 5:15-18.

¹¹ Direct Testimony of Stacey R. Whitehurst at Exhibit SRW-6 (Voluminous) at 1366

¹² Texas-New Mexico Power Company's Response to Staff's Third Request for Information Nos. Staff 3-1 Through 3-44 at 47 (Attachment AG-10) (May 16, 2019).

¹³ *Application of El Paso Electric Company to Change Rates*, Docket No. 46831, Order, Finding of Fact No. 64 (Dec. 18, 2017).

that were reasonable and necessary and in compliance with 16 TAC § 25.245 were those expenses in which the hourly rate for any service did not exceed \$550. That is, to the extent the hourly rate for any service exceeded \$550, only \$550 was included in the rate-case expenses. For consistency and regulatory certainty, I recommend that the \$550 limit apply to the hourly rates billed by the attorneys employed by Jackson Walker, L.L.P (Jackson Walker). Attachment AG-2 provides the monthly adjustment to the billings from Jackson Walker related to the rate case proceeding.

Q. How do the Jackson Walker hourly rates compare to rates of outside counsel for other Texas utilities that have practiced before the PUCT recently?

A. I present a comparison of the rates of outside counsel practicing before the PUCT in recent years in the table below. Table AG-3 demonstrates upper ranges of recent hourly rates charged in base rate proceedings of lead outside counsel. Many of the hourly rates are below the rates of Jackson Walker.

Table AG-3

Docket No. and Utility	Firm	Hourly Rate	Lead Attorney
43695 ¹⁴ /44498 ¹⁵ SPS	Winstead PC	\$375 ¹⁶	Ron Moss
45414 ¹⁷ /45979 ¹⁸ SU	Eversheds Sutherland	\$620 ¹⁹ \$620 ²⁰	RP Noland JM Bushee

¹⁴ *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 43695 (February 23, 2016).

¹⁵ *Review of Rate Case Expenses Incurred by Southwestern Public Service Company and Municipalities in Docket No. 43695*, Docket No. 44498 (July 20, 2016).

¹⁶ Docket No. 43695. Pre-Filed Direct Testimony of Brooke A. Trammell at Attachment BAT-2.

¹⁷ *Review of the Rates of Sharyland Utilities, L.P., Establishment of Rates for Sharyland Distribution and Transmission Services, L.L.C., and Request for Grant of a Certificate of Convenience and Necessity and Transfer of Certificate Rights*, Docket No. 45414 (December 30, 2016).

¹⁸ *Review of the Rate Case Expenses Incurred by Sharyland Utilities, L.P. in Docket No. 45414*, Docket No. 45979 (pending).

¹⁹ Docket No. 45979, Pre-filed Direct Testimony of June Dively at 28-29.

²⁰ *Id.*

45524 ²¹ /46328 ²² SPS	Winstead PC	\$375 ²³	Ron Moss
46449 ²⁴ /47141 ²⁵ SWEPCO	Duggins, Wren, Mann & Romero, LLP	\$395 ²⁶ \$395 ²⁷	William Coe John Williams
46831 ²⁸ EPE	Duggins, Wren, Mann & Romero, LLP	\$395 ²⁹	Bret Slocum
46957 ³⁰ Oncor	Vinson & Elkins LLP	\$717.25 ³¹ \$631.75 ³²	JoAnn Biggs Matt Henry
47527 ³³ SPS	Winstead PC	\$395	Ron Moss
48371 ³⁴ ETI	Duggins, Wren, Mann & Romero, LLP	\$395	Jay Breedveld John Williams
48371 ³⁵ ETI	Eversheds Sutherland	\$620 \$590	Lino Mendiola Rich Nolan

²¹ *Application of Southwestern Public Service Company for Authority to Change Rates*, Docket No. 45524 (Jan. 26, 2017).

²² *Review of Rate Case Expenses Incurred by Southwestern Public Service Company and Municipalities in Docket No. 45524*, Docket No. 46328 (Mar. 29, 2018).

²³ *Southwestern Public Service Company's Sixth Supplemental Rate Case Expense Report*, Docket No. 46328 (Apr. 12, 2017).

²⁴ *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 46449 (March 19, 2018).

²⁵ *Review of Rate Case Expenses Incurred by Southwestern Electric Power Company and Municipalities in Docket No. 46449*, Docket No. 47141 (pending).

²⁶ Docket No. 47141, *Southwestern Electric Power Company's Expense Report at Attachment C*, Page 3440 (Aug. 7, 2018).

²⁷ *Id.*

²⁸ Docket No. 46831, Order (Dec. 18, 2017).

²⁹ *El Paso Electric Company's Response to Commission Staff's Sixteenth Request for Information Question Nos. Staff 16-1 Through Staff 16-28 at 26-28* (Sept. 22, 2017).

³⁰ *Application of Oncor Electric Delivery Company LLC For Authority To Change Rates*, Docket No. 46957 (Oct. 13, 2017).

³¹ Docket No. 46957, *Pre-filed Direct Testimony of Robert A. Schmidt at WP Schmidt at 2*.

³² *Id.*

³³ *Review of the Rate Case Expenses Incurred by Southwestern Public Service Company in Docket No. 47527*, *Southwestern Public Service Company's Second Rate Case Expense Report at 164* (Jul. 18, 2018).

³⁴ *Review of the Rate Case Expenses Incurred in Docket No. 48371*, *Entergy Texas Inc.'s Response to Office of Public Utility Counsel's Second Request for Information, OPUC 2:10 Addendum 1* (Mar. 18, 2019).

³⁵ *Id.*

1 **Q. Does other guidance exist that you relied upon in establishing your hourly cap of**
2 **\$550 for attorneys?**

3 A. I also reviewed the Office of the Attorney General's (OAG) December 9, 2016
4 memorandum to State Agencies, University Systems, and Institutions of Higher Education
5 (agencies) to obtain an understanding of processes and procedures that the State of Texas
6 follows related to outside legal counsel contracts of its agencies. According to the OAG,
7 "Unless expressly approved by the First Assistant Attorney General in advance, hourly
8 rates for attorneys shall not exceed \$525/hour."³⁶ If the State of Texas can run its
9 operations utilizing attorneys at a rate of \$525 per hour, I believe that my recommended
10 cap on legal fees of outside counsel representing electric utilities operating in Texas is a
11 reasonable recommendation and an appropriate amount to be recovered from ratepayers.
12 My recommendation does not imply that the Company cannot pay higher hourly fees to
13 its outside counsel; however, my recommendation is that the Company cap the recovery
14 from ratepayers at \$550 per hour.

15 **B. Strategy& Recommended Adjustments.**

16 **Q. Please explain the Company's request for consulting expenses billed by Strategy&.**

17 A. Strategy& was hired to address the affiliate requirements under PURA § 36.058.³⁷ The
18 team that supported the Company's affiliate transactions in Docket No. 48401 was
19 essentially the same team that previously supported TNMP for recovery of affiliate
20 transactions in its other base rate proceedings.³⁸ Those proceedings are Docket Nos.

³⁶ Letter from Office of the Attorney General – General Counsel Division to State Agencies, University Systems, and Institutions of Higher Education (Dec. 9, 2016).

³⁷ Direct Testimony of Stacey R. Whitehurst at 10:14.

³⁸ *Id.* at 10:7-12.

38480³⁹ and 36025.⁴⁰ The amount of affiliate expenses at stake in Docket No. 48401 was approximately \$22 million⁴¹ out of the Company's total requested revenue requirement of \$331,853,131.⁴² The Company requests recovery of \$1,208,545 for the services of Strategy& in the underlying base rate proceeding.

Q. Please describe your concerns with the Company's requested recovery of the Strategy& expenses.

A. Based upon my review of the Strategy& Statement of Work,⁴³ invoices, and responses to discovery, I am not able opine with certainty that the fees paid to, tasks performed by, or time spent on a task by Strategy& were not extreme or excessive. In addition to information submitted in this proceeding, I reviewed the testimony of the Strategy& team lead, Mr. Thomas Flaherty, that was submitted in previous Commission dockets to arrive at my conclusion. For example, Mr. Flaherty provided affiliate witness testimony in the litigated base rate proceeding of Southwestern Electric Power Company (SWEPCO) under Docket No. 40443.⁴⁴ For the affiliate witness review and testimony provided in that proceeding, SWEPCO requested recovery of \$229,134 for the services of Mr. Flaherty and his team.⁴⁵ Specifically,

Mr. Flaherty prepared testimony and benchmarking related to the reasonableness of affiliate costs, and the controls and allocation process related to AEPSC costs. Mr. Flaherty testified in the hearing on the merits.

³⁹ *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 38480 (Jan. 27, 2011).

⁴⁰ *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 36025 (Aug. 21, 2009).

⁴¹ Texas-New Mexico Power Company's Response to Staff's Fifth Request for Information Nos. Staff 5-1 Through 5-5 at 3 (Attachment AG-11) (Jun. 25, 2019).

⁴² *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 48401, Schedule I-A-1 Summary of Texas Retail at 1.

⁴³ Texas-New Mexico Power Company's Response to Commission Staff's First Request for Information, Question Nos. 1-1 Through 1-17 at Confidential 1-7 (Attachments AG-12 and AG-17) (Jun. 25, 2019).

⁴⁴ *Application of Southwestern Electric Power Company For Authority to Change Rates and Reconcile Fuel Costs*, Docket No. 40443, Direct Testimony of Thomas J. Flaherty (Jul. 27, 2012).

⁴⁵ *Application of Southwestern Electric Power Company for Rate Case Expenses Severed From PUC* Docket No. 40443, Docket No. 42370, Direct Testimony of Jeff C. Broad at Exhibit JCB-1, Page 6 (Oct. 30, 2014).

1 Booz-Allen & Hamilton, Inc. charged up to a maximum of \$225,000 for
2 services provided to the date of the filing plus out of pocket expenses. The
3 hourly rate for professional associates and Mr. Flaherty to the date of the
4 filing range from \$215/hour to \$360/hour. The hourly billing rate after the
5 filing for Mr. Flaherty and professional associates was \$550/hour.⁴⁶

6 The amount of affiliate expenses at stake was \$80,507,932,⁴⁷ the Company completed a
7 full hearing on the merits, and its request for recovery of the expenses of its affiliate
8 witness was capped at \$225,000 for services provided to the date of the filing. The
9 Company was able to keep post filing expenses to \$4,134 (\$229,134 - \$225,000).

10 **Q. Did you compare the Company's requested Strategy& expenses to affiliate witness**
11 **expenses requested by other electric utilities that recently filed base rate**
12 **proceedings?**

13 A. Yes. I compared the Strategy& expenses to the Baryenbruch & Company LLC expenses
14 requested by SWEPCO for consulting expenses in Docket No. 46449.⁴⁸ In the underlying
15 base rate proceeding, Mr. Baryenbruch provided testimony and benchmarking related to
16 the reasonableness of affiliate costs, and the controls and allocation process related to
17 AEPSC costs.⁴⁹ The associated expenses requested by SWEPCO equal \$86,203.⁵⁰ The
18 amount of affiliate expenses at stake in the base rate proceeding equaled \$74,739,263.⁵¹
19 Additionally, I compared TNMP's request to the request of Entergy Texas, Inc. for
20 recovery of the \$125,000 paid to Deloitte & Touche LLP for "audit services with respect

⁴⁶ *Id.*

⁴⁷ *Application of Southwestern Electric Power Company For Authority to Change Rates and Reconcile Fuel Costs*, Docket No. 40443, Direct Testimony of Jeffrey W. Hoersdig at 9 (Jul. 27, 2012).

⁴⁸ *Review of Rate Case Expenses Incurred by Southwestern Electric Power Company and Municipalities in Docket No. 46449*, Docket No. 47141, Southwestern Electric Power Company's Rate Case Expense Report, Attachment A at 2 (Aug. 7, 2018).

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 46449, Direct Testimony of Brian J. Frantz at 5 (Dec. 16, 2016).

