

1 improperly recorded costs, which serve to overstate reconcilable costs that are
2 recoverable from Texas retail customers.

3
4 **IV. NEWMAN 5 FORCED OUTAGE (Preliminary Order Issue No. 5, 9, 11)**⁴

5
6 **Q. PLEASE DESCRIBE EPE'S NEWMAN 5 GENERATING FACILITY.**

7 A. Newman 5 is a 278 MW gas-fired combined cycle generating unit consisting of two 70
8 MW combustion turbine units (Newman 5 GT-3 and GT-4) and a 138 MW gas-fired
9 steam generating unit (Newman 5ST) supplied from a heat recovery steam generator.⁵

10 The two Newman 5 gas turbines were placed in service in May of 2009, while Newman
11 5ST began commercial operations in April 2011.⁶ Newman 5 is located with four other
12 gas-fired generating units at EPE's Newman generating station, within the City of El
13 Paso.

14
15 **Q. HOW WAS NEWMAN 5 OPERATED DURING THE RECONCILIATION**
16 **PERIOD?**

17 A. Because Newman 5 is a relatively new and efficient gas-fired combined cycle generating
18 unit located within the City of El Paso, the unit generally provides base load and load
19 following service to meet the Company's local area energy requirements, particularly
20 during summer peak periods.⁷ However, as shown in Table 1 below, during the

⁴ RE: Application of El Paso Electric Company to Reconcile Fuel Costs, DN 50058, SOAH Docket 473-20-3996, Preliminary Order (July 16, 2020)

⁵ See Direct Testimony of David Hawkins, page 22.

⁶ See Exhibit SN-2, EPE's response to CEP 1-5.

⁷ See Direct Testimony of David Hawkins, page 22.

reconciliation period, the energy supplied from Newman 5 (as indicated by average capacity factor) dropped significantly from previous years.

Table 1
Newman 5 Capacity Factor Performance

	<u>Equivalent Availability, %</u>	<u>Capacity Factor, %</u>
2013	97.2	60.9
2014	91.4	36.3
2015	60.0	29.5
RP (4/16-3/19)	67.7	34.5

Q. DOES EPE’S TESTIMONY ADDRESS REASONS FOR THE DECLINE IN CAPACITY FACTOR PERFORMANCE OF NEWMAN 5 DURING THE RECONCILIATION PERIOD?

A. Yes. EPE witness Hawkins indicates that during the Reconciliation Period unusually long forced outages were experienced due to certain problems with the Newman Units 4 and 5 steam turbines.⁸ The Newman 4 steam turbine forced outage commenced on June 7, 2016, and was concluded on October 7, 2016. EPE indicates this outage was caused by a water induction incident during post-repair testing, after repair of a heat recovery steam generator leak.⁹

⁸ See Direct Testimony of David Hawkins, page 21.

⁹ See Direct Testimony of David Hawkins, page 22.

1 The Newman 5 steam turbine forced outage, consisted of an initial forced outage,
2 followed by 9 months of turbine repairs, and then a second turbine forced outage that
3 occurred during restart of the repaired unit, which led to significant additional turbine
4 rotor damage and another 7 months of repairs. The initial Newman 5 forced outage,
5 which commenced on July 10, 2017, was caused by a lubrication oil control system
6 failure and contractor errors. This turbine trip without an operable lubrication system
7 caused high vibration and thermal gradients in the turbine rotor, leading to turbine rotor
8 bowing damage. During the initial outage, EPE disassembled and inspected the Newman
9 5 steam turbine and repaired the turbine rotor bowing.

10 Unfortunately, when reassembling the turbine for restart in April of 2017, EPE's
11 contractors did not properly align the Newman 5 turbine rotor on the high-pressure seals.
12 This misalignment problem caused high vibration and the rubbing of the High Pressure -
13 Intermediate Pressure turbine seals during start-up, resulting in another turbine trip, and
14 new rotor bowing damage. EPE was forced to again remove Newman 5 from service to
15 allow for additional inspection and repairs of the steam turbine. After turbine repairs
16 were completed, Newman 5 was again returned to service on November 29, 2017,
17 approximately 508 days after the initial forced outage had occurred.

18
19 **Q. WHAT CAUSED OF THE JULY 2016 AND APRIL 2017 TURBINE FORCED**
20 **OUTAGE AT NEWMAN 5?**

21 A. EPE states that both outages were the result of contractor errors.¹⁰
22

¹⁰ See Exhibit SN-3, EPE's responses to CEP 3-7 and CEP 1-14.

1 **Q. WHAT WERE THE REPAIR COSTS INCURRED BY EPE DUE TO THE**
2 **NEWMAN 5 FORCED OUTAGES?**

3 A. EPE indicates that the it incurred \$28.5 million for repairs resulting from the Newman 5
4 turbine forced outages, including \$21.4 million of capital additions and \$7.0 million of
5 maintenance expenditures.¹¹

6
7 **Q. DID EPE RECEIVE ANY COMPENSATION FROM INSURANCE CLAIMS,**
8 **EQUIPMENT VENDORS OR CONTRACTORS FOR REPAIR OR**
9 **REPLACEMENT PROPERTY OR RELATED REPLACEMENT POWER COSTS**
10 **DUE TO THE NEWMAN 5 STEAM TURBINE FORCED OUTAGES?**

11 A. Yes. EPE received approximately \$23.9 million from its property insurance carriers for
12 property damage due to the Newman 5 turbine outages.¹² The Company states that it has
13 not sought to obtain compensation from equipment vendors or turbine repair contractors for
14 any portion of the repair costs.¹³ EPE did not have insurance that covered replacement
15 power costs due to the Newman 5 forced outages.¹⁴

16
17 **Q. HAS EPE ESTIMATED THE REPLACEMENT POWER COSTS THAT WERE**
18 **INCURRED DUE TO THE STEAM TURBINE FORCED OUTAGES AT NEWMAN**
19 **UNITS 4 AND 5?**

20 A. Yes. The Company's evaluation of replacement energy costs due to the Newman 4 steam
21 turbine forced outage indicates that EPE's system fuel costs were *reduced* by approximately

¹¹ See Exhibit SN-5, EPE's response to CEP 6-11.

¹² See Exhibit SN-6, EPE's response to CEP 3-13.

¹³ See Exhibit SN-7, EPE's response to CEP 3-8 and CEP 5-13.

¹⁴ See Exhibit SN-8, EPE's response to CEP2-24.

1 \$1 million due to the outage, which is a surprising finding given that Newman 4 is one of
2 the company's most efficient generating units.¹⁵

3 The Company's analysis of the replacement energy costs for the Newman 5 steam
4 turbine outages indicates that EPE's reconcilable fuel and purchased power costs were
5 approximately \$4.0 million (Texas Retail) higher due to the lengthy Newman 5 turbine
6 forced outages.¹⁶ EPE included all of these replacement energy costs in its fuel
7 reconciliation request.

8
9 **Q. HAS EPE ADJUSTED ITS RECONCILABLE FUEL BALANCE TO REMOVE**
10 **ESTIMATED REPLACEMENT ENERGY COSTS DUE TO THE NEWMAN 4 AND**
11 **5 STEAM TURBINE FORCED OUTAGES?**

12 A. No. EPE received no compensation from insurance or contractors for the replacement
13 energy costs the Company incurred due to the Newman steam turbine outages; therefore,
14 all the related replacement costs for these outages are fully reflected in the Company's
15 requested fuel reconciliation expense balance in this case.

16
17 **Q. DOES EPE'S REPLACEMENT POWER COST ESTIMATE FOR THE NEWMAN**
18 **5 FORCED OUTAGES REASONABLY APPROXIMATE THE IMPACT OF THE**
19 **OUTAGES ON RECONCILABLE FUEL EXPENSE IN THIS CASE?**

20 A. No. EPE's replacement power cost estimate is based on unjustified and flawed assumptions
21 that serve to significantly understate the replacement energy cost resulting from the

¹⁵ See Exhibit SN-9, EPE's response to CEP 1-14, Att. 5.

¹⁶ See Exhibit SN-9.

1 Newman 5 forced outages. There are three primary flaws in EPE's replacement energy cost
2 analysis for the Newman 5 forced outages:

3 1) EPE ignored the impact of the outage on off-system sales ("OSS") and therefore
4 does not include the significant reduction in OSS margin credits that would have further
5 reduced reconcilable fuel expense if the Newman 5 forced outages had not occurred;

6 2) EPE assumed that Newman 5 had no replacement energy costs during the months
7 of November 2016 through April of 2017 based on the unfounded assumption that Newman
8 5 would not have been operated during these off-peak months, even if the forced outages
9 had not occurred; and

10 3) EPE inexplicably ignored replacement energy costs for the Newman 5 forced
11 outages during the period September 28, 2017 through November 11, 2017 when the unit
12 was finally placed back into service.

13
14 **Q. PLEASE ELABORATE ON EACH OF THE ABOVE FLAWS IN EPE'S**
15 **REPLACEMENT POWER CALCULATIONS FOR THE NEWMAN 5 FORCED**
16 **OUTAGES.**

17 A. EPE's OSS margins from non-arbitrage sales during the reconciliation period averaged
18 approximately \$500,000 per month during the 16-month period when Newman 5 was out
19 of service due to the extended forced outages (i.e., July 2016 through November 2017) and
20 more than \$1.7 million per month, during other months of the reconciliation period.¹⁷ EPE
21 ignored this significant reduction in OSS margins due to the Newman 5 forced outages in
22 calculating replacement energy costs of the outages. Based on the \$1.2 million per month

¹⁷ EPE's off system sales margins, used to credit fuel costs by month, appear in the Company's WP/FR-21/3, column e. See Exhibit SN-10 for referenced non-arbitrage sales margins calculations.

1 average differential between the level of OSS margins during the Newman 5 forced outage
2 period and the average level of OSS margins for months before and after the outage period,
3 I estimate this flaw in EPE's replacement power analysis served to understate margins
4 attributable to the Newman 5 forced outages by approximately \$11.2 million on a Texas
5 Retail basis.¹⁸

6 The second flaw in EPE's replacement energy cost calculation is the Company's
7 unjustified assumption that Newman 5 would not have generated any energy in the months
8 of November of 2016 through April of 2017, if the Newman 5 forced outages had not
9 occurred. Historical data before and after the Newman 5 forced outage period indicates
10 that Newman 5 produced approximately 56,000 MWh per month on average during the
11 months of November through April each year over the last two reconciliation periods (i.e.,
12 April 2013 through March of 2019).¹⁹ Including this additional Newman 5 energy in
13 EPE's replacement energy calculation for the months of November 2016 through April
14 2017 would increase the level of replacement energy due to the Newman 5 forced outages
15 by approximately \$1.6 million (Texas Retail).²⁰

16 The third primary flaw in EPE's replacement energy calculation is the Company's
17 failure to evaluate the impact of the full Newman 5 forced outage period, which extended
18 from July 10, 2016 through November 29, 2017.²¹ Instead, the Company's analysis
19 assumes that the Newman 5 forced outage was completed and the unit returned to service
20 on September 27, 2017. This unexplained flaw served to further understate the replacement
21 energy due to the Newman 5 forced outage by approximately 177 GWh, based on the

¹⁸ See Exhibit SN-10.

¹⁹ See Exhibit SN-11.

²⁰ See Exhibit SN-11.

²¹ See the Direct Testimony of EPE witness Hawkins, page 23.

1 average energy produced by Newman 5 during the months of October and November over
2 the last two reconciliation periods.²² Including this additional two months of Newman 5
3 replacement energy increases EPE's estimate of the replacement energy costs of the
4 Newman 5 forced outages by approximately \$855,000 (Texas Retail).²³
5

6 **Q. WHAT IS YOUR ESTIMATE OF THE IMPACTS OF THE ABOVE FLAWS IN**
7 **EPE'S ANALYSIS ON REPLACEMENT ENERGY FOR THE NEWMAN 5**
8 **FORCED OUTAGES?**

9 A. As summarized in Table 2 below, I estimate that in combination, the three flaws in EPE's
10 replacement energy calculation serve to understate the replacement costs of the Newman 5
11 outage by approximately \$13.7 million. My estimate of the replacement energy impact of
12 the Newman 5 forced outage on EPE's reconciliation fuel expenses is approximately \$17.7
13 million on a Texas Retail basis.²⁴
14

15 Table 2
16 Impact of Flaws in EPE's Replacement Energy Cost Analysis
17 for Newman 5 Forced Outages²⁵

²² See Exhibit SN-12.

²³ See Exhibit SN-12.

²⁴ See Exhibit SN-12.

²⁵ See Exhibits SN-10, SN-11 and SN-12 for calculation of presented replacement energy adjustments.

EPE Estimate of Newman 5 Replacement Energy Costs	\$4,003,069
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CEP Adjustments:

1. Include Impact of Outages on OSS Margins	\$11,221,823
2. Include Impacts for Nov 2016 to Apr 2017	\$1,629,407
3. Include Impacts for Oct 2017 & Nov 2017	<u>\$855,307</u>
Total CEP Adjustments:	\$13,706,537

CEP Estimate of Newman 5 Replacement Energy Costs	\$17,709,605
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1
2
3
4 **Q. IS IT REASONABLE FOR EPE'S RATEPAYERS TO BE CHARGED FOR**
5 **REPLACEMENT ENERGY AND REPAIR COSTS ARISING FROM ERRORS**
6 **MADE BY EPE'S CONTRACTORS?**

7 A. No. EPE admits that the extraordinary Newman 5 forced outages resulted from contractor
8 errors.²⁶ These extended forced outages directly led to more than \$28 million in repair
9 costs and approximately \$17.7 million of replacement energy costs. While the Company
10 has received insurance settlements that offset a portion of the outage repair costs, the
11 Company has not attempted to collect the remaining repair costs or replacement energy
12 costs from its contractors.²⁷ EPE instead proposes to simply pass these costs on to
13 ratepayers, while retaining approximately \$6 million of insurance proceeds it received for
14 O&M expenses related to the Newman 5 forced outages. Under the Company's proposal,
15 EPE's ratepayers would bear the primary financial responsibility for the Newman 5 forced

²⁶ See Exhibit SN-3 and Exhibit SN-4.

²⁷ See Exhibit SN-7.

1 outage repair and replacement energy costs incurred due to the errors of EPE's contractors,
2 while EPE shareholder(s) would be held harmless.

3
4 **Q. WHAT IS YOUR RECOMMENDATION REGARDING THIS ISSUE?**

5 A. I recommend that the Commission deny EPE's request to recover replacement energy costs
6 arising from the Newman 5 forced outages which were caused by errors made by EPE's
7 contractors. I also recommend that the Company's proposed Texas retail reconcilable fuel
8 expense balance be reduced by \$17.7 million to remove the estimated impact of the 508-
9 day Newman 5 forced outage on EPE system energy costs and OSS margins. This
10 recommendation increases EPE's proposed \$19.7 million reconciliation period ending fuel
11 over-recovery balance (excluding the Palo Verde Performance Standard awards) to
12 approximately \$37.8 million including related interest.²⁸

13 If the Commission adopts my recommended adjustment to remove the Newman 5
14 forced outage replacement energy costs from EPE's reconcilable fuel balance, I further
15 recommend that the Company's request to carry over the ending fuel recovery balance to
16 the next fuel reconciliation proceeding be denied, and that EPE be required to file an
17 application within 30 days of the final order in this case to refund the resultant over-
18 recovery balance to customers. This recommendation reflects the fact that EPE's over-
19 recovery balance with the Newman 5 replacement energy cost disallowance I recommend
20 would be approximately \$29.8 million, which is just over 23% of EPE's average annual
21 fuel expense in the Reconciliation Period.

22

²⁸ See Exhibit EPE Schedule FR-21, page 1 and Exhibit SN-12, page 1.

1 **V. PALO VERDE PERFORMANCE STANDARDS (Preliminary Order Issue 28)**

2
3 **Q. WHAT IS EPE’S REQUEST IN THIS CASE REGARDING PALO VERDE**
4 **PERFORMANCE STANDARDS THAT WERE IN EFFECT DURING THE**
5 **RECONCILIATION PERIOD?**

6 A. EPE is requesting recovery of Palo Verde Performance Standards Evaluation rewards for
7 the Reconciliation Period totaling \$7,401,104, which includes performance rewards and
8 associated interest for the evaluation periods ending in December 2016, 2017, and
9 2018.²⁹ The requested Performance Standards reward serves to increase EPE’s
10 reconcilable fuel balance by the approved amount.

