



## Filing Receipt

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SOAH DOCKET NO. 473-21-2606  
PUC DOCKET NO. 52195

APPLICATION OF EL PASO § BEFORE THE STATE OFFICE  
ELECTRIC COMPANY TO CHANGE § OF  
RATES § ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S RESPONSE TO  
COMMISSION STAFF'S TWELFTH REQUEST FOR INFORMATION  
QUESTION NOS. STAFF 12-1 THROUGH STAFF 12-11

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STAFF 12-1:

**Payroll**

Please provide the amount of non-qualified pension payments capitalized to plant in service by FERC account since Docket No 46831 test year end.

RESPONSE:

Please see STAFF 12-1, Attachment 1, for the amount of non-qualified pension payments capitalized to plant in service allocated by FERC account since the Docket No. 46831 test year end.

Preparer: Barbara J. Torres

Title: Principal Plant Accountant

Sponsor: Larry J. Hancock  
Cynthia S. Prieto

Title: Manager-Plant Accounting  
Vice President – Controller

**EL PASO ELECTRIC COMPANY**  
**NON-QUALIFIED PENSION PAYMENTS**  
**CAPITALIZED TO PIS**  
**FOR THE PERIODS OCT 2016 THROUGH DEC 2020**

<b>FERC Account</b>	<b>Non-Qualified Pension Payments Capitalized</b>
303 - Misc intangible plant	\$ 122,335
311 - Structures and Improvements	56,597
312 - Boiler plant equipment	55,094
313 - Engines/eng-driven generators	72,372
314 - Turbogenerator units	111,814
315 - Accessory electric equipment	22,713
316 - Misc power plant equipment	7,534
340 - Land and land rights	(149)
341 - Structures and improvements	(132,916)
342 - Fuel holders,producrs,accessr	16,303
343 - Prime movers	173,413
344 - Generators	68,171
345 - Accessory electric equipment	20,855
346 - Misc power plant equipment	135
350 - Land and land rights	70,135
352 - Structures and improvements	(1,683)
353 - Station equipment	64,053
354 - Towers and fixtures	12,006
355 - Poles and fixtures	133,981
356 - Overhead conductors, devices	19,095
359 - Roads and trails	4,504
360 - Land and land rights	7,425
361 - Structures and improvements	34,058
362 - Station equipment	287,498
364 - Poles, towers and fixtures	109,907
365 - Overhead conductors, devices	106,384
366 - Underground conduit	72,699
367 - Undergrnd conductors, devices	86,847
368 - Line transformers	184,596
369 - Services	28,034
370 - Meters	35,199
371 - Installs customer premise	6,541
373 - Street lighting,signal system	3,645
389 - Land and land rights	361
390 - Structures and improvements	42,886
391 - Office furniture, equipment	44,989
392 - Transportation equipment	41,764
394 - Tools, shop, garage equipment	8,619
395 - Laboratory equipment	5,075
396 - Power operated equipment	2,001
397 - Communication equipment	31,881
398 - Miscellaneous equipment	4,943
<b>Total Capitalized since October 2016 and Closed to Rate Base as of December 2020.</b>	<b>\$ 2,041,715</b>

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PUBLIC

STAFF 12-2 Attachment 1 is a CONFIDENTIAL or HIGHLY SENSITIVE PROTECTED MATERIALS attachment.

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STAFF 12-3:

**Payroll**

Please provide a copy of the agreement between El Paso Electric Company and Local Union No. 960 of the International Brotherhood of Electrical Workers, that is effective September 3, 2019.

RESPONSE:

Please see Staff 12-3, Attachment 1-Confidential.

Preparer: Magdalena Rodriguez

Title: Supervisor – Payroll

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

EL PASO ELECTRIC COMPANY

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STAFF 12-4:

**Payroll**

Reference WP A-3 Adj 03 Salaries, P2. Please explain how the projected payroll expense ratio of 74.95% is calculated and justify the use of a projected payroll expense ratio rather than one based on the actual test year.