1 to the affiliate charges for purposes of the rate case.”⁵² The amount of affiliate expenses
2 at stake in that rate case equaled \$81,760,669.⁵³

3 **Q. How does the direct testimony prepared by Mr. Flaherty in Docket No. 48401**
4 **compare to the direct testimony that Mr. Flaherty prepared in TNMP’s previous**
5 **rate case, Docket No. 38480?**⁵⁴

6 A. While the direct testimony filed in Docket No. 48401 does contain some sections that are
7 new and significantly altered from Mr. Flaherty’s testimony in Docket No. 38480, an
8 overall page by page comparison does not demonstrate new theory or practices related to
9 the review of affiliate expenses. Many pages and sections of the testimony are worded
10 the same. Although the years of benchmarking information are updated and some of the
11 utilities within the peer group are different, the testimony provided in Docket No. 48401
12 does not warrant the fees requested by the Company. Additionally, I compared Mr.
13 Flaherty’s Docket No. 48401 testimony to the testimony prepared in Docket No. 40443,
14 and likewise, the differences in testimony do not warrant the difference in TNMP’s
15 requested expense recovery of \$1,208,545 as compared to SWEPCO’s requested expense
16 recovery of \$229,134.

17 **Q. Did TNMP provide evidence of benchmarking the Strategy& expenses to other**
18 **consultants?**

19 A. Yes. In its confidential response to Staff 5-1, the Company provided information related
20 to one other consultant that it obtained in its 2017 request for proposal for affiliate cost
21 consultants. [REDACTED]

⁵² *Review of the Rate Case Expenses Incurred in Docket No. 48371*, Docket No. 48439, Rebuttal Testimony of Stephen J. Morris at 51:10-13 (

⁵³ *Application of Entergy Texas, Inc. for Authority to Change Rates*, Docket No. 48371, Direct Testimony of Barbara P. Heard at 5.20 (May 15, 2018).

⁵⁴ *Application of Texas-New Mexico Power Company for Authority to Change Rates*, Docket No. 38480 (Jan. 27, 2011).

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3 **Q. Did the Company consider any other consultants?**

4 A. According to the evidence presented in this proceeding, the Company did not consider
5 other affiliate consultants.

6 **Q. Has the Commission expressed concerns in previous years regarding the amount of
7 rate-case expenses requested by electric utilities in general?**

8 A. Yes. In the discussion related to another electric utility's request to recover rate-case
9 expenses associated with a base rate proceeding and in the period leading up to the
10 Commission's adoption of 16 TAC § 25.245, the Commission, in an open meeting,
11 expressed the following concerns and directives.⁵⁶

12 CHAIRMAN NELSON: -- you know, I mentioned
13 this in the previous -- in the previous item that we
14 discussed. This is my -- this is my word of caution to
15 all those who bring attorney's fees before us, and that
16 includes everybody, and that is, we are fixing to start
17 a new dawn here when it comes to that, and we're going
18 to be looking at those attorney's fees for
19 reasonableness, because it's apparent to me that when
20 these cases come to us there's always a settlement and
21 one party is getting attorney's fees and the other party
22 is getting attorneys fees and so no one is really
23 scrutinizing what those are.
24 I want to -- I want our Staff -- and if we
25 need to -- you know, as I said, if we need to get a
26 change -- if we need to hire outside consultants, I
27 think it would be worthwhile.

28 COMM. ANDERSON: By the way, that includes
29 not just technical attorney's fees but just outside
30 consultants that are included.

31 CHAIRMAN NELSON: Yes. It includes
32 everybody.

⁵⁵ Texas-New Mexico Power Company's Response to Commission Staff's Fifth Request for Information, Question Nos. 5-1 Through 5-5 at Confidential 27 (Attachments AG-11 and AG-16) (Jun. 25, 2019).

⁵⁶ Open Meeting Tr. At 75:7-76:5 (Jul. 19, 2013).

1 COMM. ANDERSON: Because in this
2 particular case, the heartburn came from the fees
3 charged by one particular consultant --

4 **Q. Please present the amount that your recommend for recovery from ratepayers for**
5 **the consulting expenses incurred by TNMP related to its affiliate witness.**

6 A. I recommend allowing TNMP to recover \$229,134 of the consulting expenses of
7 Strategy& for supporting the affiliate transactions in Docket No. 48401. This is equal to
8 the amount that SWEPCO was authorized to recover as reasonable expenses for fees
9 incurred in utilizing the same witness for the same type of services. My recommendation
10 represents an adjustment of \$(979,411) to the Company's request (\$1,208,545 -
11 \$229,134). My recommendation ensures that the fees paid to, tasks performed by, or time
12 spent on a task by Strategy& are not extreme or excessive.

13 **Q. In the event the Commission disagrees with your recommendation, do you offer an**
14 **alternate recommendation?**

15 A. In the event my primary recommendation is not adopted, I recommend a cap on the
16 consulting fees of Strategy& that is equal to the amount estimated in the Strategy&
17 Statement of Work. The amount of the alternate recommendation is an adjustment of
18 [REDACTED] and caps the recovery of fees related to Strategy& at [REDACTED].⁵⁷ I then
19 recommend an additional adjustment of \$(165,200) to cap the hourly billing rates of the
20 consultants at \$550 per hour. I believe that my previous recommended cap on legal fees
21 of outside counsel representing electric utilities operating in Texas is a reasonable
22 recommendation and an appropriate amount to be recovered from ratepayers.
23 Additionally, I believe that it is appropriate to extend the cap to outside consultants
24 because the recovery of the expenses under 16 TAC § 25.245 applies to attorneys as well
25 as other professionals. My recommendation does not imply that the Company cannot pay
26 higher hourly fees to its consultants; however, my recommendation is that the Company

⁵⁷ Texas-New Mexico Power Company's Response to Commission Staff's First Request for Information, Question Nos. 1-1 Through 1-17 at Confidential 1-7 (Attachments AG-12 and AG-17) (Jun. 25, 2019).

cap the recovery from ratepayers at \$550 per hour. Attachment AG-3 contains specific information identifying my recommended adjustment on a per invoice basis.

C. Alliance Consulting Group Adjustments.

Q. Please describe TNMP's request for recovery of the consulting fees of the Alliance Consulting Group.

A. The Alliance Consulting Group was hired to allow Mr. Dane Watson to perform a depreciation study that resulted in updated book depreciation accrual rates and such rates were approved as part of the settlement agreement in Docket No. 48401.⁵⁸ The Company seeks recovery of \$80,701 in consulting expenses related to the depreciation study services.⁵⁹

Q. Do you recommend an adjustment to the Company's requested recovery of the consulting fees of the Alliance Consulting Group?

A. I recommend an adjustment in the amount of \$(3,841). The invoices that the Company receives from the Alliance Consulting Group include a 5% mark-up to cover the cost of telephone services, FedEx, copying, printing and binding costs, mailing charges, and computer and other support.⁶⁰

Q. What is the reason for your recommended adjustment to the Alliance Consulting Group expenses related to the 5% mark-up?

A. Based upon the information submitted by the Company, it is not clear that the 5% mark-up represents actual expenses incurred by the consultant. Rather, the mark-up is an estimate. Under 16 TAC § 25.245(b), in allowing recovery of FedEx, printing, mailing, and similar expenses, a utility or municipality seeking recovery of or reimbursement for

⁵⁸ Direct Testimony of Stacy R. Whitehurst at 9:14-25.

⁵⁹ *Id.* at Exhibit SRW-3, Page 2.

⁶⁰ Texas-New Mexico Power Company's Response to Staff's First Request for Information Nos. Staff 1-1 Through 1-17 at 19 (Attachment AG-13) (Apr. 23, 2019).

1 rate-case expenses shall file sufficient information that details and itemizes all rate-case
2 expenses, including, but not limited to, evidence verified by testimony or affidavit,
3 showing the expenses incurred for lodging, meals and beverages, transportation, or other
4 services or materials. It is my opinion that the 5% adder imposed by the Alliance
5 Consulting Group does not comply with requirements of the referenced rule. Additional
6 information surrounding specific invoices at issue is shown in Attachment AG-4.

7 **D. Willis Towers Watson Adjustments.**

8 **Q. Please describe the fees incurred by TNMP related to the work performed by Willis**
9 **Towers Watson and the Company's request for recovery of the fees.**

10 A. Willis Towers Watson and Mr. Yannick Gagne provided background and additional
11 support related to TNMP's cost of service requests related to pension benefits and retiree
12 medical benefits.⁶¹ Mr. Gagne's billing rate is \$750 per hour.⁶² TNMP requests recovery
13 from ratepayers of \$41,350 in consulting fees.⁶³

14 **Q. Do you recommend an adjustment to the Company's requested recovery of Mr.**
15 **Gagne's \$750 hourly billing rate?**

16 A. Yes. I recommend an adjustment of \$(9,694) to the Company's request for recovery of
17 the Willis Towers Watson fees. Similar to the adjustment that I recommend related to the
18 Jackson Walker hourly rates, I recommend a cap of \$550 for Mr. Gagne's hourly billing
19 rate. Again, I believe that my recommended cap on legal fees of outside counsel
20 representing electric utilities operating in Texas is a reasonable recommendation and an
21 appropriate amount to be recovered from ratepayers. Additionally, I believe that it is
22 appropriate to extend the cap to outside consultants because the recovery of the expenses

⁶¹ Direct Testimony of Stacy R. Whitehurst at 13:30-33.

⁶² *Id.* at 14:6.

⁶³ *Id.* at Exhibit SRW-3.

1 under 16 TAC § 25.245 applies to attorneys as well as other professionals. My
2 recommendation does not imply that the Company cannot pay higher hourly fees to its
3 consultants; however, my recommendation is that the Company cap the recovery from
4 ratepayers at \$550 per hour. Attachment AG-6 contains specific information identifying
5 my recommended adjustment on a per invoice basis.

6 **E. Scott Madden Inc. Adjustments.**

7 **Q. Please describe TNMP's request for recovery of the consulting fees of Scott Madden,**
8 **Inc.**

9 A. TNMP engaged Robert Hevert with Scott Madden, Inc. to provide the Company's
10 recommended cost of equity and capital structure in its base rate proceeding.⁶⁴ The
11 Company seeks recovery of \$80,701 in consulting expenses related to Mr. Hevert's
12 services.⁶⁵

13 **Q. Do you recommend an adjustment to the Company's requested recovery of the**
14 **consulting fees of Scott Madden, Inc.?**

15 A. I recommend an adjustment in the amount of \$(799). The invoices that the Company
16 receives from Scott Madden, Inc. include a 1% mark-up to cover the cost of "support
17 expenses."⁶⁶

18 **Q. What is the reason for your recommended adjustment to the Scott Madden, Inc.**
19 **expenses related to the 1% mark-up?**

20 A. Based upon the information submitted by the Company, it is not clear that the 1% mark-
21 up represents actual expenses incurred by the consultant. Rather, the mark-up is an
22 estimate for the undefined "support expenses." Under 16 TAC § 25.245(b), in allowing

⁶⁴ Direct Testimony of Stacy R. Whitehurst at 11:21-24.

⁶⁵ *Id.* at Exhibit SRW-3, Page 2.

⁶⁶ Direct Testimony of Stacy R. Whitehurst at Exhibit SRW-6 (Voluminous) at 225.

1 recovery of support expenses, a utility seeking recovery of or reimbursement for rate-case
2 expenses shall file sufficient information that details and itemizes all rate-case expenses,
3 including, but not limited to, evidence verified by testimony or affidavit, showing the
4 expenses incurred for lodging, meals and beverages, transportation, or other services or
5 materials. Similar to the 5% adder imposed by the Alliance Consulting Group previously,
6 it is my opinion that the 1% adder imposed by Scott Madden, Inc. does not comply with
7 requirements of the referenced rule. Please see Attachment AG-5 for specific invoice
8 information.

9 **F. PricewaterhouseCoopers (PWC) Adjustments.**

10 **Q. Please describe the services provided by PWC to TNMP and the amount of requested**
11 **rate-case expenses related to those services.**

12 A. PWC supported TNMP in performing the necessary calculations for excess deferred
13 federal income tax and to help with the detailed tax analysis and calculations resulting
14 from the Tax Cuts and Jobs Act.⁶⁷ TNMP requests recovery of \$54,416 in PWC fees.