11
12 **Q. WHEN WERE EPE’S PALO VERDE PERFORMANCE STANDARDS FIRST**
13 **ADOPTED IN TEXAS?**

14 A. EPE’S Palo Verde Performance Standards were first adopted in 1991, in PUC Docket
15 No. 8892.³⁰ The standards have been modified over time, with the most recent
16 modifications being adopted through the Settlement Agreement in PUC Docket No.
17 46308, the Company’s 2016 Fuel Reconciliation case.³¹ The latest Performance
18 Standards changes, which were made effective with the 2018 performance year, continue
19 the use of Capacity Factor (“CF”) as the basis for measuring performance of the Palo
20 Verde units, and maintain the existing three performance bands consisting of a dead-
21 band, one reward band above the dead-band, and one penalty band below the dead, as

²⁹ See the Direct Testimony of EPE witness Boisselier, page 30 and Exhibit MB-7.

³⁰ See the Direct Testimony of EPE witness Boisselier, page 29.

³¹ See the Direct Testimony of EPE witness Boisselier, pages 29-30.

summarized below:³²

Rewards: CF > 89.25% -- Reward at 50% of Fuel Proxy^[11]_[SEP]

Dead-band: 89.25% > CF > 50.75% -- No Reward or Penalty

Penalties: 50.75% > CF -- Penalty at 50% of Fuel Proxy

Q. DOES EPE HAVE PALO VERDE PERFORMANCE STANDARDS IN EFFECT IN OTHER JURISDICTIONS?

A. No. In fact, EPE states that it is not aware of any of the other co-owners of Palo Verde, that have a Performance Standard program in effect currently.³³

Q. HOW HAS EPE BEEN IMPACTED OVER THE LAST DECADE BY THE PERFORMANCE STANDARDS FOR PALO VERDE?

A. As summarized in Table 3 below, EPE has received financial rewards under the Palo Verde Performance Standards in each of the last 10 years, even though the CF performance band to achieve rewards has been raised during this period.

Table 3
EPE Rewards/(Penalties) Under Palo Verde Performance Standards³⁴

³² See the Direct Testimony of EPE witness Boisselier, page 30, and PUC Docket No. 46308 Settlement Agreement, Article II.E.

³³ See EPE's response to CEP 2-10.

³⁴ See Exhibit SN-13, EPE's response to CEP 2-12.

3-Yr Eval Period <u>Ending</u>	EPE <u>Reward/(Penalty)</u>
2010	\$108,034
2011	\$844,466
2012	\$1,701,442
2013	\$1,623,157
2014	\$2,318,246
2015	\$2,763,702
2016	\$3,250,335
2017	\$3,149,228
2018	\$890,565
2019	<u>\$471,680</u>
Total	\$17,120,855

Q. IS THE IMPROVING TREND OF PALO VERDE CF PERFORMANCE GENERALLY CONSISTENT WITH PERFORMANCE TRENDS IN THE UNITED STATES NUCLEAR INDUSTRY?

A. Yes. In fact, there has been steady increasing trend in the CF performance of nuclear generating units in the United States (“U.S.”) since EPE’s Palo Verde Performance Standards were adopted in 1991. For example, the average CF of nuclear generating units in the U.S. over the 10-year period 1982-1991 was approximately 60.2%, while the average CF for U.S. nuclear units over the last ten years (2010-2019) was approximately 91.1%.³⁵ As shown in Table 4 below, the CF performance of Palo Verde has followed this improving trend, averaging approximately 92.3% during the last ten years.

Table 4
Palo Verde vs. U.S. Nuclear Average Capacity Factor Performance³⁶

³⁵ See Exhibit SN-14.

³⁶ See Exhibit SN-15.

	<u>PVNGS</u>	<u>U.S. Nuclear Average</u>
2010	90.5	91.1
2011	90.7	89.1
2012	92.3	86.1
2013	91.0	89.9
2014	93.7	91.7
2015	94.3	92.3
2016	93.4	92.3
2017	93.8	92.3
2018	90.2	92.5
2019	<u>92.6</u>	<u>93.5</u>
	92.3	91.1

Q. DO YOU BELIEVE THAT EPE’S PALO VERDE PERFORMANCE STANDARDS HAVE MATERIALLY INFLUENCED THE PERFORMANCE OF THE PALO VERDE UNITS?

A. No. Arizona Public Service Company (“APS”) is the designated Operating Agent of the Palo Verde generating units under terms of the Palo Verde Joint Operating Agreement; therefore, EPE has limited ability to influence operations of the plant.

Q. ARE EPE’S PALO VERDE PERFORMANCE STANDARDS NECESSARY TO MAINTAIN RELIABLE SERVICE OR CONTROL OWNERSHIP COSTS OF THE PALO VERDE PLANT?

A. No. Whether or not the initial implementation of performance standards for the Palo Verde units nearly 30 years ago was a proper decision given the environment at that time, they are no longer useful. The operating performance of the Palo Verde units over the last 10 years has been consistently good, and there is no basis to conclude that EPE’s Performance

Standards has had a significant impact on operating performance or costs of the plant, or is necessary to maintain good operations of the plant in the future.

Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?

A. I do not object to the Performance Standard reward requested by EPE in this case for the 2016, 2017 and 2018 evaluation periods. However, I believe that EPE's Palo Verde Performance Standards are no longer needed or justified as an incentive to maintain and improve performance of the Palo Verde units. Given the fact that EPE has consistently received financial rewards under the Palo Verde Performance Standards over the last 10 years, without having any significant authority to control operations of the plant, I see no reason to continue the Performance Standards and therefore recommend that EPE's Palo Verde Performance Standards program be abolished.

VI. CEP'S RATE CASE EXPENSE (Preliminary Order Issue 25)

Q. WHAT SERVICES HAS NORWOOD ENERGY CONSULTING PROVIDED TO THE CITY OF EL PASO IN THIS CASE?

A. The services provided by Norwood Energy Consulting to City of El Paso to date include: 1) review and analysis of EPE's direct testimony; 2) preparation of discovery; 3) analysis of EPE's discovery responses, 4) review of past testimony and orders addressing issues in this case, 5) identification and analysis of issues; and 6) preparation of direct testimony.

1 **Q. WHAT ARE THE TOTAL CHARGES INCURRED BY NORWOOD ENERGY**
2 **CONSULTING FOR SERVICES PROVIDED TO CITY OF EL PASO IN THIS**
3 **CASE?**

4 A. Norwood Energy Consulting has incurred total charges of \$22,440 for services it has
5 provided to the City of El Paso through July 31, 2020.
6

7 **Q. ARE THE HOURLY RATES CHARGED TO CITY OF EL PASO BY NORWOOD**
8 **ENERGY CONSULTING FOR THIS CASE REASONABLE AND CONSISTENT**
9 **WITH THE FEES CHARGED BY OTHER FIRMS FOR SIMILAR CONSULTING**
10 **SERVICES?**

11 A. Yes. My hourly rate of \$220 for services provided to City of El Paso in on the lower end
12 of the range of hourly rates charged by other regulatory consultants with similar
13 experience, based on my personal knowledge of rates charged in other proceedings. The
14 hourly rate charged for this project is equal to or less than the hourly rates charged by
15 Norwood Energy Consulting to other clients for similar services provided during the period
16 contemporaneous with this proceeding.
17

18 **Q. HAVE THE SERVICES PERFORMED BY NORWOOD ENERGY CONSULTING**
19 **FOR THE CITY OF EL PASO IN THIS PROCEEDING BEEN PROVIDED IN A**
20 **PROFESSIONAL, TIMELY, AND EFFICIENT MANNER?**

21 A. Yes. The services provided to the City of El Paso by Norwood Energy Consulting are
22 detailed on monthly invoices, which include a detailed description of the services
23 performed, and the number of hours charged in each day. The amounts charged for such

1 service are reasonable, the calculation of the charges is correct, and there has been no
2 double billing of any charges. All work performed was conducted in a timely and efficient
3 manner, and is relevant and necessary to address issues identified by Norwood Energy
4 Consulting in this the proceeding.

5
6 **Q. HAS NORWOOD ENERGY CONSULTING CHARGED 12 OR MORE HOURS IN**
7 **ANY ONE DAY ON THIS PROJECT?**

8 A. No.

9
10 **Q. HAS NORWOOD ENERGY CONSULTING CHARGED ANY AMOUNTS FOR**
11 **TRAVEL, LODGING, MEALS, OR OTHER EXPENSES INCURRED DIRECTLY**
12 **FOR THIS PROJECT?**

13 A. No. Norwood Energy Consulting only charges for the actual services provided.

14
15 **Q. WHAT ARE THE ESTIMATED REMAINING CHARGES FOR NORWOOD**
16 **ENERGY CONSULTING TO COMPLETE THIS CASE?**

17 A. I estimate that Norwood Energy Consulting will incur an additional \$17,600 (80 man-
18 hours) after July 31, 2020 to provide the following services to complete this case: 1) finalize
19 analysis and drafting of direct testimony; 2) review of direct testimony filed by other
20 parties; 3) review of EPE's rebuttal testimony; 4) assistance with settlement negotiations,
21 5) assistance with cross examination of witnesses; 6) preparation for testifying, 7)
22 participation at the hearing; and 7) technical assistance with briefs and any appeals.

1 **Q. HAS THE CITY INCURRED OTHER CHARGES FOR THIS CASE?**

2 A. Yes. Norman J. Gordon and the City Attorney totaling \$9,433.31 through July 31, 2020.

3 These charges are reasonable and are addressed further in Mr. Gordon's affidavit, which is

4 attached to my testimony.³⁷

5

6 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

7 A. Yes.

8

³⁷ See Exhibit SN-16.

DON SCOTT NORWOOD
Norwood Energy Consulting, L.L.C.

P. O. Box 30197
Austin, Texas 78755-3197
scott@scottnorwood.com
(512) 297-1889

SUMMARY

Scott Norwood is an energy consultant with over 37 years of utility industry experience in the areas of regulatory consulting, resource planning and energy procurement. His clients include government agencies, publicly-owned utilities, public service commissions, municipalities and various electric consumer interests. Over the last 15 years Mr. Norwood has presented expert testimony on electric utility ratemaking, resource planning, and electric utility restructuring issues in over 200 regulatory proceedings in Arkansas, Georgia, Iowa, Illinois, Michigan, Missouri, New Jersey, Oklahoma, South Dakota, Texas, Virginia, Washington and Wisconsin.

Prior to founding Norwood Energy Consulting in January of 2004, Mr. Norwood was employed for 18 years by GDS Associates, Inc., a Marietta, Georgia based energy consulting firm. Mr. Norwood was a Principal of GDS and directed the firm's Deregulated Services Department which provided a range of consulting services including merchant plant due diligence studies, deregulated market price forecasts, power supply planning and procurement projects, electric restructuring policy analyses, and studies of power plant dispatch and production costs.

Before joining GDS, Mr. Norwood was employed by the Public Utility Commission of Texas as Manager of Power Plant Engineering from 1984 through 1986. He began his career in 1980 as Staff Electrical Engineer with the City of Austin's Electric Utility Department where he was in charge of electrical maintenance and design projects at three gas-fired power plants.

Mr. Norwood is a graduate of the college of electrical engineering of the University of Texas.

EXPERIENCE

The following summaries are representative of the range of projects conducted by Mr. Norwood over his 30-year consulting career.

Regulatory Consulting

Oklahoma Industrial Energy Consumers - Assisted client with technical and economic analysis of proposed EPA regulations and compliance plans involving control of air emissions and potential conversion of coal-to-gas conversion options.

Cities Served by Southwestern Electric Power Company – Analyzed and presented testimony regarding the prudence of a \$1.7 billion coal-fired power plant and related settlement agreements with Sierra Club.

New York Public Service Commission - Conducted inter-company statistical benchmarking analysis of Consolidated Edison Company to provide the New York Public Service Commission with guidance in determining areas that should be reviewed in detailed management audit of the company.

Oklahoma Industrial Energy Consumers - Analyzed and presented testimony on affiliate energy trading transactions by AEP in ERCOT.

Virginia Attorney General – Analyzed and presented testimony regarding distribution tap line undergrounding program proposed by Dominion Virginia Power Company.

Cities Served by Southwestern Electric Power Company – Analyzed and presented testimony regarding the prudence of the utility's decision to retire the Welsh Unit 2 coal-fired generating unit in conjunction with a litigation settlement agreement with Sierra Club.

Georgia Public Service Commission - Presented testimony before the Georgia Public Service Commission in Docket 3840-U, providing recommendations on nuclear O&M levels for Hatch and Vogtle and recommending that a nuclear performance standard be implemented in the State of Georgia.

Oklahoma Industrial Energy Consumers - Analyzed and presented testimony addressing power production and coal plant dispatch issues in fuel prudence cases involving Oklahoma Gas and Electric Company.

Georgia Public Service Commission - Analyzed and provided recommendations regarding the reasonableness of nuclear O&M costs, fossil O&M costs and coal inventory levels reported in GPC's 1990 Surveillance Filing.

City of Houston - Analyzed and presented comments on various legislative proposals impacting retail electric and gas utility operations and rates in Texas.

New York Public Service Commission - Conducted inter-company statistical benchmarking analysis of Rochester Gas & Electric Company to provide the New York Public Service Commission with guidance in determining areas which should be reviewed in detailed management audit of the company.

Virginia Attorney General – Analyzed and presented testimony regarding an accelerated vegetation management program and rider proposed by Appalachian Power Company.

Oklahoma Attorney General – Analyzed and presented testimony regarding fuel and purchased power, depreciation and other expense items in Oklahoma Gas & Electric Company's 2001 rate case before the Oklahoma Corporation Commission.

City of Houston - Analyzed and presented testimony regarding fossil plant O&M expense levels in Houston Lighting & Power Company's rate case before the Public Utility Commission of Texas.

City of El Paso - Analyzed and presented testimony regarding regulatory and technical issues related to the Central & Southwest/El Paso Electric Company merger and rate proceedings before the PUCT, including analysis of merger synergy studies, fossil O&M and purchased power margins.

Residential Ratepayer Consortium - Analyzed Fermi 2 replacement power and operating performance issues in fuel reconciliation proceedings for Detroit Edison Company before the Michigan Public Service Commission.

Residential Ratepayer Consortium - Analyzed and prepared testimony addressing coal plant outage rate projections in the Consumer's Power Company fuel proceeding before the Michigan Public Service Commission.

City of El Paso - Analyzed and developed testimony regarding Palo Verde operations and maintenance expenses in El Paso Electric Company's 1991 rate case before the Public Utility Commission of Texas.

City of Houston - Analyzed and developed testimony regarding the operations and maintenance expenses and performance standards for the South Texas Nuclear Project, and operations and maintenance expenses for the Limestone and Parish coal-fired power plants in HL&P's 1991 rate case before the PUCT.

City of El Paso - Analyzed and developed testimony regarding Palo Verde operations and maintenance expenses in El Paso Electric Company's 1990 rate case before the Public Utility Commission of Texas. Recommendations were adopted.

Energy Planning and Procurement Services

Virginia Attorney General – Review and provide comments or testimony regarding annual integrated resource plan filings made by Dominion Virginia Power and Appalachian Power Company.

Dell Computer Corporation – Negotiated retail power supply agreement for Dell's Round Rock, Texas facilities producing annual savings in excess of \$2 million.

Texas Association of School Boards Electric Aggregation Program – Serve as TASB's consultant in the development, marketing and administration of a retail electric aggregation program consisting of 2,500 Texas schools with a total load of over 300 MW. Program produced annual savings of more than \$30 million in its first year.

Oklahoma Industrial Energy Consumers - Analyzed and drafted comments addressing integrated resource plan filings by Public Service Company of Oklahoma and Oklahoma Gas and Electric Company.

S.C. Johnson - Analyzed and presented testimony addressing Wisconsin Electric Power Company's \$4.1 billion CPCN application to construct three coal-fired generating units in southeast Wisconsin.

Oklahoma Industrial Energy Consumers - Analyzed wind energy project ownership proposals by Oklahoma Gas and Electric Company and presented testimony addressing project economics and operational impacts.

City of Chicago, Illinois Attorney General, Illinois Citizens' Utility Board - Analyzed Commonwealth Edison's proposed divestiture of the Kincaid and State Line power plants to SEI and Dominion Resources.