RESPONSE:

The projected payroll expense ratio was calculated by calculating the ratio of the 2021 budgeted payroll amounts charged to expense to the total 2021 annual budgeted payroll. The budgeted payroll expense ratio for 2021 is comparable to the average payroll expense ratio for January to June 2021 of 74.74% (100% less the capital ratio of 25.26% on line 20) as reported on OPUC 8-3, Attachment 1. The use of the budgeted payroll expense ratio is consistent with the methodology that was used in and unchallenged the 2017 Rate Case.

Preparer: Magdalena Rodriguez

Title: Supervisor – Payroll

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

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STAFF 12-5:

**Payroll**

Reference Schedule G-1.6. Please explain column (d) Strategic Costs. Are these Strategic Costs included in the Company's Cost of Service?

RESPONSE:

Strategic transaction costs are payroll costs associated with El Paso Electric Company's (the "Company") merger with IIF. Strategic transaction costs were recorded in FERC Account 426.5 and are not included in the Company's Cost of Service.

Preparer: Tamera Henderson

Title: Manager – Tax

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

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STAFF 12-6:

**Payroll**

Reference the testimony of Cynthia S. Prieto at 7. Please provide board minutes or other executive approvals certifying the non-union pay increase effective January 2021.

RESPONSE:

The 2021 merit pay increase for non-union employees was approved by management and included as part of the 2021 O&M Budget presented to and approved by the Board of Directors. There are no board minutes that capture a separate presentation or approval of the non-union pay increase by the Board of Directors People and Remuneration Committee.

Preparer: Robert M. Almanzan

Title: Senior Director – Human Resources

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

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STAFF 12-7:

**Non-Qualified Plans**

Please provide the amount of Supplemental Executive Retirement Plan (SERP) included in the Company's requested revenue requirement by FERC account for both the expensed portion and the capitalized portion.

RESPONSE:

Please refer to El Paso Electric Company's response to Staff 1-22 for the amount of Supplemental Executive Retirement Plan (SERP) included in the Company's requested revenue requirement by FERC account for both the expensed portion and the capitalized portion.

Preparer: En Li

Title: Manager – Financial Accounting

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

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STAFF 12-8:

**Non-Qualified Plans**

Please provide the amount of Excess Benefit Plan-included in the Company's requested revenue requirement by FERC account for both the expensed portion and the capitalized portion.

RESPONSE:

Please refer to El Paso Electric Company's (the "Company") response to Staff 1-22 for the amount of Excess Benefit Plan costs included in the Company's requested revenue requirement by FERC account for both the expensed portion and the capitalized portion.

Preparer: En Li

Title: Manager – Financial Accounting

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

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STAFF 12-9 TO STAFF 12-11:

Staff counsel has agreed to withdraw these questions because EPE is withdrawing its request to include charitable contributions in its cost of service.

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**APPLICATION OF EL PASO  
ELECTRIC COMPANY TO  
CHANGE RATES**

§  
§  
§

**BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS**

**CONFIDENTIALITY STATEMENT UNDER  
SECTION 4 OF THE PROTECTIVE ORDER**

The undersigned attorney for El Paso Electric Company (EPE) submits this statement under the section 4 of the Protective Order entered in this case. Materials provided in the responses to the following questions in Commission Staff's twelfth set of discovery are exempt from public disclosure pursuant to section and 552.110 of the Public Information Act:

<b>QUESTION</b>	<b>CONFIDENTIAL MATERIAL</b>
Staff 12-2	Attachment 1 – Confidential
Staff 12-3	Attachment 1 – Confidential

The information contained in all of these Attachments concerns commercial and financial information that is not otherwise readily available to the public and that if released could cause substantial competitive harm to EPE or the owner of the confidential information. Specifically, the contents of Staff 12-2, Attachment 1 – Confidential is EPE's internal employee handbook and Staff 12-3, Attachment 1 – Confidential is EPE's agreement with Local Union No. 960 of the International Brotherhood of Electrical Workers.

Respectfully submitted,

Bret J. Slocum  
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By: Laura B. Kennedy  
Laura B. Kennedy

**ATTORNEYS FOR EL PASO ELECTRIC  
COMPANY**

**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of this document was served by email on all parties of record on October 5, 2021.

Laura B. Kennedy  
Laura B. Kennedy



The following files are not convertible:

STAFF 12-01\_Attachment 1.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact [centralrecords@puc.texas.gov](mailto:centralrecords@puc.texas.gov) if you have any questions.