15 **Q. Do you recommend an adjustment to the requested \$54,416 PWC consulting fees?**

16 A. Yes. I recommend removal of \$54,416 from the Company's requested recovery of rate-
17 case expenses.

18 **Q. Please explain the disallowance you recommend related to the services provided by**
19 **PWC.**

20 A. The invoices submitted by PWC consist of multiple entries for which the amount
21 requested by TNMP in this proceeding is a single line item on each invoice. The
22 description of the professional services contained on the invoices include the following:

23 Progress bill for preparation and review of Tax Basis Balance Sheet
24 workpapers and support

⁶⁷ Direct Testimony of Stacy R. Whitehurst at 12:7-23.

1 Progress bill for discussions and assistance with regards to the ARAM &
2 RSGM Data Analysis

3 Progress bill for discussions and assistance related to the financial
4 reporting impacts of the TCJA⁶⁸

5 Based on this presentation, it is not possible to determine that the fees paid to, tasks
6 performed by, or time spent on tasks were not extreme or excessive. As a participant in
7 the Commission's Project No. 41622,⁶⁹ TNMP is well aware of the Commission's adopted
8 rate-case expense rule and should have structured its agreement with PWC in a manner
9 that would require documentation to comply with the requirements of the rule.
10 Additionally, the Company was given the opportunity in discovery to obtain conforming
11 information to meet its burden of proof, yet, the responses lack relevant information upon
12 which the overall reasonableness of the expenses can be determined.⁷⁰ I therefore
13 recommend a disallowance of this expense due to the lack of evidence required by 16
14 TAC § 25.245. Attachment AG-7 lists the exceptions by specific invoice.

15 **G. Meals and Travel Expense Adjustments.**

16 **Q. Please explain the Company's request for recovery of its internal meals and travel**
17 **expenses.**

18 A. TNMP requests recovery of expenses incurred by its regulatory group for trips to
19 Albuquerque to meet with internal rate case witnesses in Albuquerque to discuss rate case
20 preparation and introduce the rate case team.⁷¹ Throughout the Company's rate case
21 preparation and in anticipation of the hearing on the merits, the Albuquerque rate case
22 internal witnesses and supporting teams made several trips to Texas to perform testimony

⁶⁸ Texas-New Mexico Power Company's Response to Staff's Third Request for Information Nos. Staff 3-1 Through 3-44 at 6, 11, 23, 52-61, 69-71, and 146-150 (Attachment AG-14) (May 16, 2019).

⁶⁹ *Rulemaking to Propose New Substantive Rule 25.245, Relating to Recovery of Expenses for Ratemaking Proceedings*, Project No. 46122 (Aug. 6, 2014).

⁷⁰ Texas-New Mexico Power Company's Response to Staff's Third Request for Information Nos. Staff 3-1 Through 3-44 at 6, 11, 23, 52-61, 69-71, and 146-150 (Attachment AG-14) (May 16, 2019).

⁷¹ Direct Testimony of Stacy R. Whitehurst at 15.26-28.

1 reviews and witness preparation.⁷² The Company's team and witnesses incurred internal
2 expenses associated with the travel and hotel stays.⁷³ TNMP requests recovery of these
3 internal expenses in the amount of \$75,258.⁷⁴

4 **Q. Does the Company seek recovery of the travel and meals expenses of its consultants?**

5 A. Yes. To the extent that the outside consultants and legal counsel incurred travel and meals
6 expenses, the Company requests recovery and the amounts are included within each
7 discipline's invoice.

8 **Q. Can you describe your recommended adjustment to the Company's request for**
9 **recovery of the internal meals and travel expenses as well as the outside consultant**
10 **and legal counsel travel and meals expenses?**

11 A. I recommend an adjustment of \$(53,143) to the Company's request for recovery of its
12 internal meals and travel expenses as well as for the recovery of the travel and meals
13 expenses of its outside consultants and legal counsel. Attachment AG-8 itemizes each
14 disallowance and provides Exhibit SRW-6 references. The largest item removed is
15 \$31,433 for "hotel cancellation damages"⁷⁵ followed by \$8,000 for Bloom witness
16 communication training,⁷⁶ and \$7,535 in missing receipts that TNMP agrees to remove
17 from its request.⁷⁷ The majority of the remaining expenses include meals that exceeded
18 \$25 per person, expenses for Starbucks, \$12 extension cords, and \$75 gallons of coffee.
19 The hotel cancellation damages in the amount of "80% of total anticipated revenues"⁷⁸ is
20 an excessive fee. The \$8,000 charge from Bloom Strategic Consulting (Bloom) merely

⁷² *Id.* at 15:31.

⁷³ *Id.* at 15:32-33.

⁷⁴ *Id.* at Exhibit SRW-3.

⁷⁵ *Id.* at Exhibit SRW-6 (Voluminous) at 852.

⁷⁶ *Id.* at 844.

⁷⁷ Texas-New Mexico Power Company's Response to Staff's Third Request for Information Nos. Staff 3-1 Through 3-44 at 37 (Attachment AG-15) (May 16, 2019).

⁷⁸ Direct Testimony of Stacy R. Whitehurst at Exhibit SRW-6 (Voluminous) at 852.

1 gives, “Mr. Bloom participated in witness communication training” as the complete
2 description of services rendered on two separate occasions in the amount of \$4,000 each.
3 Much like the PWC invoice detail, the Bloom invoices lack relevant information upon
4 which the overall reasonableness of the expenses can be made determined.

5 **Q. Do you have other concerns about the Bloom expenses included in the Company’s**
6 **request?**

7 A. Yes. I am concerned that the witness communication training referenced in the invoice
8 represents “on the job training,” at the expense of ratepayers. Staff has been instructed in
9 previous proceedings to challenge the costs if the detailed bills and records are not
10 sufficiently clear.⁷⁹ A failure to provide sufficient billing detail is a failure to meet the
11 burden of proof that the expenses sought to be recovered are reasonable.

12 **G. Ongoing Rate-Case Expenses.**

13 **Q. Does TNMP request recovery of additional rate-case expenses attributable to Docket**
14 **No. 48401 and the instant proceeding?**

15 A. TNMP represents that the expenses it seeks to recover are largely complete.⁸⁰ The
16 Company incurred some rate-case expenses after February 2019 and may supplement its
17 request as additional bills and documentation are received.⁸¹ The Company represents
18 that any actual expenses associated with Docket No. 48401 and this proceeding that cannot
19 be included here will be accounted for in a future rate proceeding.⁸²

⁷⁹ *Application of CenterPoint Energy Houston Electric, LLC for Determination of Hurricane Restoration Costs*, Docket No. 36918, Memorandum from Commissioner Kenneth W. Anderson, Jr. (Jun. 18, 2009).

⁸⁰ Direct Testimony of Stacy R. Whitehurst at 15:16-19

⁸¹ *Id.* at 15:19-21.

⁸² *Id.* at 15:22-24.

1 **Q. Has TNMP provided additional bills and documentation to supplement its requested**
2 **rate-case expense amount?**

3 A. As of the date of this testimony, the Company did not provide supplemental information.

4 **Q. What is your recommendation regarding the Company's requested Docket No.**
5 **48591 post cut-off rate-case expenses?**

6 A. Based on discussions during the July 18, 2019 Open Meeting, I do not recommend deferral
7 to a future proceeding the review of additional rate-case expenses related to the instant
8 proceeding. The Commission expressed its desire to have all issues resolved in the current
9 proceeding so that the rate-case expenses do not keep returning to the Commission.⁸³ The
10 Commission further expressed:

11 "I would like to tie everything up having to do with these dockets and move
12 forward instead of us continuing to come back year after year to look at
13 these."⁸⁴

14 One cause of concern in deferring rate-case expenses relates to intergenerational issues in
15 which ratepayers that have nothing to do with an older rate case are charged with recovery
16 of the rate-case expenses.⁸⁵

17 Another concern centered on the risk involved.

18 "I think the goal here by the utilities is to recover every single penny over
19 any period of time, and if that's the goal then I think we have to start
20 seriously look at the risk involved in setting the ROE if they are -- if there
21 is no risk involved when you're doing this."⁸⁶

22 **Q. Should the Company continue to request recovery of additional rate-case expenses**
23 **related to Docket No. 48401 and the instant proceeding?**

24 A. I recommend that the Company provide additional bills and documentation related to
25 Docket No. 48401 that are not currently included in its request along with the expenses

⁸³ Open Meeting Tr. At 43:13-25 (Jul. 18, 2019).

⁸⁴ *Id.* at 39:20-23.

⁸⁵ *Id.* at 38:3-7.

⁸⁶ *Id.* at 40:5-10.

1 related to the current proceeding in its rebuttal testimony for Staff's review and
2 consideration. I recommend a cut-off date of July 31, 2019 for any supplemental
3 information.

4 **Q. Does this conclude your testimony?**

5 A. Yes.

PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 48591
TEXAS-NEW MEXICO POWER COMPANY
RATE CASE EXPENSES INCURRED IN DN 48401

STAFF'S SCHEDULE OF ADJUSTMENTS TO TNMP'S DN 48401 RATE-CASE EXPENSES

Consultant	Staff Adjustment
Jackson Walker	\$28,872
Strategy&	\$979,411
Alliance Consulting	\$3,841
Scott Madden	\$799
Towers Watson	\$9,694
PWC	\$54,416
Meals & Travel	<u>\$53,143</u>
Staff Adjustment	\$ 1,130,175

PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 48591
TEXAS-NEW MEXICO POWER COMPANY
RATE CASE EXPENSES INCURRED IN DN 48401

STAFF'S SCHEDULE OF ADJUSTMENTS TO JACKSON WALKER LEGAL FEES

Bates SRW-6	Date	Total Hours	Total Amount	Hourly Range	Fees > \$550
1	6-Feb-17	3.2	\$ 1,840	\$ 575	\$80
3	10-May-17	3.4	\$ 1,955	\$ 575	\$85
5	9-Jun-17	1	\$ 575	\$ 575	\$25
7	11-Sep-17	1.8	\$ 1,026	\$ 570	\$36
1214	10-Oct-17	15.4	\$ 8,778	\$ 570	\$308
185	10-Jan-18	8.5	\$ 4,640	\$360-\$560	\$79
194	12-Feb-18	46.2	\$ 24,065	\$375-\$575	\$843
201	9-Mar-18	20.3	\$ 11,673	\$ 575	\$508
212	9-Apr-18	27.8	\$ 15,605	\$375-\$575	\$648
229	10-May-18	124.4	\$ 69,169	\$216-\$575	\$2,883
274	8-Jun-18	404.2	\$ 183,897	\$216-\$575	\$5,913
400	10-Jul-18	156.3	\$ 65,775	\$216-\$575	\$1,983
658	10-Aug-18	433.3	\$ 174,542	\$211-\$570	\$3,656
1191	11-Sep-18	568.6	\$ 239,257	\$201-\$560	\$3,039
988	10-Oct-18	244	\$ 107,698	\$201-\$560	\$1,419
1013	8-Nov-18	131.8	\$ 66,843	\$360-\$560	\$970
969	7-Dec-18	50.9	\$ 25,744	\$360-\$560	\$371
1364	9-Jan-19	15.1	\$ 8,416	\$360-\$560	\$ 149
1335	13-Feb-19	23	\$ 12,490	\$230-\$550	\$0
1207	27-Aug-18			Staff 3-44, Sparks	\$ 5,880
		<u>2279.2</u>	<u>\$ 1,023,992</u>	Staff Adjustment	\$ 28,872

PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 48591
TEXAS-NEW MEXICO POWER COMPANY
RATE CASE EXPENSES INCURRED IN DN 48401

STAFF'S ALTERNATE SCHEDULE OF ADJUSTMENTS TO STRATEGY& FEES

Bates SRW -6	Date	Total Hours	Total Amount	Hourly Range	Fees > \$550
59	18-Sep-17	122	\$ 85,400	\$ 700	\$ 18,300
412	22-May-18	114	\$ 79,800	\$ 700	\$ 17,100
		<u>236</u>	<u>\$ 165,200</u>		<u>\$ 35,400</u>

PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 48591
TEXAS-NEW MEXICO POWER COMPANY
RATE CASE EXPENSES INCURRED IN DN 48401