Georgia Public Service Commission - Analyzed and presented testimony on Georgia Power Company's integrated resource plan in a certification proceeding for an eight unit, 640 MW combustion turbine facility.

South Dakota Public Service Commission - Evaluated integrated resource plan and power plant certification filing of Black Hills Power & Light Company.

Shell Leasing Co. - Evaluated market value of 540 MW western coal-fired power plant.

Community Energy Electric Aggregation Program – Served as Community Energy's consultant in the development, marketing and start-up of a retail electric aggregation program consisting of major charitable organizations and their donors in Texas.

Austin Energy – Conducted competitive solicitation for peaking capacity. Developed request for proposal, administered solicitation and evaluated bids.

Austin Energy - Provided technical assistance in the evaluation of the economic viability of the City of Austin's ownership interest in the South Texas Project.

Austin Energy - Assisted with regional production cost modeling analysis to assess production cost savings associated with various public power merger and power pool alternatives.

Sam Rayburn G&T Electric Cooperative - Conducted competitive solicitation for peaking capacity. Developed request for proposal, administered solicitation and evaluated bids.

Rio Grande Electric Cooperative, Inc. - Directed preparation of power supply solicitation and conducted economic and technical analysis of offers.

Virginia Attorney General – Review and provide comments or testimony regarding annual demand-side management program programs and rider proposals made by Dominion Virginia Power and Appalachian Power Company.

Austin Energy – Conducted modeling to assess potential costs and benefits of a municipal power pool in Texas.

Electric Restructuring Analyses

Electric Power Research Institute - Evaluated regional resource planning and power market dispatch impacts on rail transportation and coal supply procurement strategies and costs.

Arkansas House of Representatives – Critiqued proposed electric restructuring legislation and identified suggested amendments to provide increased protections for small consumers.

Virginia Legislative Committee on Electric Utility Restructuring – Presented report on status of stranded cost recovery for Virginia’s electric utilities.

Georgia Public Service Commission – Developed models and a modeling process for preparing initial estimates of stranded costs for major electric utilities serving the state of Georgia.

City of Houston – Evaluated and recommended adjustments to Reliant Energy’s stranded cost proposal before the Public Utility Commission of Texas.

Oklahoma Attorney General – Evaluated and advised the Attorney General on technical, economic and regulatory policy issues arising from various electric restructuring proposals considered by the Oklahoma Electric Restructuring Advisory Committee.

State of Hawaii Department of Business, Economics and Tourism – Evaluated electric restructuring proposals and developed models to assess the potential savings from deregulation of the Oahu power market.

Virginia Attorney General - Served as the Attorney General’s consultant and expert witness in the evaluation of electric restructuring legislation, restructuring rulemakings and utility proposals addressing retail pilot programs, stranded costs, rate unbundling, functional separation plans, and competitive metering.

Western Public Power Producers, Inc. - Evaluated operational, cost and regional competitive impacts of the proposed merger of Southwestern Public Service Company and Public Service Company of Colorado.

Iowa Department of Justice, Consumer Advocate Division - Analyzed stranded investment and fuel recover issues resulting from a market-based pricing proposal submitted by MidAmerican Energy Company.

Cullen Weston Pines & Bach/Citizens’ Utility Board - Evaluated estimated costs and benefits of the proposed merger of Wisconsin Energy Corporation and Northern States Power Company (Primerger).

City of El Paso - Evaluated merger synergies and plant valuation issues related to the proposed acquisition and merger of El Paso Electric Company and Central & Southwest Company.

Rio Grande Electric Cooperative, Inc. - Analyzed stranded generation investment issues for Central Power & Light Company.

Power Plant Management

City of Austin Electric Utility Department - Analyzed the 1994 Operating Budget for the South Texas Nuclear Project (STNP) and assisted in the development of long-term performance and expense projections and divestiture strategies for Austin's ownership interest in the STNP.

City of Austin Electric Utility Department - Analyzed and provided recommendations regarding the 1991 capital and O&M budgets for the South Texas Nuclear Project.

Sam Rayburn G&T Electric Cooperative - Developed and conducted operational monitoring program relative to minority owner's interest in Nelson 6 Coal Station operated by Gulf States Utilities.

KAMO Electric Cooperative, City of Brownsville and Oklahoma Municipal Power Agency - Directed an operational audit of the Oklaunion coal-fired power plant.

Sam Rayburn G&T Electric Cooperative - Conducted a management/technical assessment of the Big Cajun II coal-fired power plant in conjunction with ownership feasibility studies for the project.

Kamo Electric Power Cooperative - Developed and conducted operational monitoring program for client's minority interest in GRDA Unit 2 Coal Fired Station.

Northeast Texas Electric Cooperative - Developed and conducted operational monitoring program concerning NTEC's interest in Pirkey Coal Station operated by Southwestern Electric Power Company and Dolet Hills Station operated by Central Louisiana Electric Company.

Corn Belt Electric Cooperative/Central Iowa Power Cooperative - Perform operational monitoring and budget analysis on behalf of co-owners of the Duane Arnold Energy Center.

PRESENTATIONS

Quantifying Impacts of Electric Restructuring: Dynamic Analysis of Power Markets, 1997 NARUC Winter Meetings, Committee on Finance and Technology.

Quantifying Costs and Benefits of Electric Utility Deregulation: Dynamic Analysis of Regional Power Markets, International Association for Energy Economics, 1996 Annual North American Conference.

Railroad Rates and Utility Dispatch Case Studies, 1996 EPRI Fuel Supply Seminar.

PUC DOCKET NO. 50058

APPLICATION OF EL PASO	§	PUBLIC UTILITY COMMISSION
ELECTRIC COMPANY TO	§	
RECONCILE FUEL COSTS	§	OF TEXAS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S FIRST REQUESTS FOR INFORMATION
QUESTION NOS. CEP-1 THROUGH CEP-30

CEP 1-5:

Provide the maximum net dependable capacity, commercial operation date, scheduled retirement date, and primary fuel type used for each EPE generating unit.

RESPONSE:

Please see CEP 1-5 Attachment 1.

Preparer: Nadia Powell	Title: Director – Palo Verde Management
Sponsor: David C. Hawkins	Title: Vice President – Generation and System Planning & Dispatch

EL PASO ELECTRIC COMPANY
 2019 TEXAS FUEL RECONCILIATION FILING
 CEP 1-5 ATTACHMENT
 SPONSOR: DAVE HAWKINS
 PREPARER: NADIA POWELL
 FOR THE FUEL RECONCILIATION PERIOD ENDED MARCH 31, 2019

PUC Docket No. 50058
 CEP's 1st, Q. No. CEP 1-5
 Attachment 1
 Page 1 of 2

EL PASO ELECTRIC COMPANY
 CAPACITY AND RETIREMENT DATA FOR ALL GENERATING UNITS

Unit Name	Peak Net Dependable Capacity (MW) (3&4)	In-Service Date	Scheduled Retirement Date (1)
<u>Steam Production Gas/Oil</u>			
Copper 1	63	07/1980	12/2030
Montana 1	88	03/2015	12/2060
Montana 2	88	03/2015	12/2060
Montana 3	88	05/2016	12/2061
Montana 4	88	09/2016	12/2061
Newman 1	76	05/1960	12/2022
Newman 2	76	06/1963	12/2022
Newman 3	95	03/1966	12/2026
Newman 4 GT-1	69	08/1975	12/2026
Newman 4 GT-2	69	08/1975	12/2026
Newman 4ST	89	08/1975	12/2026
Newman 5 GT-3	67	05/2009	12/2061
Newman 5 GT-4	67	05/2009	12/2061
Newman 5ST	128	04/2011	12/2061
Rio Grande 6 ⁽²⁾	45	06/1957	Inactive Reserve
Rio Grande 7	46	06/1958	12/2022
Rio Grande 8	144	07/1972	12/2033
Rio Grande 9	88	05/2013	12/2057

EL PASO ELECTRIC COMPANY
 2019 TEXAS FUEL RECONCILIATION FILING
 CEP 1-5 ATTACHMENT
 SPONSOR: DAVE HAWKINS
 PREPARER: NADIA POWELL
 FOR THE FUEL RECONCILIATION PERIOD ENDED MARCH 31, 2019

PUC Docket No. 50058
 CEP's 1st, Q. No. CEP 1-5
 Attachment 1
 Page 2 of 2

EL PASO ELECTRIC COMPANY
 CAPACITY AND RETIREMENT DATA FOR ALL GENERATING UNITS

Unit Name	Peak Net Dependable Capacity (MW) (3&4)	In-Service Date	Scheduled Retirement Date (1)
<u>Steam Production Coal (3)</u>			
Four Corners 4	54	06/1969	07/2016
Four Corners 5	54	07/1970	07/2016
<u>Steam Production Nuclear (4)</u>			
Palo Verde Unit 1	211	02/1986	06/2045
Palo Verde Unit 2	211	09/1986	04/2046
Palo Verde Unit 3	211	01/1988	11/2047

(1) Generation unit retirements are based on the Official Loads and Resources document, dated May 3, 2019.

(2) Since December 2014, Rio Grande 6 no longer serves as a regularly dispatched and reliably available unit that is counted for planning reserve margin purposes, it may still serve EPE and its customers as a reserve unit during any unforeseen resource needs. The unit is in inactive reserve status (per GADS guidelines).

(3) EPE's interest in Four Corners Units 4 & 5 was sold in July 2016. Capacity represents EPE's 7% share of the Four Corners Power Plant.

(4) Retirement dates represent Palo Verde units' renewed operating license expiration dates. Capacity represents EPE's 15.8% share of the Palo Verde Generating Station.

SOAH DOCKET NO. 473-20-3996
PUC DOCKET NO. 50058

APPLICATION OF EL PASO ELECTRIC	§	BEFORE THE STATE OFFICE
COMPANY TO RECONCILE	§	OF
FUEL COSTS	§	ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S THIRD REQUESTS FOR INFORMATION
QUESTION NOS. CEP 3-1 THROUGH CEP 3-33

CEP 3-7:

Reference EPE's response to CEP 1-14, please clarify whether the problems described as the root cause of the Newman 5 steam turbine forced outage which began in July of 2016 resulted from control system design flaws, installation problems, or other issues that were the responsibility of equipment vendors or EPE contractors.

RESPONSE:

The problems identified in the root cause analysis were caused by El Paso Electric Company contractors.

Preparer: J Kyle Olson

Title: Manager – Power Generation Engineering

Sponsor: David C. Hawkins

Title: Vice President – Generation, System Planning
and Dispatch

ROOT CAUSE ANALYSIS (RCA)
<NEWMAN U5 INCIDENT>

EL PASO ELECTRIC CO
NEWMAN POWER STATION
FM 2529
EL PASO TEXAS 79934

DATE: 7/10/2016

PUC Docket No. 50058
CEP's 1st, Q. No. CEP 1-14
Attachment 1
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FINDINGS AND ROOT CAUSE 2

CORRECTIVE ACTION..... 3

1. INTRODUCTION

The purpose of this RCA is to discuss the incident that occurred at Newman Power Station Unit 5 on July 10th, 2016. The objective is to come up with a solution to prevent this incident from reoccurring.

2. EVENT DESCRIPTION

The steam turbine balance of plant primary controller (Drop 5) and backup controller (Drop 55) failed at approximately 11:22 PM on the night of July 9th. At this time, the unit remained running with both controllers failed. Upon seeing both controllers failed, the technician rebooted the controllers at approximately 1:49 AM on July 10th. At this time, the unit tripped and coasted down without the operation of either main lube oil pump or the emergency DC lube oil pump.

3. INVESTIGATIVE TEAM AND METHOD

The investigation team consisting of plant personnel and contractors. The team was brought together on July 27th, 2016 to troubleshoot and all precautions were taken while the units were offline.

- Investigated the statuses of the primary and backup controllers.
- Investigated logic configuration to assure proper control and provide recommendations.
- Investigated wiring to assure proper control and provide recommendations.

4. FINDINGS AND ROOT CAUSE

The initial investigation led to the discovery that while both the primary and backup controllers indicated they were operating properly, a failure of the primary controller resulted in an immediate failure of the backup controller. This was attributed to an unidentified mismatch in the backup controller's flash memory.

Upon failure of both primary and backup controllers, the memorization of equipment statuses (e.g. running pumps, valve positions, etc.) is lost. Upon reboot of the controllers these are initialized into a default state. Upon investigation, it was discovered that the initialization state of the emergency DC lube oil pump is in the manual state, which is not per the OEM design.

The OEM design calls for the emergency DC lube oil pump auto/manual memorization to occur electrically, utilizing latching relays, and the DCS control to issue only pulsed commands to operate these relays. The wiring is per design, however the DCS configuration is such that the memorization also occurs within the control logic, effectively defeating the latching relays. Furthermore, the initial state of this DCS memorization is in the manual state which defeats the auto start of the emergency DC lube oil pump. The result of this misconfiguration is that upon initialization of the controllers after a dual controller failure, as was experienced, the emergency DC lube oil pump is placed into manual and off and not permitted to start under any circumstances without operator action.

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PUC DOCKET NO. 50058

APPLICATION OF EL PASO ELECTRIC	§	BEFORE THE STATE OFFICE
COMPANY TO RECONCILE	§	OF
FUEL COSTS	§	ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S SIXTH REQUESTS FOR INFORMATION
QUESTION NOS. CEP 6-1 THROUGH CEP 6-13

CEP 6-2:

Reference page 23 of EPE witness Hawkins' direct testimony, please explain the reasons for the referenced rotor bow that contributed to the Newman 5 forced outage on start-up on April 18, 2017.

RESPONSE:

The initial rotor bow was detected and repaired after the initial loss of lubricating oil incident; however, misalignment of the rotor on the high-pressure seals by El Paso Electric Company contractors resulted in the rubbing of the HP-IP turbine seals on start-up on April 18, 2017, which caused the rotor bow to return.

Preparer: J Kyle Olson

Title: Manager – Power Generation Engineering

Sponsor: David C. Hawkins

Title: Vice President – Generation, System
Planning and Dispatch

SOAH DOCKET NO. 473-20-3996
PUC DOCKET NO. 50058

APPLICATION OF EL PASO ELECTRIC § BEFORE THE STATE OFFICE
COMPANY TO RECONCILE § OF
FUEL COSTS § ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S SIXTH REQUESTS FOR INFORMATION
QUESTION NOS. CEP 6-1 THROUGH CEP 6-13

CEP 6-11:

Reference EPE's response to CEP 3-12, provide the referenced final cost report, final ratio, and the resultant summary of actual capital and O&M costs incurred for the Newman 5 turbine forced outage that began in July of 2016 and concluded in September of 2017.

RESPONSE:

Please see El Paso Electric Company's response to CEP 6-11, Attachments 1 and 2, for the final project manager material and external contractor cost reports for Phases 1 and 2 of the Newman Unit 5 turbine forced outage. The capital to operations and maintenance ratios for allocable costs are 74/26 and 62/38 for Phases 1 and 2, respectively. These percentages were applied to the allocable shared costs for each phase with the final costs resulting in \$21,404,207 for capital and \$7,049,129 in maintenance expenditures for a grand total of \$28,453,336.

Please note that CEP 6-11 Attachments 1 and 2 include only those material and external contractor costs that were allocable and do not include internal costs (AFUDC, labor, A&G, etc.,) or costs that were directly charged to either O&M or Capital.

Preparer: Larry Hancock

Title: Manager – Plant Accounting

Sponsor: David C. Hawkins

Title: Vice President – Generation, System
Planning and Dispatch

SOAH DOCKET NO. 473-20-3996
PUC DOCKET NO. 50058

APPLICATION OF EL PASO ELECTRIC § BEFORE THE STATE OFFICE
COMPANY TO RECONCILE § OF
FUEL COSTS § ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S THIRD REQUESTS FOR INFORMATION
QUESTION NOS. CEP 3-1 THROUGH CEP 3-33

CEP 3-13:

Provide workpapers that support the accounting entries made to reflect the adjustments made to specific capital and O&M accounts to reflect insurance payments received for damages incurred because of the Newman 5 steam turbine forced outage which began in July of 2016.

RESPONSE:

Please see Attachment 1, which summarizes, on an annual basis, the cash proceeds received during the Newman Unit 5 steam turbine forced outage. In accordance with Federal Energy Regulatory Commission ("FERC") guidelines, capital related proceeds were credited to FERC Account 108, "Accumulated Provision for Depreciation", and proceeds related to operations and maintenance were credited directly to FERC Account 513, "Maintenance of Electric Plant".

Preparer: Larry Hancock

Title: Manager – Plant Accounting

Sponsor: Melody Boisselier

Title: Principal Accountant – Regulatory
Accounting & Compliance

EL PASO ELECTRIC COMPANY**NEWMAN UNIT 5 OUTAGE INSURANCE CLAIM COLLECTIONS**

COLLECTED CUMULATIVELY			
	CAPITAL	O&M	TOTAL
UNIT 5 (Phase			
CAPITAL	\$ 14,472,679	\$ -	\$ 14,472,679
O&M	-	3,807,152	3,807,152
	\$ 14,472,679	\$ 3,807,152	\$ 18,279,831
UNIT 5 (Phase			
CAPITAL	\$ 3,459,590	\$ -	\$ 3,459,590
O&M	-	2,149,324	2,149,324
	\$ 3,459,590	\$ 2,149,324	\$ 5,608,914
TOTAL UNIT 5			
CAPITAL	\$ 17,932,270	\$ -	\$ 17,932,270
O&M	-	5,956,476	5,956,476
Grand Total	\$ 17,932,270	\$ 5,956,476	\$ 23,888,745

SOAH DOCKET NO. 473-20-3996
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APPLICATION OF EL PASO ELECTRIC	§	BEFORE THE STATE OFFICE
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EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S THIRD REQUESTS FOR INFORMATION
QUESTION NOS. CEP 3-1 THROUGH CEP 3-33

CEP 3-8:

Reference EPE' s response to CEP 1-14, to the extent the problems described as the root cause of the Newman 5 steam turbine forced outage which began in July of 2016 resulted from control system design flaws, installation problems, or other issues that were the responsibility of equipment vendors or EPE contractors, please describe actions taken by EPE to collect damages from vendors or contractors for the outage, and identify any amounts collected.

RESPONSE:

See El Paso Electric Company's ("EPE") response to CEP 3-7. EPE received insurance proceeds from its insurers but has not taken any action to collect damages from vendors or contractors for the outage.

Preparer: Linda Barker

Title: Senior Director – Safety, Claims &
Enterprise Risk Management

Sponsor: David C. Hawkins

Title: Vice President – Generation, System
Planning & Dispatch

SOAH DOCKET NO. 473-20-3996
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APPLICATION OF EL PASO ELECTRIC	§	BEFORE THE STATE OFFICE
COMPANY TO RECONCILE	§	OF
FUEL COSTS	§	ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S FIFTH REQUESTS FOR INFORMATION
QUESTION NOS. CEP 5-1 THROUGH CEP 5-17

CEP 5-13:

Reference EPE's response to CEP 3-8, please explain why EPE has not acted to collect damages from vendors or contractors for the referenced Newman 5 forced outage.

RESPONSE:

El Paso Electric Company ("EPE") did not seek to collect damages from vendors or contractors for replacement power because the contracts related to Newman Unit 5 implicated by the outage disclaim liability for consequential damages, which would include replacement power. Waiver of consequential damages conforms to standard practice in commercial agreements.

For other types of damages, refer to EPE's response to CEP 3-8.

Preparer: Linda Barker

Title: Senior Director – Safety, Claims &
Enterprise Risk Management

Sponsor: David C. Hawkins

Title: Vice President – Generation, System
Planning & Dispatch

PUC DOCKET NO. 50058

APPLICATION OF EL PASO	§	PUBLIC UTILITY COMMISSION
ELECTRIC COMPANY TO	§	
RECONCILE FUEL COSTS	§	OF TEXAS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S SECOND REQUESTS FOR INFORMATION
QUESTION NOS. CEP 2-1 THROUGH CEP 2-29

CEP 2-24:

Reference EPE's response to CEP 1-17, did EPE have replacement power insurance covering costs of the lengthy forced outages of the Newman 4 and Newman 5 steam unit forced outages during the reconciliation period? If not, explain why not. If so, provide documentation provided by EPE to its insurance carriers to support the Company's insurance claims for replacement power damages due to these claims.

RESPONSE:

El Paso Electric Company did not have replacement power insurance covering costs of the Newman Unit 4 and Newman Unit 5 steam unit forced outages during the reconciliation period. Obtaining insurance for replacement power is not common practice in the electric utility industry.

Preparer: Linda Barker

Title: Senior Director – Safety, Claims &
Enterprise Risk Management

Sponsor: David C. Hawkins

Title: Vice President – Generation, System
Planning & Dispatch

Exhibit SN-9

El Paso Electric Company Fuel & Net Purchased Power Expenses Replacement Costs Allocation

June - October 2016 & May - September 2017

TX allocated costs: \$ 5,517,017.63

a			b			c	x=a*b*c	
Plant Name	Unit Number	Capacity	Start Date	End Date	Duration (days)	Planned Case Capacity Factor	Product	Ratio
MONTANA	1	88	6/29/16	7/7/16	9	17%	138	0.1953
NEWMAN	3	97	7/5/16	7/7/16	3	35%	102	0.1442
NEWMAN	5	278	7/11/16	9/27/17	444	42%	51,286	72.3955
NEWMAN	5	278	7/10/16	7/10/16	1	42%	116	0.1631
RIO GRAN	8	142	7/24/16	7/28/16	5	31%	223	0.3148
NEWMAN	3	97	8/5/16	8/7/16	3	35%	102	0.1442
NEWMAN	2	76	8/5/16	8/6/16	2	25%	37	0.0529
RIO GRAN	7	46	9/23/16	9/24/16	2	18%	17	0.0239
FOUR COR	5	54	5/30/16	6/1/16	3	18%	30	0.0420
NEWMAN	4	227	6/2/16	6/2/16	1	52%	119	0.1675
NEWMAN	4	227	6/3/16	6/4/16	2	52%	237	0.3350
NEWMAN	4	227	6/5/16	6/6/16	2	52%	237	0.3350
RIO GRAN	8	142	6/6/16	6/6/16	1	31%	45	0.0630
NEWMAN	4	227	6/7/16	6/18/16	12	52%	1,424	2.0099
NEWMAN	4	227	6/19/16	10/7/16	111	52%	13,170	18.5915
FOUR COR	4	54	6/10/16	6/16/16	7	35%	132	0.1857
FOUR COR	5	54	6/19/16	6/20/16	2	18%	20	0.0280
MONTANA	2	88	8/3/17	8/13/17	11	9%	87	0.1233
NEWMAN	1	74	10/20/16	10/25/16	6	26%	116	0.1638
NEWMAN	4	227	10/7/16	10/11/16	5	52%	593	0.8375
PALO VER	1	211	9/7/16	9/13/16	7	91%	1,338	1.8883
PALO VER	2	211	5/9/17	5/14/17	6	95%	1,203	1.6979
FOUR COR	5	54	5/1/16	5/7/16	7	18%	69	0.0980
Total:							70,841	

Plant Name	Unit Number	Ratio	Percent	\$ Allocation/Unit
MONTANA	1	0.1953	0.0020	\$ 10,775
MONTANA	2	0.1233	0.0012	\$ 6,800
NEWMAN	1	0.1638	0.0016	\$ 9,039
NEWMAN	2	0.0529	0.0005	\$ 2,917
NEWMAN	3	0.29	0.0029	\$ 15,909
NEWMAN	4	22.28	0.2228	\$ 1,228,987
NEWMAN	5	72.56	0.7256	\$ 4,003,069
RIO GRAN	7	0.0239	0.0002	\$ 1,318
RIO GRAN	8	0.38	0.0038	\$ 20,841
FOUR COR	4	0.1857	0.0019	\$ 10,244
FOUR COR	5	0.17	0.0017	\$ 9,265
PALO VER	1	1.8883	0.0189	\$ 104,179
PALO VER	2	1.6979	0.0170	\$ 93,674

October 2017 - January 2018

TX allocated costs: \$ (1,068,917.40)

a			b			c	x=a*b*c	
Plant Name	Unit Number	Capacity	Start Date	End Date	Duration (days)	Planned Case Capacity Factor	Product	Ratio
NEWMAN	4	227	10/11/17	1/9/18	91	52%	10797.4139	100.0000
Total:							10,797	

Plant Name	Unit Number	Ratio	Percent	\$ Allocation/Unit
NEWMAN	4	100.0000	1.0000	\$ (1,068,917)

Exhibit SN-10

PUC Docket No. 50058
TIEC's 1ST, Q. No. TIEC 1-1
Attachment 1
Page 1 of 1

(a)

(e)
FOR THE PERIOD APRIL 2016 THROUGH MARCH 2019

(g)

Line No.	Month	Sales, MWh	Non-Arbitrage				Reconcilable Margin (2)
			Sales Revenues	Revenue, \$/MWh	Sales Cost	Sales Cost, \$/MWh	
1	Apr 2016	52,184	\$887,598	\$17.01	\$708,800	\$13.58	\$178,797
2	May	120,756	\$2,015,566	\$16.69	\$1,666,307	\$13.80	\$349,259
3	Jun	103,650	\$2,199,491	\$21.22	\$2,122,504	\$20.48	\$76,987
4	Jul	34,010	\$796,300	\$23.41	\$1,151,624	\$33.86	-\$355,324
5	Aug	39,689	\$1,103,878	\$27.81	\$1,063,861	\$26.80	\$40,017
6	Sep	32,553	\$819,030	\$25.16	\$633,924	\$19.47	\$185,105
7	Oct	22,616	\$559,443	\$24.74	\$513,705	\$22.71	\$45,738
8	Nov	92,761	\$1,749,809	\$18.86	\$1,289,067	\$13.90	\$460,741
9	Dec	107,783	\$3,121,726	\$28.96	\$1,960,731	\$18.19	\$1,160,995
10	Jan 2017	71,653	\$1,933,605	\$26.99	\$1,311,883	\$18.31	\$621,723
11	Feb	85,934	\$1,841,865	\$21.43	\$1,258,719	\$14.65	\$583,147
12	Mar	90,384	\$1,668,771	\$18.46	\$1,191,230	\$13.18	\$477,540
13	Apr	51,881	\$1,096,469	\$21.13	\$817,495	\$15.76	\$278,974
14	May	48,507	\$1,193,800	\$24.61	\$976,731	\$20.14	\$217,069
15	Jun	44,238	\$1,145,124	\$25.89	\$1,054,539	\$23.84	\$90,585
16	Jul	49,754	\$1,514,481	\$30.44	\$1,343,306	\$27.00	\$171,175
17	Aug	65,676	\$3,216,382	\$48.97	\$1,579,787	\$24.05	\$1,636,596
18	Sep	105,270	\$3,800,450	\$36.10	\$2,243,759	\$21.31	\$1,556,691
19	Oct	61,146	\$1,777,627	\$29.07	\$1,533,289	\$25.08	\$244,338
20	Nov	153,232	\$4,067,188	\$26.54	\$2,917,602	\$19.04	\$1,149,587
21	Dec	183,084	\$4,807,230	\$26.26	\$2,499,639	\$13.65	\$2,307,591
22	Jan 2018	229,025	\$6,121,681	\$26.73	\$3,177,875	\$13.88	\$2,943,806
23	Feb	218,276	\$5,818,780	\$26.66	\$3,172,929	\$14.54	\$2,645,850
24	Mar	243,050	\$5,950,504	\$24.48	\$2,905,053	\$11.95	\$3,045,451
25	Apr	88,599	\$1,781,429	\$20.11	\$1,219,553	\$13.76	\$561,876
26	May	90,347	\$1,561,259	\$17.28	\$1,066,555	\$11.81	\$494,704
27	Jun	86,240	\$1,781,270	\$20.65	\$1,261,630	\$14.63	\$519,640
28	Jul (1)	104,133	\$4,309,754	\$41.39	\$2,160,896	\$20.75	\$2,148,859
29	Aug	152,152	\$8,019,209	\$52.71	\$3,974,605	\$26.12	\$4,044,604
30	Sep	171,969	\$4,521,699	\$26.29	\$2,190,066	\$12.74	\$2,331,633
31	Oct	140,312	\$3,821,963	\$27.24	\$2,303,160	\$16.41	\$1,518,802
32	Nov	129,076	\$4,121,082	\$31.93	\$1,608,133	\$12.46	\$2,512,949
33	Dec	232,518	\$8,996,483	\$38.69	\$2,964,635	\$12.75	\$6,031,848
34	Jan 2019	150,069	\$4,390,420	\$29.26	\$1,788,756	\$11.92	\$2,601,664
35	Feb	222,930	\$13,710,270	\$61.50	\$2,654,211	\$11.91	\$11,056,060
36	Mar	238,305	\$7,082,238	\$29.72	\$1,924,360	\$8.08	\$5,157,878
37	Total	4,113,762	\$123,303,872	\$29.97	\$64,210,918	\$15.61	\$59,092,954
Mo Avg During Outage		68,064	1,847,409	\$27.14	\$1,343,603	\$19.74	\$503,806
Mo Avg Non-Outage Mos		155,614	4,836,733	\$31.08	\$2,177,351	\$13.99	\$1,712,054

OSS Margins Diff **\$1,208,248**
Margin Diff times 16 mos **\$19,331,972**
Newman 5 Ratio **0.726**
TRA **0.800**
OSS Impact, TxRetail: **\$11,221,823**

EL PASO ELECTRIC COMPANY
 2016 TEXAS FUEL RECONCILIATION FILING
 SCHEDULE FR-4.2a: UNIT DATA
 SPONSOR: ANDRES R. RAMIREZ / NADIA POWELL
 PREPARER: CLARISA LOPEZ/JOYCE HORTON
 FOR THE RECONCILIATION PERIOD APRIL 2013 THRO

NEWMAN UNIT 5 (GT-3, GT-4, ST)

PRODUCTION MWh				
	GROSS UNIT OUTPUT	STATION SERVICE	NET UNIT OUTPUT	
RECONCILIATION PERIOD (RP)				
APR 2013	143,253	3,428		139,825
	151,719	3,557		148,162
	152,514	3,519		148,995
	156,916	3,162		153,754
	129,149	3,014		126,135
	150,580	3,232		147,348
	145,089	3,562		141,527
	128,503	3,272		125,231
	27,941	2,103		25,838
	2,399	485		1,914
	2,614	904		1,710
	5,078	1,955		3,123
MAY 2014	86,563	2,817		83,746
	143,860	3,542		140,318
	145,314	3,456		141,858
	144,398	3,567		140,831
	139,956	3,448		136,508
	120,235	3,180		117,055
	93,738	3,008		90,730
	52,364	2,104		50,260
	14,515	1,940		12,575
	47,204	2,359		44,845
	57,426	2,368		55,058
	1,359	2,027		(668)
APR 2015	2,188	1,980		208
	44,496	2,665		41,831
	132,733	3,311		129,422
	49,271	1,935		47,336
	133,581	3,218		130,363
	139,107	3,152		135,955
	69,570	2,596		66,974
	0	1,826		(1,826)
	0	1,894		(1,894)
	519	1,798		1,798
	3,576	1,893		(1,405)
	488	1,888		19,116
MAY 2016	21,004	3,091		87,613
	90,704	3,392		131,229
	134,621	2,451		84,162
	86,613	2,062		75,915
	77,977	1,918		29,817
	31,735	1,897		(657)
	1,240	1,895		1,904
	3,799	1,859		(1,859)
	0	97		4,414
	4,511	174		4,865
	5,039	302		32,653
	32,955	1,156		12,011
JUN 2017 (B)	13,167	399		(128)
	271	481		9,072
	9,553	622		17,746
	18,368	573		24,543
	25,116	1,351		17,046
	18,397	1,093		6,638
	7,731	1,551		6,655
	8,206	5,808		142,043
	147,851	5,903		135,800
	141,703	5,283		112,663
	117,946	2,897		53,893
	56,790	5,190		101,148
JUL 2018	106,338	5,654		126,041
	131,695	5,548		123,442
	128,990	6,321		133,244
	139,565	5,911		138,167
	144,078	5,231		122,989
	128,220	5,305		135,894
	141,199	2,465		100,715
	103,180	5,393		120,606
	125,999	5,393		114,158
	119,551	4,977		114,526
	119,503	3,854		79,608
	83,462	183,655		4,816,960
Total Non-Out	5,000,615	183,655		4,816,960
	126,204	3,753		122,451
	59,287	2,968		56,319
	91,705	3,017		88,688

CEP's Adjustments to EPE's Reconcilable Fuel Balance for Replacement Energy Costs of Newman 5 Forced Outages