STAFF'S SCHEDULE OF ADJUSTMENTS TO ALLIANCE CONSULTING FEES

Bates SRW-6	Date	Total Amount	Reason
60	18-Sep-17	\$ 918	Receipts not provided for travel, office expenses, meals
31	30-Nov-17	\$ 56	Alliance Consulting Group 5% mark-up
200	31-Oct-17	\$ 361	Alliance Consulting Group 5% mark-up
206	28-Feb-18	\$ 556	Alliance Consulting Group 5% mark-up
219	31-Mar-18	\$ 539	Alliance Consulting Group 5% mark-up
226	31-Jan-18	\$ 150	Alliance Consulting Group 5% mark-up
308	31-May-18	\$ 139	Alliance Consulting Group 5% mark-up
635	30-Jun-18	\$ 181	Alliance Consulting Group 5% mark-up
638	30-Apr-18	\$ 146	Alliance Consulting Group 5% mark-up
741	31-Jul-18	\$ 30	Alliance Consulting Group 5% mark-up
847	31-Aug-18	\$ 746	Alliance Consulting Group 5% mark-up
886	30-Sep-18	\$ 20	Alliance Consulting Group 5% mark-up
		<u>\$ 3,841</u>	

PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 48591
TEXAS-NEW MEXICO POWER COMPANY
RATE CASE EXPENSES INCURRED IN DN 48401

STAFF'S SCHEDULE OF ADJUSTMENTS TO SCOTT MADDEN FEES

Bates SRW-6	Date	Total Amount	Reason
225	25-Apr-18	\$ 63	Scott Madden 1% markup
300	25-Jun-18	\$ 112	Scott Madden 1% markup
303	25-May-18	\$ 106	Scott Madden 1% markup
646	24-Jul-18	\$ 15	Scott Madden 1% markup
890	24-Oct-18	\$ 82	Scott Madden 1% markup
892	26-Sep-18	\$ 422	Scott Madden 1% markup
		<u>\$ 799</u>	

PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 48591
TEXAS-NEW MEXICO POWER COMPANY
RATE CASE EXPENSES INCURRED IN DN 48401

STAFF'S SCHEDULE OF ADJUSTMENTS TO TOWERS WATSON FEES

Bates SRW-6	Date	Total Amount	Reason
224	23-Mar-18	\$ 2,880	billing rate of \$750 per hour-Towers Watson
307	21-Jun-18	\$ 934	billing rate of \$750 per hour
737	21-May-18	\$ 1,840	billing rate of \$750 per hour
844	4-Sep-18	\$ 3,014	billing rate of \$750 per hour
889	11-Oct-18	\$ 1,026	billing rate of \$750 per hour
		\$ 9,694	

PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 48591
TEXAS-NEW MEXICO POWER COMPANY
RATE CASE EXPENSES INCURRED IN DN 48401

STAFF'S SCHEDULE OF ADJUSTMENTS TO PWC FEES

Bates SRW-6	Date	Total Amount	Reason
244, Staff 3-4	12-Apr-18	\$ 9,721	PWC lack of details of work performed by professional
297, Staff 3-9	15-May-18	\$ 25,306	PWC lack of details of work performed by professional
631 Staff 3-4	15-Jun-18	\$ 19,389	PWC lack of details of work performed by professional
		\$ -	
		\$ 54,416	

PUBLIC UTILITY COMMISSION OF TEXAS
DOCKET NO. 48591
TEXAS-NEW MEXICO POWER COMPANY
RATE CASE EXPENSES INCURRED IN DN 48401

STAFF'S SCHEDULE OF ADJUSTMENTS TO MEALS AND TRAVEL EXPENSES

Bates SRW-6				
82	16-Aug-17	\$	85	meal > \$25
110	16-Aug-18	\$	123	\$157.90 taxi charge?
111	17-Aug-17	\$	123	\$157.90 taxi charge?
151	24-Aug-17	\$	40	Square charge but no description of what it represents
60		\$	28	Office Expenses for Hannah Jeffers do not add to request
60		\$	528	Airfare for Grace Ding does not add to request
60		\$	589	Lodging for Grace Ding does not add to request
60		\$	165	Office Expenses for Grace Ding do not add to request
64	7-Aug-17	\$	11	room rate > \$225
64	8-Aug-17	\$	11	room rate > \$225
64	9-Aug-17	\$	11	room rate > \$225
75		\$	8	meal > \$25
80	2 Aug-17	\$	29	meal > \$25
81	1 Aug-17	\$	77	meal > \$25
82	16-Aug-17	\$	85	meal > \$25
98	2-Aug-17	\$	23	meal > \$25
103	7-Aug-17	\$	22	meal > \$25
103	7-Aug-17	\$	11	room rate > \$225
103	8-Aug-17	\$	11	room rate > \$225
103	9-Aug-17	\$	11	room rate > \$225
105	10 Aug-17	\$	3	meal > \$25
119	21-Aug-17	\$	7	meal > \$25
121	21-Aug-17	\$	46	room rate > \$225
122	22-Aug-17	\$	46	room rate > \$225
122	23-Aug-17	\$	18	meal > \$25 and what is Honor Bar?
125	22 Aug-17	\$	15	meal > \$25
126	21-Aug-17	\$	7	meal > \$25
131	28-Aug-17	\$	7	meal > \$25
135	28-Aug-17	\$	41	room rate > \$225
135	29-Aug-17	\$	18	meal > \$25
135	29-Aug-17	\$	41	room rate > \$225
135	30-Aug-17	\$	41	room rate > \$225
142	7-Sep-17	\$	5	meal > \$25
145	5 Sep-17	\$	7	room rate > \$225
145	6-Sep-17	\$	7	room rate > \$225
145	6-Sep-17	\$	27	meal > \$25
155	4-Sep-17	\$	416	meal > \$25
158	28-Aug-17	\$	16	room rate > \$225
158	29-Aug-17	\$	16	room rate > \$225
158	29-Aug-17	\$	16	room rate > \$225
160	22-Aug-17	\$	7	room rate > \$225
160	23-Aug-17	\$	7	room rate > \$225
179	29-Aug-17	\$	10	meal > \$25
180	28-Aug-17	\$	13	meal > \$25
180	23-Aug-17	\$	1	meal > \$25
181	5-Sep-17	\$	69	meal > \$25
181	5-Sep-17	\$	24	meal > \$25
182	30 Aug-17	\$	124	meal > \$25
182	30-Aug-17	\$	2	meal > \$25
350	4-May-18	\$	48	no Starbucks
655	9-Jul-18	\$	260	no Starbucks
733	9-May-18	\$	15	no Jason's Deli delivery fee
747	24-Jul-18	\$	189	no \$75 coffee (per gallon)
748	30-Aug-18	\$	146	no \$75 coffee (per gallon)
770	9-Aug-18	\$	8	no \$12 extension cords
785	4-Sep-18	\$	10	no \$12 extension cords
811	17-Aug-18	\$	5	missing parking receipt
814	8-Aug-18	\$	12	Missing Kennedy Court Reporting Receipt
816	9-Aug-18	\$	3	meal > \$25
817	8-Aug-18	\$	18	meal > \$25
829	7-Aug-18	\$	181	meal > \$25
839	7-Aug-18	\$	36	meal > \$25
841	6-Sep-18	\$	75	just an email confirmation - not a full hotel receipt
841	6-Sep-18	\$	60	incomplete information-Bob Hevert
843	9/7/2018	\$	75	hotel rate > \$225
843	7-Sep-18	\$	60	Chili's - no detail on receipt-alcohol?
844	4-Sep-18	\$	8,000	Bloom witness communication training
852		\$	31,433	hotel cancellation damages
853	9-Aug-18	\$	3	Starbucks
870	8-Aug-18	\$	8	meal > \$25
873	7-Aug-18	\$	13	no \$6.50 Snickers or M&M's
876	7-Aug-18	\$	18	meal > \$25
877	6-Sep-18	\$	52	meal > \$25
878	8-Aug-18	\$	29	meal > \$25
888	23-Sep-18	\$	1,740	color copier rental
898	8-Sep-18	\$	66	missing receipt
966	20-Dec-18	\$	2	meal > \$25
413-630, Staff 3-14		\$	7,535	missing receipt pts, TNMP will remove per Staff 3-34
		\$	53,143	

ANNA GIVENS
PUBLIC UTILITY COMMISSION OF TEXAS
LIST OF PREVIOUS TESTIMONY

Docket No. 21384

Application of Entergy Gulf States, Inc. to Implement an Interim Fuel Surcharge
Testimony on Under-recovered Fuel Balance filed October 1999

Docket No. 22352

Application of Central Power and Light Company for Approval of Unbundled Cost of Service
Rate Pursuant to PURA §39.201 and Public Utility Commission Substantive Rule 25.344
Testimony on Cost of Service filed November 2000

Docket No. 22349

Application of Texas New Mexico Power Company for Approval of Unbundled Cost of Service
Rate Pursuant to PURA §39.201 and Public Utility Commission Substantive Rule 25.344
Testimony on Cost of Service filed February 2001

Docket No. 25421

Application of LCRA Transmission Services Corporation to Change Rates for Transmission and
Transformation Utility Cost of Service
Testimony on Cost of Service filed October 2002

Docket No. 26942

Petition of Texas-New Mexico Power Company for Approval of Regulatory Asset Treatment of
Expenses Related to System Benefit Fund Payments
Testimony on Deferred Accounting Treatment filed April 2003

Docket No. 27576

Application of Texas-New Mexico Power Company for Final Reconciliation of Fuel Costs
Under PUC Subst. Rule 25.236(g)
Testimony of Over-recovered Fuel Balance filed July 2003
Supplemental Testimony of Cities' Rate Case Expenses filed August 2003

Docket No. 28906

Application of LCRA Transmission Services Corporation to Change Rates
Testimony on Cost of Service filed May 2004

Docket No. 31544

Application of Entergy Gulf States, Inc. for Recovery of Its Transition to Competition Costs
Testimony on Transition Expenses filed February 6, 2006

Docket No. 32766

Application of Southwestern Public Service Company for Authority to Change Rates;
Reconciliation of Its Fuel Costs for 2004 and 2005; Authority to Revise the Semi Annual
Formulae Originally Approved in Docket No. 27751 Used to Adjust Its Fuel Factors; and
Related Relief
Testimony on Cost of Service filed January 12, 2007

Docket No. 34800

Application of Entergy Gulf States, Inc. for Authority to Change Rates and to Reconcile Fuel Costs

Testimony on Cost of Service filed April 18, 2008

Docket No. 35763

Application of Southwestern Public Service Company for Authority to Change Rates, to Reconcile Fuel and Purchased Power Costs for 2006 and 2007, and to Provide a Credit for Fuel Cost Savings

Testimony on Cost of Service filed October 21, 2008

Docket No. 36918

Application of CenterPoint Energy Houston Electric, LLC for Determination of Hurricane Restoration Costs

Testimony on Recovery of Hurricane Ike System Restoration Costs filed July 7, 2009

Docket No. 37744

Application of Entergy Texas, Inc. for Authority to Change Rates and Reconcile Fuel Costs

Testimony on Cost of Service filed June 16, 2010

Docket No. 39896

Application of Entergy Texas, Inc. for Authority to Change Rates and Reconcile Fuel Costs and Obtain Deferred Accounting Treatment

Testimony on Cost of Service filed April 3, 2012

Docket No. 41474

Application of Sharyland Utilities, L.P. to Establish Retail Delivery Rates, Approve Tariff for Retail Delivery Service, and Adjust Wholesale Transmission Rate

Testimony on Cost of Service filed October 28, 2013

Docket No. 42042

Application of Southwestern Public Service Company for Approval of a Transmission Cost Recovery Factor

Testimony on Property Taxes filed May 1, 2014

Docket No. 42448

Application of Southwestern Electric Power Company for Approval of a Transmission Cost Recovery Factor

Testimony on Rate Case Expenses filed July 31, 2014

Docket No. 42004

Application of Southwestern Public Service Company for Authority to Change Rates and to Reconcile Fuel and Purchased Power Costs for the Period July 1, 2012 through June 30, 2013