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
		Fuel		CEP	Total	Docket 40622			Monthly			Total	Total
Line		Over / (Under)	EPE Fuel	Newman 5	Monthly Fuel	Refund	Net	Cumulative	Interest	Interest	Cumulative	Recovery	Cumulative
No.	Month	Recovery	Adjustments	Repl Energy Adjustments	Recovery	Adjustments	Recovery	Recovery	Factor	Recovery	Interest	& Interest	Recovery
		(1)	(2)	Exh SN 12 pg2	d = b + c + d	(4)	g = e + f	(5)	(6)		l = g + j	Balance	Balance
1	Beg. Balance (3)							(\$385,742)			(\$32,261)		\$ (418,003)
2	Apr 2016	(591,604)	-	\$0	(591,604)	-	(591,604)	(977,346)	0.000149876	(A)	(63)	(32,324)	(1,009,670)
3	May	(2,312,569)	-	\$0	(2,312,569)	(17)	(2,312,586)	(3,289,932)	0.000149876		(151)	(32,475)	(3,322,407)
4	Jun	(1,326,915)	-	\$0	(1,326,915)	-	(1,326,915)	(4,616,847)	0.000149876		(498)	(32,973)	(4,649,820)
5	Jul	(6,201,918)	-	\$1,104,893	(5,097,025)	-	(5,097,025)	(9,713,872)	0.000149876		(697)	(33,670)	(9,747,542)
6	Aug	(2,107,101)	(183,842)	\$1,104,893	(1,186,050)	-	(1,186,050)	(10,899,923)	0.000149876		(1,461)	(35,131)	(10,935,054)
7	Sep	(850,796)	-	\$1,104,893	254,097	-	254,097	(10,645,826)	0.000149876		(1,639)	(36,770)	(10,682,596)
8	Oct	(2,181,135)	83,032	\$1,104,893	(993,210)	7	(993,203)	(11,639,029)	0.000149876		(1,601)	(38,371)	(11,677,400)
9	Nov	437,946	-	\$931,675	1,369,621	-	1,369,621	(10,269,408)	0.000149876		(1,750)	(40,121)	(10,309,529)
10	Dec	(518,083)	-	\$931,675	413,592	10	413,602	(9,855,806)	0.000149876		(1,545)	(41,666)	(9,897,472)
11	Jan 2017	1,928,294	-	\$931,675	2,859,969	-	2,859,969	(6,995,837)	0.000482053	(B)	(4,771)	(46,437)	(7,042,274)
12	Feb	2,654,439	-	\$931,675	3,586,114	-	3,586,114	(3,409,723)	0.000482053		(3,395)	(49,832)	(3,459,555)
13	Mar	4,020,804	-	\$931,675	4,952,479	-	4,952,479	1,542,756	0.000482053		(1,668)	(51,500)	1,491,256
14	Apr	(147,325)	-	\$931,675	784,350	-	784,350	2,327,106	0.000482053		719	(50,781)	2,276,325
15	May	(60,333)	-	\$1,104,893	1,044,560	-	1,044,560	3,371,665	0.000482053		1,097	(49,684)	3,321,981
16	Jun	(830,673)	156,538	\$1,104,893	430,758	-	430,758	3,802,423	0.000482053		1,601	(48,083)	3,754,340
17	Jul	1,944,997	-	\$1,104,893	3,049,890	-	3,049,890	6,852,313	0.000482053		1,810	(46,273)	6,806,040
18	Aug	3,102,626	-	\$1,104,893	4,207,519	-	4,207,519	11,059,831	0.000482053		3,281	(42,992)	11,016,839
19	Sep	4,489,628	-	\$1,104,893	5,594,521	-	5,594,521	16,654,352	0.000482053		5,311	(37,681)	16,616,671
20	Oct	2,096,771	(66,104)	\$1,087,761	3,118,428	-	3,118,428	19,772,780	0.000482053		8,010	(29,671)	19,743,109
21	Nov	987,011	110,887	\$1,087,761	2,185,659	-	2,185,659	21,958,438	0.000482053		9,517	(20,154)	21,938,284
22	Dec	1,574,632	-	\$0	1,574,632	-	1,574,632	23,533,070	0.000482053		10,575	(9,579)	23,523,491
23	Jan 2018	1,692,784	-	\$0	1,692,784	-	1,692,784	25,225,854	0.000870817	(C)	20,485	10,906	25,236,760
24	Feb	2,313,564	-	\$0	2,313,564	-	2,313,564	27,539,418	0.000870817		21,977	32,883	27,572,301
25	Mar	3,453,842	-	\$0	3,453,842	-	3,453,842	30,993,260	0.000870817		24,010	56,893	31,050,153
26	Apr	794,552	-	\$0	794,552	-	794,552	31,787,812	0.000870817		27,039	83,932	31,871,744
27	May	(3,268,677)	-	\$0	(3,268,677)	-	(3,268,677)	28,519,135	0.000870817		27,754	111,686	(28,630,821)
28	Jun	(4,161,527)	1,489,568	\$0	(2,671,959)	-	(2,671,959)	25,847,176	0.000870817		24,932	136,618	(25,983,794)
29	Jul	(2,632,615)	-	\$0	(2,632,615)	-	(2,632,615)	23,214,561	0.000870817		22,627	159,245	(23,373,806)
30	Aug	586,424	-	\$0	586,424	-	586,424	23,800,985	0.000870817		20,354	179,599	(23,980,584)
31	Sep	765,801	-	\$0	765,801	-	765,801	24,566,786	0.000870817		20,883	200,482	(24,767,268)
32	Oct	154,403	-	\$0	154,403	-	154,403	24,721,189	0.000870817		21,568	222,050	(24,943,239)
33	Nov	43,979	-	\$0	43,979	-	43,979	24,765,168	0.000870817		21,721	243,771	(25,008,939)
34	Dec	1,816,875	-	\$0	1,816,875	-	1,816,875	26,582,043	0.000870817		21,778	265,549	(26,847,592)
35	Jan 2019	(107,800)	-	\$0	(107,800)	-	(107,800)	26,474,243	0.001643398	(D)	44,121	309,670	(26,783,913)
36	Feb	7,705,803	-	\$0	7,705,803	-	7,705,803	34,180,046	0.001643398		44,016	353,686	(34,533,732)
37	Mar	2,749,289	-	\$0	2,749,289	-	2,749,289	36,929,335	0.001643398		56,753	410,439	(37,339,774)
38	Totals	\$18,015,393	\$1,590,079	\$17,709,605	\$37,315,077	\$0	\$37,315,077				\$442,700	\$37,757,777	

CEP Newman 5 Replacement Energy Adjustments:

	<u>EPE ReplEn</u>	<u>OSS Margins</u>	<u>Nov16-Apr17</u>	<u>Oct17-Nov17</u>	<u>Total Adjustment</u>
					\$0
					\$0
					\$0
					\$0
Jul 2016	\$444,785	\$660,107			\$1,104,893
Aug	\$444,785	\$660,107			\$1,104,893
Sep	\$444,785	\$660,107			\$1,104,893
Oct	\$444,785	\$660,107			\$1,104,893
Nov	\$0	\$660,107	\$271,568		\$931,675
Dec	\$0	\$660,107	\$271,568		\$931,675
Jan 2017	\$0	\$660,107	\$271,568		\$931,675
Feb	\$0	\$660,107	\$271,568		\$931,675
Mar	\$0	\$660,107	\$271,568		\$931,675
Apr	\$0	\$660,107	\$271,568		\$931,675
May	\$444,785	\$660,107			\$1,104,893
Jun	\$444,785	\$660,107			\$1,104,893
Jul	\$444,785	\$660,107			\$1,104,893
Aug	\$444,785	\$660,107			\$1,104,893
Sep	\$444,785	\$660,107			\$1,104,893
Oct	\$0	\$660,107		\$427,653	\$1,087,761
Nov 2017	<u>\$0</u>	<u>\$660,107</u>	<u>0</u>	<u>\$427,653</u>	<u>\$1,087,761</u>
	\$4,003,069	\$11,221,823	\$1,629,407	\$855,307	\$17,709,605

Impact of Flaws in EPE's Replacement Energy Analysis for Newman 5 Forced Outages

1. Off System Sales (OSS) Impact

OSS During Outage	\$503,806
OSS Non-outage	<u>\$1,712,054</u>
OSS Margins Diff	\$1,208,248
Margin Diff times 16 mos	\$19,331,972
Newman 5 Ratio	0.726
TRA	<u>0.800</u>
OSS Impact, TxRetail:	\$11,221,823

2. Include Outage Impacts for Nov16-April17

Average MWh/Month	56,319
Months	6
Total MWh	337,912
Average Repl Energy Cost, \$/MWh	\$8.31
Total Repl Cost \$	\$2,806,999
Newman 5 Ratio	0.726
TRA	<u>0.800</u>
OSS Impact, TxRetail:	\$1,629,407

3. Include Outage Impacts for Oct-Nov 2017

Average MWh/Month	88,688
Months	2
Total MWh	177,376
Average Repl Energy Cost, \$/MWh	\$8.31
Total Repl Cost \$	\$1,473,448
Newman 5 Ratio	0.726
TRA	<u>0.800</u>
OSS Impact, TxRetail:	\$855,307

PUC DOCKET NO. 50058

APPLICATION OF EL PASO § PUBLIC UTILITY COMMISSION
ELECTRIC COMPANY TO §
RECONCILE FUEL COSTS § OF TEXAS

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S SECOND REQUESTS FOR INFORMATION
QUESTION NOS. CEP 2-1 THROUGH CEP 2-29

CEP 2-12:

Provide EPE's financial awards for Palo Verde performance under the Texas performance standards for the plant over each of the last ten calendar years.

RESPONSE:

Three-Year Evaluation Period Ending	EPE's Palo Verde Performance Bonus/(Penalty)
2010	\$108,034
2011	\$844,466
2012	\$1,701,442
2013	\$1,623,157
2014	\$2,318,246
2015	\$2,763,702
2016	\$3,250,335
2017	\$3,149,228
2018*	\$890,565
2019*	\$471,680

*The performance standards were modified in 2018 pursuant to the order in Docket No. 46308.

Preparer: Alejandra Montalvo Title: Staff Accountant – Regulatory
Accounting & Compliance

Sponsor: Melody Boisselier Title: Principal Accountant – Regulatory
Accounting & Compliance

U.S. Energy Information Administration
July 2020 Monthly Energy Review

Release Date: July 28, 2020

Next Update: August 26, 2020

Table 8.1 Nuclear Energy Overview

<u>Year</u>	<u>Nuclear Units</u>	<u>Nuclear Capacity, GW</u>	<u>Annual CF %</u>	<u>Average CF Previous 10 Years, %</u>
1990	112	99.6	66.0	59.0
1991	111	99.6	70.2	60.2
1992	109	99.0	70.9	61.6
1993	110	99.0	70.5	63.2
1994	109	99.1	73.8	64.9
1995	109	99.5	77.4	66.9
1996	109	100.8	76.2	68.8
1997	107	99.7	71.1	70.2
1998	104	97.1	78.2	71.7
1999	104	97.4	85.3	74.0
2000	104	97.9	88.1	76.2
2001	104	98.2	89.4	78.1
2002	104	98.7	90.3	80.0
2003	104	99.2	87.9	81.8
2004	104	99.6	90.1	83.4
2005	104	100.0	89.3	84.6
2006	104	100.3	89.6	85.9
2007	104	100.3	91.8	88.0
2008	104	100.8	91.1	89.3
2009	104	101.0	90.3	89.8
2010	104	101.2	91.1	90.1
2011	104	101.4	89.1	90.1
2012	104	101.9	86.1	89.6
2013	100	99.2	89.9	89.8
2014	99	98.6	91.7	90.0
2015	99	98.7	92.3	90.3
2016	99	99.6	92.3	90.6
2017	99	99.6	92.3	90.6
2018	98	99.4	92.5	90.8
2019	96	98.1	93.5	91.1
Avg Last 10 Yrs			91.1	
Avg Last 20 Yrs			90.4	

Palo Verde vs. U.S. Nuclear Average Capacity Factor Performance; %

	<u>PVNGS</u>	<u>U.S. Nuclear Average</u>
2010	90.5	91.1
2011	90.7	89.1
2012	92.3	86.1
2013	91.0	89.9
2014	93.7	91.7
2015	94.3	92.3
2016	93.4	92.3
2017	93.8	92.3
2018	90.2	92.5
2019	<u>92.6</u>	<u>93.5</u>
	92.3	91.1

Sources EIA and CEP 3-26

SOAH Docket 173-20-3996
PUC DOCKET 50058
EXHIBT SN-16

SOAH DOCKET NO. 473-20-3996
PUC DOCKET NO. 50058

**APPLICATION OF EL PASO ELECTRIC §
COMPANY TO RECONCILE §
FUEL COSTS §**

**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**

DECLARATION OF NORMAN J. GORDON

THE STATE OF OHIO)

COUNTY OF CUYAHOGA)

:

1. My name is Norman J. Gordon. My business address is PO Box 8, El Paso, Texas, 79940. I am over eighteen years of age and I am not disqualified from making this Declaration. I declare under penalty of perjury that the information in this declaration provided under Chapter 132 Texas Civil Practice and Remedies Code is true and correct.

2. I am an attorney licensed in the States of Texas and Illinois, and numerous federal courts. I received my undergraduate degree and law degree from University of Illinois at Urbana-Champaign. I have been in private practice of law in El Paso since completing my military obligation with the Judge Advocate General's Corps of the United States Army in 1974. I am board certified in Civil Trial Law by the Texas Board of Legal Specialization and have been so certified since 1983. One of the areas of my practice is in the area of utility regulation. Since 1978, I have been lead counsel for parties in many major rate cases, rulemaking proceedings, and other administrative dockets before City Councils, the Railroad Commission of Texas, the Public Utility Commission of Texas, State District Courts, United States Bankruptcy Court, and Texas Appellate Courts, including the Supreme Court of Texas. I have filed testimony on rate case expense issues in cases before Railroad Commission of Texas. I have filed testimony and testified as an expert witness on rate case expenses in cases before the Public Utility Commission of Texas. I have also taught principles of regulation to members of the Public Utility Regulation Board of the City of El Paso, an advisory board on utility matters.

3. I became a sole practitioner in February 2019. Prior to February 2019, I was a shareholder in the El Paso firm of Mounce, Green Myers, Safi, Paxson & Galatzan, A Professional Corporation, from October 2003 until February 2019. Prior to that time my private practice was with the El Paso law firm of Diamond Rash Gordon & Jackson, P.C., for 29 years where I was a shareholder.

4. The City of El Paso ("City") engaged me to act as outside counsel for it in this case Application of El Paso Electric Company to Reconcile Fuel Costs, Docket No. 50058, SOAH Docket No. 473-20-3996/

5. In connection with the case, the amount incurred through July 31, 2020 is a total of \$8,400 in fees. I also charged expenses in the amount of for a total of \$69.21. The description of services is provided in the attached invoices, by day, attorney and services performed. The invoices and support are attached to this Declaration as Attachment "A" and incorporated herein. The only expenses charged were overnight delivery for filings at the Commission. There were no charges for first class travel or hotel expense. There is no markup on the expenses. The expenses were reasonable. I also billed for the services of Norwood Energy Consulting, LLC, (Scott Norwood) , and its statements which total \$22,440 are attached to mine, in the statement to the City of El Paso.

7. The total of my fees and expenses including Norwood Energy Consulting LLC through July 31, 2020 is \$30,909.21. In addition, the City Attorney's office time is \$964.60 as reflected in the declaration of Abbie Mullin for a total of \$31,873.31.

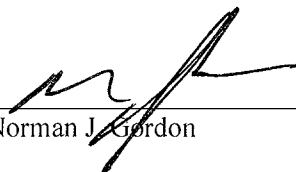
8. This case is ongoing. I currently estimate that the additional fees through August 31, will be \$8,000 and an additional \$15,000 if the case goes to hearing as scheduled in October 2020. The remaining work is the review and analysis of the testimony of other parties, including the PUC staff and El Paso Electric rebuttal, the possibility of cross-rebuttal, discovery as necessary on other parties and El Paso Electric, the conduct of the hearing, including the preparation of exhibits, post hearing briefing, and as necessary Exceptions to the Proposal for Decision. Additional expenses will include copying and hearing transcripts. Based on my experience I estimate that the additional fees will be approximately \$23,000 and expenses of \$1,000. The total of incurred and estimated expenses to complete the case including Mr. Norwood's estimate of \$17,000 are \$72,000. I would hope to supplement at a later time.