Testimony in Support of Stipulation filed September 8, 2014

Docket No. 43111

Application of Entergy Texas, Inc. for Approval of a Distribution Cost Recovery Factor Pursuant to P.U.C. Subst. R. 25.243

Testimony on Distribution Cost Recovery Factor Revenue Requirement filed November 5, 2014

Docket No. 43695

Application of Southwestern Public Service Company For Authority to Change Rates

Testimony on Cost of Service filed May 22, 2015

Docket No. 44612

Application of Southwestern Electric Power Company to Adjust Energy Efficiency Cost Recovery Factor and Related Relief

Testimony on Incentive Compensation filed June 11, 2015

Docket No. 44677

Application of El Paso Electric Company for Approval to Revise its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Cost Cap

Testimony on Rate Case Expenses filed July 31, 2015

Docket No. 44698

Application of Southwestern Public Service Company to Adjust its Energy Efficiency Cost Recovery Factor

Testimony on Incentive Compensation and Rate Case Expenses filed July 31, 2015

Docket No. 44941

Application of El Paso Electric Company to Change Rates

Testimony on Cost of Service filed December 18, 2015

Testimony in Support of Stipulation filed April 22, 2016

Docket No. 44498

Review of Rate Case Expenses Incurred by Southwestern Public Service Company and Municipalities in Docket No. 43695

Testimony on Rate-Case Expenses filed May 9, 2016

Docket No. 45928

Application of AEP Texas North Company to Adjust Its Energy Efficiency Cost Recovery Factor and Related Relief

Testimony on Incentive Compensation and Rate Case Expenses filed July 25, 2016

Docket No. 45929

Application of AEP Texas Central Company to Adjust Its Energy Efficiency Cost Recovery Factor and Related Relief

Testimony on Incentive Compensation and Rate Case Expenses filed July 25, 2016

Docket No. 46831

Application of El Paso Electric Company to Change Rates

Testimony on Cost of Service filed June 30, 2017

Testimony in Support of Stipulation and Agreement filed November 2, 2017

Docket No. 47461

Application of Southwestern Electric Power Company for Certificate of Convenience and Necessity Authorization and Related Relief for the Wind Catcher Energy Connection Project

Testimony on Certain Fuel Expense Treatments for Planned Investments in Wind Generation Facilities filed December 11, 2017

Docket No. 47527

Application of Southwestern Public Service Company for Authority to Change Rates

Testimony on Cost of Service filed May 2, 2018

Docket No. 48401

Application of Texas-New Mexico Power Company for Authority to Change Rates

Testimony on Cost of Service filed August 20, 2018

Testimony in Support of Stipulation filed November 12, 2018

Docket No. 48929

Joint Report and Application of Oncor Electric Delivery Company L.L.C., Sharyland Distribution & Transmission Services, L.L.C., Sharyland Utilities, L.P., and Sempra Energy for Regulatory Approvals Under PURA §§ 14.101, 37.154, 39.262, and 39.915

Testimony on Regulatory Recommendations filed March 22, 2019

Docket No. 49494

Application of AEP Texas, Inc. For Authority to Change Rates

Testimony on Cost of Service filed August 1, 2019

**TEXAS-NEW MEXICO POWER COMPANY'
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION –
STAFF 3-1 THROUGH STAFF 3-44**

STAFF 3-44 Reference the Direct Testimony of Michael Seamster at page 8, lines 13-20. Does the statement that Jackson Walker did not include any charges which result from a single person billing in excess of 12 hours in one day apply to all Jackson Walker billings, including partners, associates, and paralegals? If not, please provide the policy regarding variations by professional category.

Prepared by: Michael S. Seamster

Sponsored by: Michael S. Seamster

Attachment: n/a

RESPONSE:

The statement was intended to apply to attorney time. TNMP does not seek to recover for attorney billings of an individual attorney in excess of 12 hours in a single day. There was one error on Jackson Walker's Invoice 1615488, in which a time entry for August 27, 2018 for Stephanie Sparks was inadvertently added twice. That time entry will be removed so that there is no error. Separately, in this case there were a few instances in which the paralegal support necessarily charged in excess of 12 hours. The TNMP approach to contested proceedings has historically sought to keep the core legal team small in order to efficiently manage the proceeding and maintain uniform approach to the case. In this case the principal outside team members comprised two partners, and associate and a single paralegal. The majority of administrative work performed in support of the case is tasked to the paralegal, Ms. Collins, who is very experienced and skilled at managing large cases. This approach allows for firm version control on document preparation, filing, and timely editing while limiting the number of non-attorneys who have to process confidential or sensitive documents. Consequently, there are intensive administrative efforts that can cause her time to exceed 12 hours. In this case, those were associated with assisting eight of the Company's internal witnesses for hearing, preparation of confidential documents for filing, filing of rebuttal testimony, preparing the hearing exhibits, and preparation for hearing.

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION –
STAFF 5-1 THROUGH STAFF 5-5**

STAFF 5-1 Please reference Exhibit SRW-3, page 2 of 11, and the \$1,208,545 in consulting expenses for Strategy&. Did TNMP benchmark the fees paid to and time spent on tasks performed by Strategy& to determine whether the consultant's fees were extreme or excessive? If so, please provide the results and underlying assumptions.

Prepared by: Stacy Whitehurst

Sponsored by: Stacy Whitehurst

Attachment: Confidential Staff 5-1 (2017 Electric Rate Case Support Proposal).pdf

RESPONSE: Yes. TNMP analyzed the fees paid to and time spent on task performed by Strategy& to determine whether the consultant's fees were extreme or excessive. TNMP determined Strategy&'s fees were reasonable and neither extreme nor excessive based upon (1) the scope of work Strategy& needed to perform, (2) the need for affiliate cost consultants, (3) prior expenses approved for Strategy&'s work on TNMP's rate cases, and (4) information TNMP obtained in its 2017 request for proposal for affiliate cost consultants.

(1) Scope of Work: Strategy& performed four separate functions in TNMP's rate case:

1. A study focused on assessing whether the direct assignments and cost allocations from PNMR Services to TNMP were reasonable, i.e., whether they have been legitimately incurred, effectively managed, and are comparable to costs incurred by other peer companies or otherwise available;
2. provided an objective assessment of the reasonableness of PNM call center costs as they related to the charges specifically billed to TNMP;
3. supported the development of the rate filing package and 14 separate schedules (SCHEDULE K: AFFILIATE DATA (V-K schedules)); and
4. prepared testimony of Thomas Flaherty and Earl Simpkins as well as supported the testimony of nine PNMR Service Company witnesses.

(2) Need for Affiliate Cost Consultants: TNMP has always taken very seriously the requirements of the Commission's affiliate expense rules. TNMP is a small utility and a large portion of its test year expenses come from shared affiliate costs. In this rate case, TNMP's affiliate costs totaled approximately \$22 million. Moreover, as a result of TNMP's small size in Texas and its larger New Mexico parent company that shares affiliate expenses in the PNMR Service Company, TNMP has historically faced heightened scrutiny on its affiliate costs from Staff and Intervenors in its last rate cases.

For example, in TNMP's 2008 rate case, Application of Texas-New Mexico Power Company for Authority to Change Rates, Docket No. 36025 (Aug. 21, 2009), Intervenors requested a reduction of the following affiliate costs:

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION –
STAFF 5-1 THROUGH STAFF 5-5**

- \$711,890 related to the use of PNM call center;
- \$861,189 related to a regulatory asset for amortization for cost saving achieved;
- \$257,070 related to affiliate payroll;
- \$11,979 related with affiliate medical expenses;
- \$280,600 related to the use of PNM crews for Hurricane Ike restoration;
- \$980,939 of on-going expenses to serve customers and retail electric providers.

More recently, on July 25, 2017, TNMP received Cities' "First Set of Requests for Information related to Texas-New Mexico Power Company's ("TNMP" or "Company") Earnings Report 2016 Filing dated May 15, 2017." Based on the request for information and the Cities exercising their rights over the rates and service for the cities they represent with original jurisdiction, TNMP had a reasonable basis to conclude that Cities was preparing to contest even more affiliate costs incurred by TNMP.

Other factors that drove the need and scope for affiliate cost consultants in TNMP's rate case were the significant changes with the number of affiliates under PNM Resources since TNMP's last rate case - specifically the divestiture of the PNM Gas Company, First Choice Power, and Optim Energy.

Finally, TNMP notes that there were some cost benefits received from Strategy&'s work and benchmarking of affiliate costs. For instance, as Staff commended in TNMP's rate case, on page 32, lines 17-18 of the direct testimony of Mr. Flaherty in the rate case, Mr. Flaherty found that retiree medical claims were higher in 2017 but were expected to stabilize or decline going forward, and therefore TNMP included an adjustment *reducing* retiree medical expense in the test year by \$321,043.

(3) Prior Expenses Approved for Strategy&'s Work: In Docket No. 36025, TNMP received approval for collection of consultants expenses related to affiliate transactions and support of affiliate witness in the amount of \$989,537 (See Exhibit F Rate Case Exp, WP Exhibit F-Pivot from Testimony in Support of Stipulation of Stacy R. Whitehurst filed July 13, 2009 in Docket No. 36025). Like in Docket No. 36025, Strategy& put in similar effort for affiliate cost consulting in TNMP's rate case in 2018 (on some similar issues and some unique issues given the approximate 10 year difference in time periods). Also like in Docket No. 36025, TNMP's affiliate cost consultants ultimately provided exceptional work product that met TNMP's burden to prove affiliate costs and obtain ultimate approval of those costs. No party has previously taken issue with the amount of affiliate cost consultant fees or made TNMP aware that the reasonableness of the fees would be challenged.

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S FIFTH REQUEST FOR INFORMATION –
STAFF 5-1 THROUGH STAFF 5-5**

WP Exhibit F-Pivot

Sum of AMOUNT	Actual/Estimated		
VENDOR NAME	A	E	Grand Total
Abilene Reporter News	4,567		4,567
Booze & Company	989,537		989,537
Brazos Facts	1,219		1,219
CITIES	370,940	22,125	393,065
Cities-ATM	178,431		178,431
Concentric	1,094,192		1,094,192
Copy-Docs	4,324		4,324
Dallas Morning News	23,871		23,871
Doubletree Suites (Hotel)	19,432		19,432
Falcon Litigation Solutions	17,017		17,017
Herald Democrat	2,657		2,657
Jackson Walker	500,882		500,882
Kennedy Reporting	2,219		2,219
Management Applications Consulting	79,473		79,473
ManPower	40,769		40,769
Mount Pleasant	1,015		1,015
Odessa American	2,963		2,963
Office Max	287		287
Paris News	1,364		1,364
Pecos Enterprise	1,273		1,273
PNMR Services	26,034		26,034
PwC	252,076		252,076
San Angelo Times	1,347		1,347
Standard Times	3,229		3,229
Star-Telegram	13,916		13,916
The Daily News	1,588		1,588
Times Record News	3,300		3,300
TNMP/PNMR Employee Travel	43,519		43,519
Vista Energy Solutions (Melvin Christopher)	52,707		52,707
Waco Tribune	5,223		5,223
Wichita Falls Times news	1,012		1,012
(blank)			
Grand Total	3,740,383	22,125	3,762,508

(4) 2017 Request for Proposal: TNMP also compared Strategy&'s expenses to the proposal TNMP received in 2017 after TNMP issued a request for proposal in relation to affiliate cost consultants. See Confidential Staff 5-1 (2017 Electric Rate Case Support Proposal).pdf. Based on that RFP response, TNMP also found Strategy&'s overall expenses to be reasonable.

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION – STAFF 1-1 THROUGH STAFF 1-17**

- STAFF 1-5** Reference Exhibit SRW-6, pages 61-63.
- a) For each time entry in which travel is listed as a description, please provide the location of departure and arrival by individual.
 - b) For each entry in which travel is included in the description, separately identify the number of hours devoted to travel. Additionally, indicate whether travel time is billed at the individual's full hourly rate or at a discounted rate and justify.
 - c) Please define "deliverable" as used in the spreadsheet summary of tasks and identify by individual the number of hours per day devoted to "review of previous deliverables."
 - d) Please describe the tasks performed during the "review of previous deliverables."
 - e) Please define "workplan creation" as used in the spreadsheet summary of tasks and provide a copy of the workplan.
 - f) Please define "key milestones" as used in the spreadsheet summary of tasks.
 - g) Please define "interview guide" as used in the spreadsheet summary of tasks.
 - h) Please define "peer set" as used in the spreadsheet summary of tasks.
 - i) Please define "clean notes from kickoff" and describe the tasks that occur during the "cleanse data received" phase. Additionally, provide the number of hours by individual by day devoted to each of these tasks.
 - j) Please describe the tasks performed during the "settlement process and data tie-out."
 - k) Identify each individual that is considered "Team" and invoices at the \$450/hour rate.
 - l) Identify each individual that is considered "Partner" and invoices at the \$700/hour rate.

The information responsive to this request constitutes CONFIDENTIAL PROTECTED MATERIAL under the terms of the Protective Order issued in Docket No. 48591. This information consists of commercially sensitive financial information. Counsel for TNMP has reviewed the information sufficiently to state in good faith that this information merits this designation and consists of confidential business and financial information, that it contains confidential business information exempt from public disclosure under the Public Information Act, TEX. GOV'T CODE §§ 552.101 and 552.110.

Prepared by: Stacy R. Whitehurst

Sponsored by: Stacy R. Whitehurst

Attachment: CONFIDENTIAL_TNMP 48591_Staff 1-5 Strategy& Statement of Work.pdf; TNMP 48591_Staff 1-5 Cost Reasonableness Assessment.pdf

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION – STAFF 1-1 THROUGH STAFF 1-17**

RESPONSE:

- a) Please refer to the table below. TNMP has requested more specific information from Strategy& and will supplement its response if additional details are provided.

Name	Date of Flight	Departure City	Arrival City
Jeffers, Hannah	7/24/2017	Oakland, CA	Dallas, TX
Jeffers, Hannah	7/27/2017	Dallas, TX	Oakland, CA
Jeffers, Hannah	7/31/2017	Oakland, CA	Dallas, TX
Jeffers, Hannah	8/3/2017	Dallas, TX	Oakland, CA
Jeffers, Hannah	8/7/2017	Oakland, CA	Dallas, TX
Jeffers, Hannah	8/10/2017	Dallas, TX	Oakland, CA
Jeffers, Hannah	8/14/2017	Oakland, CA	Dallas, TX
Jeffers, Hannah	8/15/2017	Dallas, TX	Albuquerque, TX
Jeffers, Hannah	8/18/2017	Albuquerque, TX	Oakland, TX
Jeffers, Hannah	8/21/2017	Oakland, CA	Dallas, TX
Jeffers, Hannah	8/24/2017	Dallas, TX	Houston, TX
Jeffers, Hannah	9/4/2017	Oakland, CA	Dallas, TX
Jeffers, Hannah	9/5/2017	Dallas, TX	Lewisville, TX
Jeffers, Hannah	9/7/2017	Dallas, TX	Oakland, CA
Ding, Grace	7/24/2017	Chicago, IL	Dallas, TX
Ding, Grace	7/27/2017	Dallas, TX	Chicago, IL
Ding, Grace	7/31/2017	Chicago, IL	Dallas, TX
Ding, Grace	8/3/2017	Dallas, TX	Chicago, IL
Ding, Grace	8/7/2017	Chicago, IL	Dallas, TX
Ding, Grace	8/14/2017	Chicago, IL	Dallas, TX
Ding, Grace	8/17/2017	Dallas, TX	Chicago, IL
Ding, Grace	8/21/2017	Chicago, IL	Dallas, TX
Ding, Grace	8/24/2017	Dallas, TX	Chicago, IL
Ding, Grace	8/28/2017	Chicago, IL	Dallas, TX
Ding, Grace	8/31/2017	Dallas, TX	Chicago, IL
Ding, Grace	9/5/2017	Chicago, IL	Dallas, TX
Ding, Grace	9/7/2017	Dallas, TX	Chicago, IL
Smith, Adam	9/5/2017		
Simpkins, Earl M.	9/16/2017	Dallas, TX	Albuquerque, NM
Simpkins, Earl M.	9/17/2017	Albuquerque, NM	Dallas, TX

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION – STAFF 1-1 THROUGH STAFF 1-17**

Flaherty, Tom	8/15/2017	Albuquerque, NM	Dallas, TX
Flaherty, Tom	8/17/2017	Dallas, TX	Albuquerque, NM

- b) TNMP has requested details on travel time from Strategy& and will supplement if additional details are provided. Individuals' full hourly rate were used for the activities pursuant to agreement because the individuals were traveling in order to perform obligations for TNMP.
- c) Please see page 4-5 of attachment CONFIDENTIAL_TNMP 48591_Staff 1-5 Strategy& Statement of Work, specifically Section 2.4 for the definition of "Deliverables." Strategy& was not required to separately track time for each and every task its employees performed during a full day. Each of the separate tasks are encompassed within the same issue: Affiliate Transactions. Accordingly, TNMP does not have the number of hours broken out by each task within a full day, but will supplement if additional details are obtained.
- d) The tasks performed during the "review of previous deliverables" encompass TNMP and Strategy&'s routine meetings to discuss the status, data requests, interviews, open issues, etc. The specific "deliverables" are defined in more detail in Section 2.4 of attachment CONFIDENTIAL_TNMP 48591_Staff 1-5 Strategy& Statement of Work. The review of previous deliverable allowed for completion of the final deliverables.
- e) The term "workplan creation" references TNMP and Strategy&'s efforts to produce the High Level Workplan, a copy of which is provided in on page 3 (Figure 2) of attachment CONFIDENTIAL_TNMP 48591_Staff 1-5 Strategy& Statement of Work.
- f) For the definition of "key milestones," please see attachment CONFIDENTIAL_TNMP 48591_Staff 1-5 Strategy& Statement of Work: "KickOff", "Sponsor Review #1", "Sponsor Review #2", and "Sponsor Review #3".
- g) The term "interview guide" refers to Strategy&'s interviews of a number of employees at TNMP and PNM Service Co., which were used for the study.
- h) For the definition of "peer set", please see attachment TNMP 48591_Staff 1-5 Cost Reasonableness Assessment, specifically page 11 (Exhibit 8-4).
- i) The phrase "clean notes from kickoff" encompasses taking handwritten notes and compiling the notes into an electronic format. Data requests provided to Strategy& were typically extracted from databases and that information would need to be cleansed of unneeded fields. Strategy& was not required to separately track time for each and every task its employees performed during a full day. Each of the separate tasks are encompassed within the same issue: Affiliate Transactions. Accordingly, TNMP does not have the number of hours broken out by each task within a full day, but will supplement if additional details are obtained. The time was tracked based on the hours required to perform the task

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION – STAFF 1-1 THROUGH STAFF 1-17**

of the review of affiliate transaction in accordance with the Public Utility Regulatory Act § 36.058.

- j) In Exhibit SRW-6, pages 61-63, there is no reference to “settlement process and data-tie-out.” There is a reference to “adjustment process and data tie-out”, which verifies that the all the initial adjustments that TNMP would make were incorporated and that the multiple categorizations of data ties with the original data set.
- k) The individuals considered “Team” are Hannah Jeffers, Grace Ding, Adam Smith.
- l) The individuals considered “Partner” are Thomas Flaherty and Earl Simpkins.

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION – STAFF 1-1 THROUGH STAFF 1-17**

STAFF 1-10 Reference Exhibit SRW-6, Bates pages 206-208. Please explain the charges that are included in the "Miscellaneous Office Expenses" and that are billed at 5% of the Professional Services.

Prepared by: Stacy R. Whitehurst

Sponsored by: Stacy R. Whitehurst

Attachment: N/A

RESPONSE:

Alliance Consulting Group charged a 5% fee for miscellaneous office expenses includes the cost of telephone services, FedEx, copying, printing and binding costs, mailing charges, and computer and other support to complete the requested study and testimony.

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION –
STAFF 3-1 THROUGH STAFF 3-44**

STAFF 3-4 Reference Exhibit SRW-6 at page 244 and page 631. Please provide detailed timesheets supporting the PWC Professional Fees requested that include the name of the professionals, the hourly rates, the days services were performed, the number of hours billed each day, and a detailed description of the tasks performed by each professional.

Prepared by: Stacy Whitehurst

Sponsored by: Stacy Whitehurst

Attachment: TNMP 48591_Staff 3-4 PWC.pdf

RESPONSE:

Please see the attachment TNMP 48591_Staff 3-4 PWC.pdf. In addition, PWC did not bill TNMP nor its affiliates on their normal hourly rate for assistance with the effects of the Tax Cut and Jobs Act. See attachment for the breakdown of hours by partner, director, manager, Senior Associate, Associate, and other. The blended rates for the invoices are \$224.32 and \$213.00 respectively.

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION –
STAFF 3-1 THROUGH STAFF 3-44**

STAFF 3-9 Reference Exhibit SRW-6 at page 297. Please provide detailed timesheets supporting the PWC Professional Fees requested that include the name of the professionals, the hourly rates, the days services were performed, the number of hours billed each day, and a detailed description of the tasks performed by each professional.

Prepared by: Stacy Whitehurst

Sponsored by: Stacy Whitehurst

Attachment: TNMP 48591_Staff 3-9 PWC.pdf

RESPONSE:

PWC did not bill TNMP nor its affiliates on their normal hourly rate for assistance with the effects of the Tax Cut and Jobs Act. See attachment for the breakdown of hours by partner, director, manager, Senior Associate, Associate, and other. The blended rate for the invoice is \$219.21.

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION –
STAFF 3-1 THROUGH STAFF 3-44**

STAFF 3-21 Reference Exhibit SRW-6 at pages 739-740. Please provide detailed timesheets supporting the PWC Professional Fees requested that include the name of the professionals, the hourly rates, the days services were performed, the number of hours billed each day, and a detailed description of the tasks performed by each professional.

Prepared by: Stacy Whitehurst

Sponsored by: Stacy Whitehurst

Attachment: TNMP 48591_Staff 3-21 PWC.pdf

RESPONSE:

See attachment TNMP 48591_Staff 3-21 PWC.



April 12, 2018

Mr. Don Tarry
VP and Controller
PNM Resources, Inc.
Alvarado Square
Albuquerque, NM 87158-0001
USA

PAYMENT DUE: 04/27/18
INVOICE NUMBER : 1033885799-7

SEND CHECK PAYMENT TO:
PricewaterhouseCoopers LLP
P.O. Box 514038
LOS ANGELES, CA 90051-4038

WIRE TRANSFER INSTRUCTIONS:

Citibank NA, New York, NY
Account #: Redacted
ABA #: Redacted Swift #: Redacted

To Credit: PricewaterhouseCoopers LLP
To initiate Automated Clearing House payments,
please visit our website:
www.pwc.com/us/ach or call:
1 877 351 6402
PwC TAX ID Redacted
PwC D&B #: 00-186-37-94

Progress billing for professional services rendered outside New Mexico from
March 1, 2018 to March 31, 2018.

\$ 30,707.00

See attachment for invoice details.

Total Invoice Due By April 27, 2018

\$ 30,707.00

Larry M. will approve wire

For questions, contact: Robin Miller at (312) 298-2357, robin.d.miller@us.pwc.com

007-923000-911-SSFI003B-SSFI003B-370-7922	6,596.00
007-923000-911-SSFI003C-SSFI003C-370-7945	9,530.00
012-186000-TXG-TXG42908-Y0075377-370-12003	9,721.00
007-923000-951-SSFI003C-SSFI003C-370-7945	4,860.00
	<u>30,707.00</u>

TO ENSURE PROPER CREDIT TO YOUR ACCOUNT, PLEASE INDICATE ON YOUR PAYMENT:

Invoice Number: 1033885799-7
Client Account Number: 12025



April 12, 2018

Mr Don Tarry
VP and Controller
PNM Resources, Inc.
Alvarado Square
Albuquerque, NM 87158-0001
USA

PAYMENT DUE: 04/27/18
INVOICE NUMBER : 1033885807-8

SEND CHECK PAYMENT TO:
PricewaterhouseCoopers LLP
P.O. Box 514038
LOS ANGELES, CA 90051-4038

WIRE TRANSFER INSTRUCTIONS:
Citibank NA, New York, NY
Account # [Redacted]
ABA # [Redacted] Swift # [Redacted]
To Credit: PricewaterhouseCoopers LLP
To initiate Automated Clearing House payments,
please visit our website:
www.pwc.com/us/ach or call:
1 877 351 6402
PwC TAX ID #: [Redacted]
PwC D&B #: 00-186-37-94

Progress billing for professional services rendered within New Mexico from
March 1, 2018 to March 31, 2018. \$ 5,963.00

See attachment for invoice details.