8. I am familiar with the hourly rates charged by others in Texas with similar or less experience for similar work, through the cases in which I have acted as counsel and through the cases in which I have filed testimony. The hourly rates charged by me of \$350.00 was reasonable.

9. All of the work done by me was necessary and reasonable with respect to both time and amount considering the nature, extent, and difficulty of the work, the originality of the issues presented including the nature of the issues raised and addressed by the City in this proceeding, and the amount of time spent by and charges by others for work of a similar nature in this and other proceedings. The expenses incurred are all reasonable and necessary for the presentation and prosecution of the City's case.

Further Declarant Says Not.

Dated August 27, 2020



Norman J. Gordon

Norman J. Gordon
 Attorney at Law
 PO Box 8
 El Paso, Texas, 79940

City of El Paso
 300 N. Campbell
 Attn: Office of the City Attorney
 PO Box 1890
 El Paso TX 79950-1890
 El Paso TX 79901

Attn: Karla M. Nieman

EPE Fuel Reconciliation PUC Docket 50058

Page: 1
 08/26/2020
 Account No: 1-13M
 Statement No: 152

Payments received after 08/26/2020 are not included on this statement.

<u>Fees</u>			Hours	
10/15/2019	NJG	Initial Review of filing., identification of potential issues begin preparation for Council presentation	2.00	700.00
	NJG			
10/16/2019	NJG	E-mails re: access to electronic documents in filing	0.20	70.00
10/25/2019	NJG	prepare identification of issues for Council presentation.	0.30	105.00
10/28/2019	NJG	Presentation to City Council re: case in executive session	0.70	245.00
	NJG	Prepare intervention and send for filing.	0.30	105.00
11/26/2019	NJG	Tel. S. Norwood re: engagement and commencement of work	0.20	70.00
12/03/2019	NJG	Review proposed RFI's and prepare RFI's for filing.	0.40	140.00
12/30/2019	NJG	Review EPE response to CEP First RFI's	1.50	525.00
01/09/2020	NJG	Review supplemental response to Staff RFI's	0.20	70.00
01/27/2020	NJG	Tel w. B. Hallmark (TIEC)	0.30	105.00
01/30/2020	NJG	Discovery Review status of discovery and responses.	1.00	350.00
	NJG	Review Response to TIEC 1st RFI's	0.60	210.00
01/31/2020	NJG	Tel. S. Norwood re: status	0.20	70.00
02/07/2020	NJG	Review Response to OPUC 1st RFI's	0.40	140.00
02/24/2020	NJG	Review and analyze filing and testimony, issues of outages , Prepare and file CEP 2nd RFI's	2.50	875.00

EPE Fuel Reconciliation PUC Docket 50058

			Hours	
03/04/2020	NJG	Review and analyze Vnton 3rd RFI and Response to TIEC 2nd RFI's	0.40	140.00
03/11/2020	NJG	Review response to CEP 2nd RFI's incl confidential and Highly sensitive	1.10	385.00
03/26/2020	NJG	Review responses to OPUC 2nd RFI's and Staff Third RFI's	0.50	175.00
04/01/2020	NJG	Review PUC's request for procedural schedule and Tel. B. Slocum re: response	0.20	70.00
04/16/2020	NJG	REview EPE response and reequest for REferral, Response to Staff FOurth RFI's	0.30	105.00
06/25/2020	NJG	Procedural Schedule Issues/ E-mails re: conflicts and dates	0.30	105.00
06/30/2020	NJG	E-mails re: procedural schedule and conflicts Review Staff and EPE List of Issues	0.70	245.00
07/01/2020	NJG	Filings re: PHC and Final schedule submission	0.30	105.00
07/02/2020	NJG	Appear via Zoom at PHC/ Correspond with Client RE: schedule	0.70	245.00
07/07/2020	NJG	Prepare CEP 3rd RFI's to EPE	0.50	175.00
07/16/2020	NJG	Comm Conf. and Preliminary Order Review	0.30	105.00
07/21/2020	NJG	Review of EPE's schedules re: costs of gas and operations testimony re: outages / Prepare and File CEP 4th RFI's	2.00	700.00
07/27/2020	NJG	Review response to CEP 3rd RFI's Tel. S. Norwood, and identification of issues.	2.10	735.00
	NJG	Issue review, PV Performance Standards, and outage costs, Prepare ideas for presentation at settlement conference.	0.90	315.00
07/28/2020	NJG	Review Response to OPUC 3rd RFI's	0.20	70.00
	NJG	Tel. B. Hallmark, Settlement conference call with all parties, Tel. w/ R. Abeln re: settlement positions and issues related to staff positions.	2.10	735.00
07/30/2020	NJG	Preparation of CEP 5th RFI's	0.60	210.00
		For Current Services Rendered	24.00	8,400.00

Recap				
Timekeeper	Title	Hours	Rate	Total
Norman J Gordon	Senior Partner	24.00	\$350.00	\$8,400.00

Expenses

10/28/2019	Courier Fee to PUC	20.03
12/04/2019	.Courier fee UPS to PUC	20.03

EPE Fuel Reconciliation PUC Docket 50058

02/24/2020	Courier fee	29.15
07/20/2020	Outside professional fee Norwood Energy Consulting, LLC Dec 2019	2,970.00
07/20/2020	Outside professional fee Norwood Energy Consulting LLC Jan 2020	3,960.00
07/20/2020	Outside professional fee Norwood Energy Consulting LLC Feb 2020	3,630.00
07/20/2020	Outside professional fee Norwood Energy Consulting LLC March 2020	2,310.00
07/20/2020	Outside professional fee Norwood Energy Consulting LLC June 2020	2,970.00
07/31/2020	Outside professional fee Norwood Energy Consulting LLC July 2020	6,600.00
	Total Expenses	22,509.21
	Total Current Work	30,909.21
	Balance Due	<u>\$30,909.21</u>

Billing History				
<u>Fees</u>	<u>Expenses</u>	<u>Advances</u>	<u>Finance Charge</u>	<u>Payments</u>
8,400.00	22,509.21	0.00	0.00	0.00

A finance charge of 1% per month will be assessed on all accounts past due 30 days.

Please make checks payable to "Norman J. Gordon"

Norwood Energy Consulting, L.L.C.

P. O. Box 30197
Austin, Texas 78755-3197
scott@scottnorwood.com
(512) 297-1889

Norman J. Gordon
Attorney and Counselor at Law
PO Box 8
El Paso, Texas, 79940

Date: 7-20-20
Tax ID#: 26-2374359
Invoice#: 50058-1219

Re: Analysis of El Paso Electric Company's Fuel Reconciliation Application
in PUC Docket No. 50058 for the City of El Paso

Statement for professional services rendered 12-1-19 through 12-31-19

12-01-19	Reviewed EPE's direct testimony and schedules; worked on RFIs	4.0 hrs
12-02-19	Reviewed EPE testimony; drafted first set of RFIs	6.5 hrs
12-05-19	Reviewed EPE testimony on Newman forced outage	<u>3.0 hrs</u>

Total hours: 13.5 hrs

Total due on this invoice: 13.5 hours at \$220 per hour = \$2,970

Thank you for the opportunity to assist with this project.

Norwood Energy Consulting, L.L.C.

P. O. Box 30197
Austin, Texas 78755-3197
scott@scottnorwood.com
(512) 297-1889

Norman J. Gordon
Attorney and Counselor at Law
PO Box 8
El Paso, Texas, 79940

Date: 7-20-20
Tax ID#: 26-2374359
Invoice#: 50058-0120

Re: Analysis of El Paso Electric Company's Fuel Reconciliation Application
in PUC Docket No. 50058 for the City of El Paso

Statement for professional services rendered 1-1-20 through 1-31-20

1-16-20	Reviewed EPE's RFI responses	4.0 hrs
1-17-20	Reviewed EPE responses to RFIs on Newman forced outages; reviewed	4.5 hrs
1-23-20	Reviewed EPE testimony and RFIs responses; worked on RFIs	4.5 hrs
1-30-20	Reviewed EPE testimony on Newman forced outage	<u>5.0 hrs</u>

Total hours: 18.0 hrs

Total due on this invoice: 18.0 hours at \$220 per hour = \$3,960

Thank you for the opportunity to assist with this project.

Norwood Energy Consulting, L.L.C.

P. O. Box 30197
Austin, Texas 78755-3197
scott@scottnorwood.com
(512) 297-1889

Norman J. Gordon
Attorney and Counselor at Law
PO Box 8
El Paso, Texas, 79940

Date: 7-20-20
Tax ID#: 26-2374359
Invoice#: 50058-0220

Re: Analysis of El Paso Electric Company's Fuel Reconciliation Application
in PUC Docket No. 50058 for the City of El Paso

Statement for professional services rendered 2-1-20 through 2-28-20

2-04-20	Reviewed EPE's RFI responses	5.0 hrs
2-13-20	Reviewed EPE responses to RFI	3.5 hrs
2-14-20	Reviewed EPE testimony and RFIs responses; worked on RFIs	4.0 hrs
2-17-20	Reviewed RFI responses; drafted follow-up RFIs	<u>4.0 hrs</u>

Total hours: 16.5 hrs

Total due on this invoice: 16.5 hours at \$220 per hour = \$3,630

Thank you for the opportunity to assist with this project.

Norwood Energy Consulting, L.L.C.

P. O. Box 30197
Austin, Texas 78755-3197
scott@scottnorwood.com
(512) 297-1889

Norman J. Gordon
Attorney and Counselor at Law
PO Box 8
El Paso, Texas, 79940

Date: 7-20-20
Tax ID#: 26-2374359
Invoice#: 50058-0320

Re: Analysis of El Paso Electric Company's Fuel Reconciliation Application
in PUC Docket No. 50058 for the City of El Paso

Statement for professional services rendered 3-1-20 through 3-31-20

3-13-20	Reviewed EPE's RFI responses	5.0 hrs
3-17-20	Reviewed EPE responses to RFIs	2.5 hrs
3-19-20	Reviewed RFI responses; reviewed testimony on Newman forced outages	<u>3.0 hrs</u>

Total hours: 10.5 hrs

Total due on this invoice: 10.5 hours at \$220 per hour = \$2,310

Thank you for the opportunity to assist with this project.

Norwood Energy Consulting, L.L.C.

P. O. Box 30197
Austin, Texas 78755-3197
scott@scottnorwood.com
(512) 297-1889

Norman J. Gordon
Attorney and Counselor at Law
PO Box 8
El Paso, Texas, 79940

Date: 7-20-20
Tax ID#: 26-2374359
Invoice#: 50058-0620

Re: Analysis of El Paso Electric Company's Fuel Reconciliation Application
in PUC Docket No. 50058 for the City of El Paso

Statement for professional services rendered 6-1-20 through 6-30-20

6-25-20	Reviewed EPE's RFI responses and testimony	4.5 hrs
6-26-20	Reviewed EPE RFI responses on Newman forced outages; worked on follow-up RFIs	5.0 hrs
6-30-20	Reviewed RFI responses on Newman 4 & 5 turbine outages replacement costs; reviewed RFIs on PV Performance Standards	<u>4.0 hrs</u>
Total hours:		13.5 hrs

Total due on this invoice: 13.5 hours at \$220 per hour = \$2,970

Thank you for the opportunity to assist with this project.

Norwood Energy Consulting, L.L.C.

P. O. Box 30197
Austin, Texas 78755-3197
scott@scottnorwood.com
(512) 297-1889

Norman J. Gordon
Attorney and Counselor at Law
PO Box 8
El Paso, Texas, 79940

Date: 8-25-20
Tax ID#: 26-2374359
Invoice#: 50058-0720

Re: Analysis of El Paso Electric Company's Fuel Reconciliation Application
in PUC Docket No. 50058 for the City of El Paso

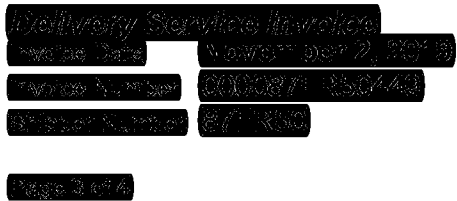
Statement for professional services rendered 7-1-20 through 7-31-20

7-05-20	Reviewed EPE's RFI responses and testimony; drafted RFIs	6.5 hrs
7-06-20	Reviewed RFI responses on Newman 5 forced outage and PVNGS Performance standards; worked on RFIs	5.0 hrs
7-26-20	Reviewed EPE's RFI responses; worked on RFIs	4.5 hrs
7-27-20	Reviewed EPE RFI responses; reviewed replacement power calculations; worked on RFIs	5.0 hrs
7-29-20	Reviewed EPE's testimony and RFI responses; drafted RFIs	5.5 hrs
7-31-20	Reviewed RFI responses; drafted RFIs	<u>3.5 hrs</u>

Total hours: 30.0 hrs

Total due on this invoice: 30.0 hours at \$220 per hour = \$6,600

Thank you for the opportunity to assist with this project.

[illegible]

1st ref: 50058
Sender : Gordon Norman
 221 N. Kansas
 El Paso TX 79901

UserID: Njgordon2
Receiver: Central Records
 Public Utility Commission of T
 1701 N Congress
 AUSTIN TX 78701

[illegible]

Total for Internet-ID:	Njgordon2	102.30	-51.16	51.14
Total UPS Internet Shipping	3 Package(s)	102.30	-51.16	51.14
Total Outbound	3 Package(s)	102.30	-51.16	51.14

Adjustments

Explanation	Number of Packages	Published Charge	Incentive Credit	Billed Charge
BILLING ADJUSTMENT FOR W/E 11/02/2019		1.00		1.00
SHIPPING CHARGE CORRECTION AUDIT FEE				
FEE BASED ON 1 PACKAGES				
AND \$10.22 CORRECTION AMOUNT				
Total Adjustments		1.00		1.00

UPS Internet Shipping Shipment Detail

[Print this page](#)[Close](#)

Invoice Date:	Dec 07, 2019
Invoice Number:	00000087FR50499
Account Number:	87FR50
Invoice Due Date:	Dec 16, 2019

Pickup Date:	Dec 04, 2019	Sender :	
Tracking Number:	1Z87FR500125403052	Gordon	
Service:	Next Day Air Commercial	Norman	
Zone:	104	221 N. Kansas	
Weight:	Letter	El Paso, TX 79901	
Customer Weight:	0.5 lbs		
Number of Packages:	1	Receiver:	
User ID:	Njgordon2	Central Records	
Ref. No.1:	50058/50277	Public Utility Commission of T	
Ref. No.2:		1701 N Congress	
		AUSTIN, TX 78701	

	Published Charge	Incentive Credit	Billed Charge
Next Day Air Commercial	\$37.45	(\$18.73)	\$18.72
Fuel Surcharge	\$2.62	(\$1.31)	\$1.31
Total	\$40.07	(\$20.04)	\$20.03

**Delivery Service Invoice**

Invoice Date **February 29, 2020**
Invoice Number **000087FR50090**
Shipper Number **87FR50**
Control ID **2U70**
Page 1 of 3

0312A000087FR503

NORMAN J GORDON ATTORNEY
NORMAN GORDON
221 N KANSAS RM SUITE 70
EL PASO, TX 79901-1443

Sign up for electronic billing today!
Visit ups.com/billing

For questions about your invoice, call:
(800) 811-1648
Monday - Friday
8:00 a.m. - 9:00 p.m. E.T.

or write:
UPS
P.O. Box 7247-0244
Philadelphia, PA 19170-0001

Incentive Savings

Total incentive savings this period **\$ 19.84**

Your amount due this period includes these savings.

See incentive summary section for details.

Account Status Summary
Weekly Payment Plan

Amount Due This Period **\$ 29.15**

Amount Outstanding (prior invoices) **\$ 0.00**

Total Amount Outstanding **\$ 29.15**

Rate Change Information

Effective March 2, 2020, the Fuel Surcharges for U.S. Ground, Air, Import and Export services will increase. Visit www.rates.ups.com for additional information.

Thank you for using UPS.

Summary of Charges

Page	Outbound	Charge
3	UPS Internet Shipping	\$ 19.82
3	Adjustments & Other Charges	\$ 9.33
Amount due this period		\$ 29.15

UPS payment terms require payment of this bill by March 9, 2020.