Tax @ 7.501% \$ 447.23

Total Invoice Due By April 27, 2018 \$ 6,410.23

Larry M. will approve wire

For questions, contact: Robin Miller at (312) 298-2357, robin.d.miller@us.pwc.com

007-923000-911-SSFI003B-SSFI003B-370-7922	4,580.58
007-923000-911-SSFI003C-SSFI003C-370-7945	1,829.65
	<u>6,410.23</u>

TO ENSURE PROPER CREDIT TO YOUR ACCOUNT, PLEASE INDICATE ON YOUR PAYMENT:

Invoice Number: 1033885807-8
Client Account Number: 12025



Invoice Numbers: 1033885799 & 1033885807

	Not Subject to New Mexico Gross Receipts Tax	Subject to New Mexico Gross Receipts Tax
Invoice for professional services rendered from March 1 2018 – March 31, 2018 in connection with the following:		
Progress bill for preparation and review of Tax Basis Balance Sheet workpapers and support	\$9,530	\$1,702
Progress bill for discussions and assistance with regards to the ARAM & RSGM Data Analysis	\$14,581	
Progress bill for discussions and assistance related to the financial reporting impacts of the TCJA	<u>\$6,596</u>	<u>\$4,261</u>
Total	<u>\$30,707</u>	<u>\$5,963</u>

007-923000-953-SSF1003F-SSF1003F

007-923000-911-SSF1003-SSF1003 - 370-7922 :

TAX

319.58

See ATTACHMENT

PwC Bill 2018-03

							6,596.00
							4,261.00
							319.58 TAX
007	923000	911	SSFI003B	SSFI003B	370	7922	<u>11,176.58</u>
							9,530.00
							1,702.00
							127.65 TAX
007	923000	911	SSFI003C	SSFI003C	370	7945	<u>11,359.65</u>

Per Kayur, prelim ARAM work is allocable to both PNM (1/3) and TNMP (2/3)

012	186000	TXG	TXG42908	Y0075377	370	12003	9,721.00
007	923000	941 751	SSFI003C	SSFI003C	370	7945	4,860.00
							<u>14,581.00</u>
						TOTAL	37,117.23

Invoice for March ARAM Services - \$14,581

Company Allocation:

PNM	\$	4,860	
TNMP	\$	9,721	67%
Total	\$	14,581	

	Total Hours	TNMP %
Partner	7	4.7
Director	22	14.7
Manager	0	0.0
Senior	20	13.3
Associate	15	10.0
Other	1	0.7
Total	65	43.3

Date	Hours by date	TNMP %
3.12	2	1.3
3.13	5.5	3.7
3.14	4.5	3.0
3.16	12.5	8.3
3.19	4.5	3.0
3.21	7	4.7
3.22	4.5	3.0
3.23	6	4.0
3.29	9.5	6.3
3.30	9	6.0
	65	43.3

Partners - Mark Kelly, Robin Miller

Directors - Josiah Miller, Michael Pongraz, Kayur Patel

Manager - Flavia Vianna

Seniors - Alicia Roberts, Mathew Fiegleman, Marit van de Akker, Jennifer Kane, Imranul Haque, Neil Patel

Associates - James Pustorino, Daniel Dupell

Other - James Myles O'Day, Mark Elder



10F

June 15, 2018

Mr. Don Tarry
VP and Controller
PNM Resources, Inc.
Alvarado Square
Albuquerque, NM 87158
USA



PAYMENT DUE: 07/15/18
INVOICE NUMBER : 1033951769-9

SEND CHECK PAYMENT TO:

PricewaterhouseCoopers LLP
P.O. Box 514038
LOS ANGELES, CA 90051-4038

WIRE TRANSFER INSTRUCTIONS:

Citibank NA, New York, NY
Account #: **Redacted**
ABA #: **Redacted** : Swift #: **Redacted**
To Credit: PricewaterhouseCoopers LLP
To initiate Automated Clearing House payments,
please visit our website:
www.pwc.com/us/ach or call:
1 877 351 6402
PwC TAX ID #: **Redacted**
PwC D&B #: 00-186-37-94

Progress billing for professional services rendered outside New Mexico from April 30, 2018 to May 31, 2018. \$ 71,683.00

Total Invoice Due By July 15, 2018 \$ 71,683.00

Larry M. will approve wire

For questions, contact: Robin Miller at (312) 298-2357, robin.d.miller@us.pwc.com

Unit	Account	Oper Unit	Fund	Chartfield 1	Project	Class	Dept ID	Amount
00007	923000	007	911	SSFI003C	SSFI003C	370	7945	46,127.40
00012	186000	12	TXG	TXG42908	Y0075377	370	12003	19,389.00
00007	923000	007	941	SSFI003C	SSFI003C	370	7945	43,009.00
								108,525.40

TO ENSURE PROPER CREDIT TO YOUR ACCOUNT, PLEASE INDICATE ON YOUR PAYMENT:

Invoice Number: 1033951769-9



June 15, 2018

Mr. Don Tarry
VP and Controller
PNM Resources, Inc.
Alvarado Square
Albuquerque, NM 87158
USA

PAYMENT DUE: 06/30/18
INVOICE NUMBER : 1033951662-6

SEND CHECK PAYMENT TO:

PricewaterhouseCoopers LLP
P.O. Box 514038
LOS ANGELES, CA 90051-4038

WIRE TRANSFER INSTRUCTIONS:

Citibank NA, New York, NY

Account #: Redacted

ABA #: Redacted : Redacted

To Credit: PricewaterhouseCoopers LLP

To initiate Automated Clearing House payments,
please visit our website:

www.pwc.com/us/ach or call:

1 877 351 6402

PwC TAX ID #: Redacted

PwC D&B #: 00-186-37-94

Progress billing for professional services rendered within New Mexico from April 30, 2018 to May 31, 2018.	\$	34,272.00
Tax @ 7.501%	\$	2,570.40
Total Invoice Due By June 30, 2018	\$	<u>36,842.40</u>

For questions, contact: Robin Miller at (312) 298-2357, robin.d.miller@us.pwc.com

TO ENSURE PROPER CREDIT TO YOUR ACCOUNT, PLEASE INDICATE ON YOUR PAYMENT:

Invoice Number: 1033951662-6



Invoice Numbers: 1033951769 and 1033951662

	Not Subject to New Mexico Gross Receipts Tax	Subject to New Mexico Gross Receipts Tax
Invoice for professional services rendered from May 1, 2018 – May 31, 2018 in connection with the following:		
Progress bill for preparation and review of Tax Basis Balance Sheet workpapers and support	\$9,285	\$34,272
Progress bill for discussions and assistance with regards to the ARAM & RSGM Data Analysis - PNM	\$43,009	
Progress bill for discussions and assistance with regards to the ARAM & RSGM Data Analysis - TNMP	<u>\$19,389</u>	
Total	<u>\$71,683</u>	<u>\$34,272</u>

PwC Invoice 2018-05

007	923000	911	SSFI003C	SSFI003C	370	7945	36,842.40 TBBS
012	186000	TXG	TXG42908	Y0075377	370	12003	19,389.00 TNMP ARAM
007	923000	941	SSFI003C	SSFI003C	370	7945	43,009.00 PNM ARAM

~~99,240.40~~
46,127.40
108,525.40

Invoice for May ARAM Services

PNM	\$	43,009	
TNMP	\$	19,389	31.07%
	\$	62,398	

	Total Hours - PwC	TNMP %
Partner	19	5.9
Director	74	23.0
Manager	0	0.0
Senior	102	31.7
Associate	98	30.5
Other	0	0.0
Total	293	91.0

Date	Hours by date	TNMP %
5.1	16.5	5.1
5.2	10.5	3.3
5.3	10	3.1
5.4	11.5	3.6
5.7	9.5	3.0
5.8	4	1.2
5.9	22.5	7.0
5.10	12	3.7
5.11	32	9.9
5.12	31	9.6
5.13	5.5	1.7
5.14	36	11.2
5.15	33	10.3
5.16	8.5	2.6
5.17	4.5	1.4
5.21	8	2.5
5.22	3	0.9
5.23	5.5	1.7
5.24	3	0.9
5.25	7	2.2
5.29	8	2.5
5.30	5.5	1.7
5.31	6	1.9
	293	91



May 15, 2018

Mr. Don Tarry
VP and Controller
PNM Resources, Inc.
Alvarado Square
Albuquerque, NM 87158
USA

PAYMENT DUE: 06/14/18
INVOICE NUMBER : 1033923202-6

SEND CHECK PAYMENT TO:
PricewaterhouseCoopers LLP
P.O. Box 514038
LOS ANGELES, CA 90051-4038

WIRE TRANSFER INSTRUCTIONS:
Citibank NA, New York, NY
[REDACTED]
[REDACTED]
To Credit: PricewaterhouseCoopers LLP
To initiate Automated Clearing House payments,
please visit our website:
www.pwc.com/us/ach or call:
1 877 351 6402
[REDACTED]
PwC D&B #. 00-186-37-94

Progress billing for professional services rendered outside New Mexico from April 1, 2018 to April 30, 2018. \$ 81,971.00

Out of pocket expenses \$ 3,291.00

See attachment for invoice details.

Total Invoice Due By June 14, 2018 \$ 85,262.00

Larry will approve wire

For questions, contact: Robin Miller at (312) 298-2357, robin.d.miller@us.pwc.com

Unit	Ledger	Account	Oper Unit	Fund	Chartfield 1	Project	Class	Dept ID	Amount
00007	Recording	923000	007	911	SSFI003C	SSFI003C	370	7945	15,553.00
00012	Recording	186000	12	TXG	TXG42908	Y0075377	370	12CC3	25,306.00
00007	Recording	923000	007	941	SSFI003C	SSFI003C	370	7945	44,403.00
									85,262.00

TO ENSURE PROPER CREDIT TO YOUR ACCOUNT, PLEASE INDICATE ON YOUR PAYMENT:

Invoice Number: 1033923202-6
Client Account Number: 12025



Invoice Number: 1033923202-6

Invoice for professional services rendered from April 1, 2018 – April 30, 2018 in connection with the following:

	Not Subject to New Mexico Gross Receipts Tax	Subject to New Mexico Gross Receipts Tax
Progress bill for preparation and review of Tax Basis Balance Sheet workpapers and support	\$15,553	
Progress bill for discussions and assistance with regards to the ARAM & RSGM Data Analysis - PNM	\$44,403	
Progress bill for discussions and assistance with regards to the ARAM & RSGM Data Analysis - TNMP	<u>\$25,306</u>	
Total	<u>\$85,262</u>	

Invoice for April ARAM Services

PNM	\$	44,403	
TNMP	\$	25,306	36.302%
	\$	69,709	

	Total Hours - PwC	TNMP %
Partner	14	5.1
Director	62	22.5
Manager	0	0.0
Senior	96	34.9
Associate	88	31.9
Other	58	21.1
Total	318	115.4

Date	Hours by date	TNMP %
4.2	14	5.1
4.3	16	5.8
4.4	13.5	4.9
4.5	18	6.5
4.6	14	5.1
4.9	14.5	5.3
4.10	9	3.3
4.11	14.5	5.3
4.12	10	3.6
4.13	13.5	4.9
4.15	7	2.5
4.16	9.5	3.4
4.17	9	3.3
4.18	7	2.5
4.19	30.5	11.1
4.20	7	2.5
4.23	19.5	7.1
4.24	22	8.0
4.25	15.5	5.6
4.26	21	7.6
4.27	18.5	6.7
4.30	14.5	5.3
	318	115.4

Partners - Mark Kelly, Robin Miller

Directors - Josiah Miller, Michael Pongraz, Kayur Patel

Manager - Flavia Vianna

Seniors - Alicia Roberts, Mathew Fiegleman, Marit van de Akker, Jennifer Kane, Imranul Haque, Neil Patel

Associates - James Pustorino, Daniel Dupell

Other - James Myles O'Day, Mark Elder

EXHIBIT SRW-6
(VOLUMINOUS)

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July 20, 2018

Mr. Don Tarry
VP and Controller
PNM Resources, Inc.
Alvarado Square
Albuquerque, NM 87158
USA

PAYMENT DUE: 08/19/18
INVOICE NUMBER : 1033977856-4

SEND CHECK PAYMENT TO:
PricewaterhouseCoopers LLP
P.O. Box 514038
LOS ANGELES, CA 90051-4038

WIRE TRANSFER INSTRUCTIONS:
Citibank NA, New York, NY
Account #: [Redacted]
ABA #: [Redacted] Swift #: [Redacted]
To Credit: PricewaterhouseCoopers LLP
To Initiate Automated Clearing House payments,
please visit our website:
www.pwc.com/us/ach or call:
1 877 351 6402
PwC TAX ID #: [Redacted]
PwC D&B #: 00-186-37-94

Progress billing for professional services rendered outside New Mexico from May
31, 2018 to June 30, 2018.

\$ 95,595.00

Total Invoice Due By August 19, 2018

\$ 95,595.00

007-923000-999-SSFC002F-SSFC002F-370-7945	26,265.00
007-923000-911-SSFI003C-SSFI003C-370-7945	21,434.00
007-923000-911-SSFI003D-SSFI003D-370-7945	24,228.00
012-186000-TXG-TXG42908-Y0075377-370-12003	5,000.00
007-923000-941-SSFI003C-SSFI003C-370-7945	18,668.00
	95,595.00

For questions, contact: Robin Miller at (312) 298-2357, robin.d.miller@us.pwc.com

Larry will approve wire.

TO ENSURE PROPER CREDIT TO YOUR ACCOUNT, PLEASE INDICATE ON YOUR PAYMENT:

Page 739 of 1367

Invoice Number: 1033977856-4

SRW-6.739

Page 1061

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0000066

**EXHIBIT SRW-6
(VOLUMINOUS)**

Invoice Numbers: 1033977856 and 1033977858

	Not Subject to New Mexico Gross Receipts Tax	Subject to New Mexico Gross Receipts Tax
Invoice for professional services rendered from June 1, 2018 – June 30, 2018 in connection with the following:		
Progress bill for preparation and review of Tax Basis Balance Sheet workpapers and support	\$21,434	-
Progress bill for discussions and assistance with regards to the ARAM & RSGM Data Analysis - PNM	\$18,668	-
Progress bill for discussions and assistance with regards to the ARAM & RSGM Data Analysis - TNMP	\$5,000	-
Progress bill for discussions and assistance with regards to Project Dakota	\$26,265	-
Progress bill for 2017 tax repairs	\$8,182	-
Progress bill for R&D (NPV)	-	\$17,425
Progress bill for R&D (NPNM & NPV)	\$14,272	-
Progress bill for R&D (PV)	\$1,774	-
Total	<u>\$95,595</u>	<u>\$17,425</u>

SRW-6 740

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0000067

Invoice for June/July ARAM

PNM	\$	18,668	
TNMP	\$	5,000	21.13%
Total	\$	23,668	

	Total Hours - PwC	TNMP %
Partner	2	0.4
Director	6	1.3
Manager	0	0.0
Senior	76	16.1
Associate	26	5.5
Other	1	0.2
Total	111	23.4

Date	Hours by date	TNMP %
6.1	5	1.1
6.4	2.5	0.5
6.5	2	0.4
6.6	5	1.1
6.7	6	1.3
6.8	8	1.7
6.11	10	2.1
6.12	8	1.7
6.13	5	1.1
6.18	1	0.2
6.19	2.5	0.5
6.20	10	2.1
6.21	6	1.3
6.22	8	1.7
6.23	2	0.4
6.24	2	0.4
6.25	12	2.5
6.26	6	1.3
6.27	1	0.2
6.28	2	0.4
6.29	7	1.5
	111	23.4

Partners - Mark Kelly, Robin Miller

Directors - Josiah Miller, Michael Pongraz, Kayur Patel

Manager - Flavia Vianna

Seniors - Alicia Roberts, Mathew Fiegleman, Marit van de Akker, Jennifer Kane, Imranul Haque, Neil Patel

Associates - James Pustorino, Daniel Dupell

Other - James Myles O'Day, Mark Elder

**TEXAS-NEW MEXICO POWER COMPANY'S
RESPONSE TO COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION –
STAFF 3-1 THROUGH STAFF 3-44**

STAFF 3-34 Reference Exhibit SRW 6, Bates pages 413-630. Please identify by Bates page number the invoices supporting the requested recovery of expenses by individual and by category of expense.

Prepared by: Stacy Whitehurst

Sponsored by: Stacy Whitehurst

Attachment: TNMP 48591_Staff 3-34.pdf

RESPONSE:

See attachment TNMP 48591_Staff 3-34, which breaks out airfare, hotel/meals, meals by consultant. Exhibit SRW-6 did not contain the receipts for airfare for Fulcher or Tiambo nor the car expense for Fulcher; therefore TNMP will remove \$7,535 from its request.

Category	Name	bates
hotel/meal	Flahery	812
air	Flahery	814
air	Flahery	814
air	Flahery	814
air	Flahery	814
hotel/meal	Flahery	814
air	Flahery	815
Car	Flahery	816
Car	Flahery	816
Car	Flahery	816
Car	Flahery	816
Car	Flahery	817
Car	Flahery	817
air	Flahery	822
air	Flahery	823
air	Flahery	823
Car	Flahery	824
Car	Flahery	824
air	Flahery	824
air	Flahery	824
air	Flahery	824
air	Flahery	824
hotel/meal	Flahery	824
hotel/meal	Flahery	824
hotel/meal	Flahery	824
hotel/meal	Flahery	824
Car	Flahery	825
Car	Flahery	825
air	Flahery	826
air	Flahery	826
air	Flahery	827
air	Flahery	827
Car	Flahery	828
hotel/meal	Fulcher	766
hotel/meal	Fulcher	766
hotel/meal	Fulcher	767
hotel/meal	Fulcher	767
hotel/meal	Fulcher	768
hotel/meal	Fulcher	768
hotel/meal	Fulcher	769
hotel/meal	Fulcher	769
hotel/meal	Fulcher	770
hotel/meal	Fulcher	770
hotel/meal	Fulcher	771
hotel/meal	Fulcher	771
hotel/meal	Fulcher	772

Category	Name	bates	
hotel/meal	Fulcher		772
hotel/meal	Fulcher		773
hotel/meal	Fulcher		773
hotel/meal	Fulcher		774
hotel/meal	Fulcher		774
hotel/meal	Fulcher		775
hotel/meal	Fulcher		775
hotel/meal	Fulcher		776
hotel/meal	Fulcher		776
hotel/meal	Fulcher		777
hotel/meal	Fulcher		778
hotel/meal	Fulcher		779
hotel/meal	Fulcher		780
hotel/meal	Fulcher	782,783,784	
hotel/meal	Fulcher		785,786
hotel/meal	Fulcher		787,788
hotel/meal	Fulcher		789,790
hotel/meal	Fulcher		791,792
hotel/meal	Fulcher		793,794
hotel/meal	Fulcher		795,796
hotel/meal	Fulcher		797
hotel/meal	Murielle	745,746,747,748	
hotel/meal	Murielle		748
hotel/meal	Murielle		749,750
hotel/meal	Murielle		751
hotel/meal	Murielle		753,754
hotel/meal	Murielle		755
hotel/meal	Murielle		755
hotel/meal	Murielle		756
hotel/meal	Murielle		756
hotel/meal	Murielle		756
hotel/meal	Murielle		757
hotel/meal	Murielle		757
hotel/meal	Murielle		758
hotel/meal	Murielle		758
hotel/meal	Murielle		758
hotel/meal	Murielle		759
hotel/meal	Murielle		759
hotel/meal	Murielle		759
hotel/meal	Murielle		760
hotel/meal	Murielle		760
hotel/meal	Murielle		760
hotel/meal	Murielle		761
hotel/meal	Murielle		761
hotel/meal	Murielle		761
hotel/meal	Murielle		762

Categpry	Name	bates
hotel/meal	Murielle	762
hotel/meal	Murielle	762
hotel/meal	Murielle	763
hotel/meal	Murielle	763
hotel/meal	Murielle	763
hotel/meal	Murielle	764
hotel/meal	Murielle	764
hotel/meal	Murielle	765
hotel/meal	Murielle	765
hotel/meal	Murielle	765
Car	Murielle	893
Car	Murielle	894
Car	Murielle	895
Car	Murielle	896
Car	Murielle	897
Car	Murielle	898
Car	Murielle	899
Car	Murielle	900
Car	Murielle	901
Car	Murielle	902
Car	Murielle	903
Car	Murielle	905
Car	Murielle	907
Car	Murielle	909
Car	Murielle	911
Car	Murielle	913
Car	Murielle	915
Car	Murielle	917
Car	Murielle	919
Car	Murielle	921
Car	Murielle	923
Car	Murielle	925
Car	Murielle	927
Car	Murielle	929
Car	Murielle	931
Car	Murielle	933
Car	Murielle	936
Car	Murielle	937
Car	Murielle	939
Car	Murielle	940
Car	Munelle	942
Car	Murielle	944
Car	Murielle	946
Car	Murielle	948
Car	Murielle	950
Car	Murielle	952

Categry	Name	bates
hotel/meal	Nathan	739,740,741,742,743,000
hotel/meal	Nathan	799
hotel/meal	Nathan	800,801
hotel/meal	Nathan	803,804,805
hotel/meal	Nathan	806,807,808
Car	Nathan	831,832
Car	Nathan	834,835
Car	Nathan	837
Car	Nathan	837
Car	Nathan	837
Car	Nathan	837
Car	Nathan	838
Car	Nathan	839
Car	Nathan	839
Car	Nathan	839
Car	Nathan	839
Car	Nathan	840
Car	Nathan	840
Car	Nathan	840
Car	Nathan	841
Car	Nathan	841
Car	Nathan	842
Car	Nathan	842
Car	Nathan	843
Car	Nathan	843
Car	Nathan	843
Car	Nathan	843
Car	Nathan	844
Car	Nathan	844
Car	Nathan	844
Car	Nathan	844
Car	Nathan	845
Car	Nathan	845
Car	Nathan	845
Car	Nathan	845
Car	Nathan	846
Car	Nathan	846
Car	Nathan	846
Car	Nathan	846
Car	Nathan	847
Car	Nathan	847
Car	Nathan	847
Car	Nathan	847
Car	Nathan	848
air	Nathan	849
air	Nathan	854

Category	Name	bates
air	Nathan	860
air	Nathan	863
air	Nathan	866
air	Nathan	869
air	Nathan	872
air	Nathan	875
air	Nathan	878
air	Nathan	881
air	Nathan	884
air	Nathan	887
air	Nathan	890

[illegible]

			Aspart / flight time						Aspart / flight time
16 Feb			5:25						1:75 Identify additional data needed for exhibit Update cost model Test model fidelity Provide draft outputs
			4:75						
27 Feb			10:00						Incorporate feedback, update cost trends exhibits below
28 Feb			2:00						
			1:25						
			2:00						
1 Mar			3:75						
			3:00						
			1:25						
			0:50						
2 Mar			0:50						
			4:00						
5 Mar			4:75						
16 Mar			10:00						
7 Mar			2:00						
			1:25						
8 Mar			5:75						
			3:00						
9 Mar			5:00						
12 Mar			5:25						
			2:50						
			2:75						
13 Mar			10:00						
			3:00						
14 Mar			1:00						
			1:00						
			3:00						
15 Mar			1:00						
			1:00						
16 Mar			10:00						

[illegible]