Payments received late are subject to a late payment fee of 6% of the Amount Due This Period. (see Tariff/Terms and Conditions of Service at ups.com for details)

Note: This invoice may contain a fuel surcharge as described at ups.com. For more information, please visit ups.com.

**Return Portion**

NORMAN J GORDON ATTORNEY
NORMAN GORDON
221 N KANSAS RM SUITE 70
EL PASO, TX 79901-1443

☐ If this billing address is incorrect, mark an "X" in this box and make the appropriate changes above.

Invoice Date **February 29, 2020**
Invoice Number **000087FR50090**
Shipper Number **87FR50**

Amount due this period **\$ 29.15**

Amount enclosed

UPS
LOCKBOX 577
CAROL STREAM, IL 60132-0577

87FR50 3 022920 0312 1 00000029150 7

000201

**Delivery Service Invoice**Invoice Date **February 29, 2020**Invoice Number **000087FR50090**Shipper Number **87FR50**

Page 3 of 3

Outbound**UPS Internet Shipping**

Pickup Date	Tracking Number	Service	ZIP Code	Zone	Weight	Published Charge	Incentive Credit	Billed Charge
02/24	1Z87FR501320592086	Next Day Air Saver Commercial Letter Fuel Surcharge	78701	134	Letter	37.59	-18.80	18.79
Total						39.66	-19.84	19.82

1st ref: 50058**UserID:** Njgordon2**Sender :** Gordon

Norman

221 N. Kansas

El Paso TX 79901

2nd ref: 50058**Receiver:** Central Records

Public Utility Commission of T

1701 N Congress

AUSTIN TX 78701

Total for Internet-ID: Njgordon2

Total UPS Internet Shipping		1 Package(s)	39.66	-19.84	19.82
Total Outbound		1 Package(s)	39.66	-19.84	19.82

Adjustments & Other Charges**Adjustments**

Explanation	Number of Packages	Published Charge	Incentive Credit	Billed Charge
BILLING ADJUSTMENT FOR W/E 02/29/2020		1.00		1.00
SHIPPING CHARGE CORRECTION AUDIT FEE				
FEE BASED ON 1 PACKAGES				
AND \$8.33 CORRECTION AMOUNT				
Total Adjustments		1.00		1.00

Shipping Charge Corrections Learn how to avoid future shipping charge corrections. Visit www.ups.com/avoidcharges.

Pickup Date	Tracking Number	Original Service/Corrected Service	ZIP Code	Zone	Weight	Published Charge	Incentive Credit	Billed Charge	Adjustment Amount
02/24	1Z87FR501320592086	Next Day Air Saver	78701	134	Letter	37.59	-18.80	18.79	
		Next Day Air Saver	78701	134	1.0	53.37	-26.69	26.68	
		Fuel Surcharge				0.87	-0.43	0.44	8.33
1st ref: 50058						2nd ref: 50058			
Sender : NORMAN GORDON						Receiver: Central Records			
NORMAN J GORDON ATTORNEY						Public Utility Commission of T			
KANSAS						1701 N Congress			
EL PASO TX 79901						AUSTIN TX 78701			

Total Shipping Charge Corrections						1 Package(s)			8.33
Total Adjustments & Other Charges									9.33

SOAH DOCKET NO. 473-20-3996

PUC DOCKET NO. 50058

**APPLICATION OF EL PASO ELECTRIC §
COMPANY TO RECONCILE §
FUEL COSTS §**

**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**

DECLARATION OF ABBIE MULLIN

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

1. My name is Abbie Mullin. I am over eighteen years of age and I am not disqualified from making this Declaration. I declare under penalty of perjury that the information in this declaration provided under Chapter 132 Texas Civil Practice and Remedies Code is true and correct.

2. I am an attorney licensed to practice law in the State of Texas since 2006. I am also licensed in the Western District of Texas. I received my law degree from Texas Tech University. I was in private practice of law in Abilene, Texas for six years practicing civil litigation, criminal defense, and family law. I served as a Special Litigator for the State of Texas, Attorney General's Office from May of 2015 through April of 2019 and represented the State as a creditor in bankruptcy proceedings, SOAH hearings on administrative license suspensions as well as served as prosecutor in child support contempt cases. I have over eleven years' experience as a trial lawyer and litigator in cases involving, but not limited to claims of negligence, breach of contract, employment, and governmental liability and immunities. I am an Assistant City Attorney with the City of El Paso and an attorney of record representing the City of El Paso, in the above entitled and numbered cause.

3. In connection with the case, the amount incurred through July 31, 2020 is a total of \$964.60. The description of services is provided in the attached invoices, by day, attorney and services performed. The invoices and support are attached to this Affidavit as Attachment "A" and incorporated herein


4. This case is ongoing. I currently estimate that the additional fees through August 31, will be \$500.00 and \$700.00 if the case goes to hearing as scheduled in October 2020. The remaining work is the review and analysis of the testimony of other parties, including the PUC staff and El Paso Electric rebuttal, the possibility of cross-rebuttal, discovery as necessary on other parties and El Paso Electric, the conduct of the hearing, including the preparation of exhibits, post hearing briefing, and as necessary Exceptions to the Proposal for Decision.

5. I am familiar with the hourly rates charged by others in Texas with similar or less experience for similar work. The hourly rates charged by me of \$42.84-\$58.50 was reasonable and is based on cost. The reasonable hourly cost shown in the attached Exhibit A includes my salary and benefits.

6. All of the work done by me was necessary and reasonable with respect to both time and amount considering the nature, extent, and difficulty of the work, the originality of the issues presented including the nature of the issues raised and addressed by the City in this proceeding, and the amount of time spent by and charges by others for work of a similar nature in this and other proceedings. The expenses incurred were all reasonable and necessary for the presentation and prosecution of the City's case and are based on cost to the City.

Further Declarant Says Not.

Dated August 26, 2020



Abbie Mullin

City Attorney

Listing 19-1008-133

Date	Prof	Matter ID/Client Sort Matter Description Narrative	Activity Code	Component Task Code	Units	Price	Value
Professional: Abeln, Russell							
Date: 4/22/2020							
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.							
04/22/2020	RTA	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. Review of fuel reconciliation case;	T100	T	1.00	49.47	49.47
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.					1.00		49.47
Date: 4/22/2020					1.00		49.47
Professional: Abeln, Russell					1.00		49.47
Professional: Mullin, Abbie							
Date: 4/21/2020							
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.							
04/21/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. Update memo and outline deadlines.	T134	T	2.00	55.82	111.64
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.					2.00		111.64
Date: 4/21/2020					2.00		111.64
Date: 4/23/2020							
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.							
04/23/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. Meetin with Norman and review of filings	T133	T	2.40	55.82	133.97
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.					2.40		133.97
Date: 4/23/2020					2.40		133.97

City Attorney

Listing 19-1008-133

Date: 5/1/2020

Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.

05/01/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. PUC meeting.	T119	T	3.30	55.82	184.21
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Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.	3.30	184.21
Date: 5/1/2020	3.30	184.21

Date: 5/4/2020

Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.

05/04/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. Review/Analyze of matter and filings	T133	T	1.50	55.82	83.73
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Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.	1.50	83.73
Date: 5/4/2020	1.50	83.73

Date: 6/4/2020

Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.

06/04/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. Review/analysis of filings	T133	T	0.90	58.50	52.65
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Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.	0.90	52.65
Date: 6/4/2020	0.90	52.65

Date: 6/25/2020

Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.

City Attorney

Listing 19-1008-133

06/25/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. Review of filings and drafted Notice of participation for prehearing conference.	T134	T	1.20	42.84	51.40
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.					1.20		51.40
Date: 6/25/2020					1.20		51.40
Date: 7/13/2020							
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.							
07/13/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. Review of filings and draft of PUCT preliminary order for consideration at open meeting 6/16/2020	T133	T	0.50	42.84	21.42
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.					0.50		21.42
Date: 7/13/2020					0.50		21.42
Date: 7/16/2020							
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.							
07/16/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. PUC open meeting to discuss issues to submit to SOAH	T119	T	0.50	42.84	21.42
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.					0.50		21.42
Date: 7/16/2020					0.50		21.42
Date: 7/22/2020							
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.							

City Attorney

Listing 19-1008-133

07/22/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. Review of filings and COEP 4th RFI	T133	T	1.30	42.84	55.69
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.					1.30		55.69
Date: 7/22/2020					1.30		55.69

Date: 7/28/2020

Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.

07/28/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. Meeting with EPE, review of filings, and settlement conference case with follow up summary	T134	T	2.80	42.84	119.95
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.					2.80		119.95
Date: 7/28/2020					2.80		119.95

Date: 7/29/2020

Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.

07/29/2020	AM	19-1008-133/ Utilities Application of El Paso Electric to Reconcile Fuel Costs - Docket No. Review of documents as discussed in 7/28 settlement conference with synopsis of call to NG and set up meeting.	T133	T	1.50	42.84	64.26
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.					1.50		64.26
Date: 7/29/2020					1.50		64.26

Date: 7/30/2020

Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.

City Attorney

Listing 19-1008-133

07/30/2020	AM	19-1008-133/ Utilities	T120	T	1.50	42.84	64.26
Application of El Paso Electric to Reconcile							
Fuel Costs - Docket No.							
Meeting with NG re: settlement issues							
Matter Description (First Line): Application of El Paso Electric to Reconcile Fuel Costs - Docket No.					1.50		64.26
Date: 7/30/2020					1.50		64.26
Professional: Mullin, Abbie					19.40		964.60
Grand Total:					20.40		\$1,014.07

Docket No. 49395



Control Number: 49395



Item Number: 22

Addendum StartPage: 0

SOAH DOCKET NO. 473-19-3702
PUC DOCKET NO. 49395

2019 MAY 17 AM 10:48

**APPLICATION OF EL PASO
ELECTRIC COMPANY FOR
APPROVAL OF A DISTRIBUTION
COST RECOVERY FACTOR**

§
§
§
§
§

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY

OF

KARL J. NALEPA

ON BEHALF OF

THE CITY OF EL PASO

MAY 17, 2019



**DIRECT TESTIMONY OF
KARL J. NALEPA**

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ATTACHMENTS

Attachment A	Statement of Qualifications
Attachment B	Summary of Previously Filed Testimony
Attachment C	ReSolved Energy Consulting Invoice for May 2019
Attachment D	Declaration of Norman J. Gordon
Attachment E	Responses to Requests for Information

**DIRECT TESTIMONY OF
KARL J. NALEPA**

I. INTRODUCTION AND QUALIFICATIONS

1 **Q. PLEASE STATE YOUR NAME, OCCUPATION AND ADDRESS.**

2 A. My name is Karl J. Nalepa. I am the President of ReSolved Energy Consulting, LLC
3 ("REC"), an independent utility consulting company. My business address is 11044
4 Research Blvd., Suite A-420, Austin, Texas 78759.

5 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
6 **PROFESSIONAL EXPERIENCE.**

7 A. I have been a partner in REC since July 2011, but joined R.J. Covington Consulting,
8 its predecessor firm, in June 2003. I lead our firm's regulated market practice, where
9 I represent the interests of clients in utility regulatory proceedings, prepare client cost
10 studies and develop client regulatory filings. Before that, I served for more than five
11 years as an Assistant Director with the Railroad Commission of Texas ("RCT"). In
12 this position, I was responsible for overseeing the economic regulation of natural gas
13 utilities in Texas. Prior to that, I spent five years as a supervising consultant with
14 Resource Management International, Inc., then as an independent consultant, advising
15 clients on a broad range of electric and natural gas industry issues. I also served four
16 years as a Fuels Analyst with the Public Utility Commission of Texas ("PUCT"), where
17 I evaluated fuel issues in electric utility rate filings, participated in rulemaking
18 proceedings, and contributed to the review of utility resource plans. My professional
19 career began with eight years in the reservoir engineering department of Transco
20 Exploration Company, which was an affiliate of Transco Gas Pipeline Company, a
21 major interstate pipeline company.

1 I hold a Master of Science degree in Petroleum Engineering from the University
2 of Houston, a Bachelor of Science degree in Mineral Economics from the Pennsylvania
3 State University, and am a certified mediator. My Statement of Qualifications is
4 included as Attachment A.

5 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

6 A. Yes, I have testified many times before both the PUC and the RRC on a variety of
7 regulatory issues. A summary of my previously filed testimony is provided as
8 Attachment B. In addition, I supervised the staff case in proceedings before the RRC
9 and served as a Technical Rate Examiner on behalf of the RRC. I have also provided
10 analysis and recommendations in numerous city-level regulatory proceedings that
11 resulted in settlements without written testimony.

12 **Q. ON WHOSE BEHALF ARE YOU OFFERING TESTIMONY IN THIS**
13 **PROCEEDING?**

14 A. I am offering testimony on behalf of the City of El Paso ("City").
15

16 **II. PURPOSE AND SCOPE**

17 **Q. WHAT IS EL PASO ELECTRIC COMPANY REQUESTING IN THIS**
18 **PROCEEDING?**

19 A. This is El Paso Electric Company's ("EPE" or "Company") first application for a
20 Distribution Cost Recovery Factor ("DCRF"). The DCRF is intended to recover costs
21 associated with EPE's claimed incremental distribution-related investment since its last
22 rate case in Docket No. 46831.¹ The test year in that proceeding was the twelve months

¹ Docket No. 46831, *Application of El Paso Electric Company to Change Rates*, Final Order (Dec. 18, 2017).

1 ending September 30, 2016 and the test period in this DCRF filing ended December
2 31, 2018.² The Company is requesting that the Commission approve the DCRF
3 requested in its application and approve the proposed corrected baseline for use in this
4 and future DCRF proceedings.³

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

6 A. The purpose of my testimony is to evaluate whether the costs proposed for inclusion in
7 the DCRF and the resulting DCRF rates are consistent with the requirements of the
8 DCRF rule.

9

10 **III. SUMMARY AND RECOMMENDATIONS**

11 **Q. PLEASE SUMMARIZE THE RESULTS OF YOUR ANALYSIS.**

12 A. I found that EPE's proposed DCRF calculation includes \$10.75 million charged to
13 Project DT065 for which the Company provided no support and therefore cannot be
14 included in the DCRF. Costs were charged to this project in 2016, 2017 and 2018.

15 **Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS REGARDING EPE'S**
16 **PROPOSED DCRF.**

17 A. I recommend that the \$10.75 million included in Project DT-065 be removed from the
18 DCRF revenue requirement calculation. The impact is a reduction in the Texas retail
19 revenue requirement of approximately \$1.02 million.

20

² Application at 4.

³ *Id.* at 6.

1 **IV. DISTRIBUTION COST RECOVERY FACTOR**

2 **Q. WHAT IS A DISTRIBUTION COST RECOVERY FACTOR?**

3 A. A distribution cost recovery factor (“DCRF”) was authorized by the Commission in its
4 Order in Project No. 39465 to allow a utility to adjust its rates for changes in certain
5 distribution-related costs. The resulting rule (16 TAC § 25.243) allows a utility to
6 change its rates on an annual basis to account for changes in return, depreciation and
7 taxes on the change in net distribution invested capital since its last base-rate
8 proceeding, offset by corresponding load growth revenues.

9 **Q. WHAT IS THE COMPANY REQUESTING IN THIS PROCEEDING?**

10 A. The Company’s proposed DCRF would increase Texas retail rates by approximately
11 \$7.9 million on an annual basis.⁴ The increase is based on the change in revenue
12 requirement of \$10.3 million associated with EPE’s \$103 million incremental increase
13 in distribution-related investment since its last base rate case,⁵ less an adjustment of
14 \$2.4 million for load growth during the period.

15
16 **V. PROJECT DT065 – TEXAS DISTRIBUTION DAMAGE BLANKET**

17 **Q. WHAT IS PROJECT DT065 – TEXAS DISTRIBUTION DAMAGE BLANKET?**

18 A. EPE describes Project DT065 as containing costs related to reactive replacement of
19 failed overhead/underground equipment due to damage by the public, weather events,
20 and aging infrastructure.⁶

⁴ Schedule J.

⁵ Schedule B.

⁶ Direct Testimony of R. Clay Doyle, Exhibit RCD-3.

1 **Q. WHAT IS THE TOTAL COST REQUESTED IN THIS PROJECT?**

2 A. A summary of the costs by year recorded to this project are reflected in Table 1:⁷

3

Table 1

2016	2017	2018	Total
\$952,298	\$6,454,907	\$3,346,045	\$10,753,250

4 **Q. WHY ARE YOU ADDRESSING THIS PROJECT IN YOUR TESTIMONY?**

5 A. I am addressing this project because EPE provided no support for the costs reflected in
6 the project.

7 **Q. WHAT DID THE COMPANY PROVIDE?**

8 A. For most other projects contained in its application, EPE provided project details that
9 reflected the type of equipment installed or work performed. But for Project DT065,
10 EPE generally described the work as "TX CAPITAL EMERGENCY" followed by a
11 code (i.e. 020, 021, 022, etc.).⁸ In just a few cases, a specific activity is identified (e.g.
12 replace a bad or overloaded transformer) but these represent only three work orders out
13 of a total of 34 work orders, and less than one percent of the costs.

14 **Q. WHAT DO THE CODES REPRESENT?**

15 A. The City asked EPE in discovery for a description of the codes, expecting more detail
16 on the specific activities underlying the costs. EPE responded that the codes simply
17 represent the taxing districts in which the expenditures were made.⁹

⁷ Direct Testimony of R. Clay Doyle, Exhibit RCD-2.

⁸ Direct Testimony of R. Clay Doyle, WP RCD-3 VOLUMINOUS.

⁹ Response to CEP RFI 1-3.

1 **Q. DO THE PROJECT DESCRIPTIONS OR ASSOCIATED CODES PROVIDE**
2 **ANY INFORMATION REGARDING THE NATURE OF THE COSTS**
3 **REFLECTED IN PROJECT DT065?**

4 A. No, they do not.

5 **Q. HAS THE COMPANY PROVIDED ANY EVIDENCE THAT THE COSTS**
6 **REFLECTED IN PROJECT DT065 MEET THE REQUIREMENTS OF THE**
7 **DCRF RULE?**

8 A. Not in my opinion. The DCRF Rule allows only costs that are:

9 *The parts of the electric utility's invested capital, as described in PURA*
10 *§36.053, that are categorized as distribution plant, distribution-related*
11 *intangible plant, and distribution-related communication equipment and*
12 *networks properly recorded in Federal Energy Regulatory Commission*
13 *(FERC) Uniform System of Accounts 303, 352, 353, 360 through 374, 391,*
14 *and 397. Distribution invested capital includes only costs: for plant that has*
15 *been placed into service; that comply with PURA, including §36.053 and*
16 *§36.058; and that are prudent, reasonable, and necessary.*¹⁰

17 While EPE asserts that these project costs are related to reactive replacement of failed
18 overhead/underground equipment due to damage by the public, weather events, and
19 aging infrastructure, there is no evidence to support that assertion.

20 **Q. WHAT DO YOU RECOMMEND REGARDING THIS PROJECT?**

21 A. Because the Company has not shown that the costs charged to the project are eligible
22 for recovery through the DCRF, I recommend that project costs be removed from the
23 DCRF at this time.

24 **Q. WHAT IS THE IMPACT OF YOUR RECOMMENDED ADJUSTMENT?**

¹⁰ 16 Tex. Admin. Code § 25.243(b)(3).

1 A. As I summarized earlier in my testimony, the total cost charged to Project DT065 was
2 \$10,753,250. Removing this plant amount from the DCRF schedules reduces the
3 requested DCRF revenue requirement by about \$1.02 million.
4

5 **VI. RATE CASE EXPENSES**

6 **Q. WHAT IS THE PURPOSE OF ADDRESSING RATE CASE EXPENSES IN**
7 **THIS PROCEEDING?**

8 A. The purpose of addressing rate case expenses in this proceeding is to comply with issue
9 7 of the Preliminary Order, which states: .
10

11 7. What are the reasonable costs of participating municipalities in this
12 proceeding under PURA §33.023 and 16 TAC §25.245? What are the
13 reasonable costs of participation incurred by El Paso Electric that should
14 be allowed as a cost or expense in this proceeding under PURA
15 §36.061(b)(2) and 16 TAC §25.245? Should these costs be addressed in
16 this proceeding or deferred to a subsequent proceeding?

17 **Q. WHAT AMOUNT OF THE CITY'S REQUESTED RATE CASES EXPENSES**
18 **ARE ATTRIBUTABLE TO RESOLVED ENERGY CONSULTING?**

19 A. ReSolved Energy Consulting, LLC ("REC") actual fees through April 30, 2019 of
20 \$1,188.00 correspond to time reviewing the application testimony, schedules and
21 workpapers, developing and reviewing discovery, reviewing previous DCRF dockets,
22 conferring with counsel and preparing pre-filed written testimony. A copy of REC's
23 invoice is provided as Attachment C to my testimony.

24 **Q. HAS THE LAW OFFICE OF NORMAN J. GORDON ALSO INCURRED RATE**
25 **CASE EXPENSES ON BEHALF OF THE CITY IN THIS PROCEEDING?**

26 A. Yes. Please see Attachment D to my testimony, which is a declaration from Mr.
27 Norman J. Gordon that addresses the rate case expenses incurred by his office. While

1 I am not testifying on those expenses myself, I have attached Mr. Gordon's declaration
2 to my testimony for administrative efficiency purposes.

3 **Q. PLEASE IDENTIFY THE STAFF WHO CHARGED REC'S EXPENSES,**
4 **THEIR HOURLY RATES, AND TOTAL HOURS BILLED.**

5 A. I conducted the review, and my billing rate is \$270 per hour. The total hours billed
6 through April 30, 2019 were 4.4 hours. I anticipate I will incur additional hours after
7 April 30 as the case continues to be processed.

8 **Q. WHAT CRITERIA MUST BE MET UNDER THE COMMISSION'S RATE**
9 **CASE EXPENSE RULE (16 TAC § 25.245)?**

10 A. The following criteria are set out in the rule:

- 11 1. Whether the fees paid to, tasks performed by, or time spent on a task by an
12 attorney or other professional were extreme or excessive,
- 13 2. Whether the expenses incurred for lodging, meals and beverages,
14 transportation, or other services or materials were extreme or excessive,
- 15 3. Whether there was duplication of services or testimony,
- 16 4. Whether the utility's or municipality's proposal on an issue in the rate case
17 had no reasonable basis in law, policy, or fact and was not warranted by any
18 reasonable argument for the extension, modification, or reversal of
19 commission precedent,
- 20 5. Whether rate-case expenses as a whole were disproportionate, excessive, or
21 unwarranted in relation to the nature and scope of the rate case addressed by
22 the evidence pursuant to subsection (b)(5) of this section, or
- 23 6. Whether the utility or municipality failed to comply with the requirements for
24 providing sufficient information pursuant to subsection (b) of this section.

25 **Q. IN LIGHT OF THE FIRST CRITERION SET OUT IN YOUR PREVIOUS**
26 **ANSWER, IS YOUR BILLING RATE AND THE TIME SPENT ON THE**
27 **TASKS IN THIS CASE REASONABLE?**

28 A. Yes. My billing rate is reasonable. This is my normal billing rate for services provided
29 to similar clients. This rate is in the range of rates charged by other consultants with

1 similar experience, and is reasonable for a consultant providing these types of services
2 before utility regulatory agencies in Texas. My hourly rate is especially reasonable
3 given that I have more than 30 years of utility rate regulatory experience.

4 Furthermore, the DCRF rule anticipates an expedited review so the time spent
5 on such issues as preparation of discovery and analysis of issues is limited, as evidenced
6 by the relatively small 4.4 hours spent on the case thus far.

7 **Q. IN LIGHT OF THE SECOND CRITERION, DO REC'S EXPENSES INCLUDE**
8 **ANY TYPE OF IDENTIFIED CHARGES OR CHARGES THE COMMISSION**
9 **HAS EXCLUDED IN THE PAST?**

10 A. No. REC's charges are entirely for professional fees. There are no other expenses
11 included on our invoices.

12 **Q. IN LIGHT OF THE THIRD CRITERION, WAS THERE ANY DUPLICATION**
13 **OF SERVICES OR TESTIMONY?**

14 A. No other city group is participating in this proceeding, so there has been no duplication
15 of services and no duplication of testimony anticipated.

16 **Q. IN LIGHT OF THE FOURTH CRITERION, DID THE ISSUES YOU RAISED**
17 **HAVE A REASONABLE BASIS IN LAW, POLICY, OR FACT?**

18 A. Yes. The issues raised in testimony focus directly on whether the resulting DCRF rate
19 is reasonable, and my proposed adjustment is consistent with the requirements of the
20 DCRF rule.

1 **Q. IN LIGHT OF THE FIFTH CRITERION, WHAT IS YOUR CONCLUSION**
2 **REGARDING REC’S ACTUAL CHARGES?**

3 A. In my opinion, REC’s actual fees of \$1,188.00 incurred through April 30, 2019 are
4 reasonable and necessary and are not disproportionate, excessive, or unwarranted in
5 relation to the nature and scope of the DCRF filing. Furthermore, to the best of my
6 knowledge, I have fully complied with the information requirements set out in the sixth
7 criterion.

8 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

9 A. Yes.

NALEPA ATTACHMENT A
STATEMENT OF QUALIFICATIONS

KARL J. NALEPA

Mr. Nalepa is an energy economist with more than 35 years of private and public sector experience in the electric and natural gas industries. He has extensive experience analyzing utility rate filings and resource plans with particular focus on fuel and power supply requirements, quality of fuel supply management, and reasonableness of energy costs. Mr. Nalepa developed peak demand and energy forecasts for municipal and electric cooperative utilities and has forecast the price of natural gas in ratemaking and resource plan evaluations. He led a management and performance review of the Texas Public Utility Commission, and has conducted performance reviews and valuation studies of a number of municipal utility systems. Mr. Nalepa previously directed the Railroad Commission of Texas' Regulatory Analysis & Policy Section, with responsibility for preparing timely natural gas industry analysis, managing ratemaking proceedings, mediating informal complaints, and overseeing consumer complaint resolution. He has prepared and defended expert testimony in both administrative and civil proceedings, and has served as a technical examiner in natural gas rate proceedings.

EDUCATION

- 1998 Certificate of Mediation
 Dispute Resolution Center, Austin
- 1989 NARUC Regulatory Studies Program
 Michigan State University
- 1988 M.S. - Petroleum Engineering
 University of Houston
- 1980 B.S. - Mineral Economics
 Pennsylvania State University

PROFESSIONAL HISTORY

- 2003 - ReSolved Energy Consulting
 President and Managing Director
- 1997 – 2003 Railroad Commission of Texas
 Asst. Director, Regulatory Analysis & Policy
- 1995 – 1997 Karl J. Nalepa Consulting
 Principal
- 1992 – 1995 Resource Management International, Inc.
 Supervising Consultant
- 1988 – 1992 Public Utility Commission of Texas
 Fuels Analyst
- 1980 – 1988 Transco Exploration Company
 Reservoir and Evaluation Engineer

AREAS OF EXPERTISE

Regulatory Analysis

Electric Power: Analyzed electric utility rate, certification, and resource forecast filings. Assessed the quality of fuel supply management, and reasonableness of fuel costs recovered from ratepayers. Projected the cost of fuel and purchased power. Estimated the impact of environmental costs on utility resource selection. Participated in regulatory rulemaking activities. Provided expert staff testimony in a number of proceedings before the Texas Public Utility Commission.

As consultant, represent interests of municipal clients intervening in large utility rate proceedings through analysis of filings and presentation of testimony before the Public Utility Commission. Also assist municipal utilities in preparing and defending requests to change rates and other regulatory matters before the Public Utility Commission.

Natural Gas: Directed the economic regulation of gas utilities in Texas for the Railroad Commission of Texas. Responsible for monitoring, analyzing and reporting on conditions and events in the natural gas industry. Managed Commission staff representing the public interest in contested rate proceedings before the Railroad Commission, and acted as technical examiner on behalf of the Commission. Mediated informal disputes between industry participants and directed handling of customer billing and service complaints. Oversaw utility compliance filings and staff rulemaking initiatives. Served as a policy advisor to the Commissioners.

As consultant, represent interests of municipal clients intervening in large utility rate proceedings through analysis of filings and presentation of testimony before the cities and Railroad Commission. Also assist small utilities in preparing and defending requests to change rates and other regulatory matters before the Railroad Commission.

Litigation Support

Retained to support litigation in natural gas contract disputes. Analyzed the results of contract negotiations and competitiveness of gas supply proposals considering gas market conditions contemporaneous with the period reviewed. Supported litigation related to alleged price discrimination related to natural gas sales for regulated customers. Provided analysis of regulatory and accounting issues related to ownership of certain natural gas distribution assets in support of litigation against a natural gas utility. Supported independent power supplier in binding arbitration regarding proper interpretation of a natural gas transportation contract. Provided expert witness testimony in administrative and civil court proceedings.

Utility System Assessment

Led a management and performance review of the Public Utility Commission. Conducted performance reviews and valuation studies of municipal utility systems. Assessed ability to compete in the marketplace, and recommended specific actions to improve the competitive position of the utilities. Provided comprehensive support in the potential sale of a municipal gas system, including preparation of a valuation study and all activities leading to negotiation of contract for sale and franchise agreements.

Energy Supply Analysis

Reviewed system requirements and prepared requests for proposals (RFPs) to obtain natural gas and power supplies for both utility and non-utility clients. Evaluated submittals under alternative demand and market conditions, and recommended cost-effective supply proposals. Assessed supply strategies to determine optimum mix of available resources.

Econometric Forecasting

Prepared econometric forecasts of peak demand and energy for municipal and electric cooperative utilities in support of system planning activities. Developed forecasts at the rate class and substation levels. Projected price of natural gas by individual supplier for Texas electric and natural gas utilities to support review of utility resource plans.

Reservoir Engineering

Managed certain reserves for a petroleum exploration and production company in Texas. Responsible for field surveillance of producing oil and natural gas properties, including reserve estimation, production forecasting, regulatory reporting, and performance optimization. Performed evaluations of oil and natural gas exploration prospects in Texas and Louisiana.

PROFESSIONAL MEMBERSHIPS

Society of Petroleum Engineers
International Association for Energy Economics
United States Association for Energy Economics

SELECT PUBLICATIONS, PRESENTATIONS, AND TESTIMONY

- “Summary of the USAEE Central Texas Chapter’s Workshop entitled ‘EPA’s Proposed Clean Power Plan Rules: Economic Modeling and Effects on the Electric Reliability of Texas Region,’” with Dr. Jay Zarnikau and Mr. Neil McAndrews, USAEE Dialogue, May 2015
- “Public Utility Ratemaking,” EBF 401: Strategic Corporate Finance, The Pennsylvania State University, September 2013
- “What You Should Know About Public Utilities,” EBF 401: Strategic Corporate Finance, The Pennsylvania State University, October 2011
- “Natural Gas Markets and the Impact on Electricity Prices in ERCOT,” Texas Coalition of Cities for Fair Utility Issues, Dallas, October 2008
- “Natural Gas Regulatory Policy in Texas,” Hungarian Oil and Gas Policy Business Colloquium, U.S. Trade and Development Agency, Houston, May 2003
- “Railroad Commission Update,” Texas Society of Certified Public Accountants, Austin, April 2003
- “Gas Utility Update,” Railroad Commission Regulatory Expo and Open House, October 2002
- “Deregulation: A Work in Progress,” Interview by Karen Stidger, *Gas Utility Manager*, October 2002
- “Regulatory Overview: An Industry Perspective,” Southern Gas Association’s Ratemaking Process Seminar, Houston, February 2001
- “Natural Gas Prices Could Get Squeezed,” with Commissioner Charles R. Matthews, *Natural Gas*, December 2000
- “Railroad Commission Update,” Texas Society of Certified Public Accountants, Austin, April 2000
- “A New Approach to Electronic Tariff Access,” Association of Texas Intrastate Natural Gas Pipeline Annual Meeting, Houston, January 1999
- “A Texas Natural Gas Model,” United States Association for Energy Economics North American Conference, Albuquerque, 1998
- “Texas Railroad Commission Aiding Gas Industry by Updated Systems, Regulations,” *Natural Gas*, July 1998
- “Current Trends in Texas Natural Gas Regulation,” Natural Gas Producers Association, Midland, 1998
- “An Overview of the American Petroleum Industry,” Institute of International Education Training Program, Austin, 1993
- Direct testimony in PUC Docket No. 10400 summarized in *Environmental Externality*, Energy Research Group for the Edison Electric Institute, 1992
- “God’s Fuel - Natural Gas Exploration, Production, Transportation and Regulation,” with Danny Bivens, Public Utility Commission of Texas Staff Seminar, 1992
- “A Summary of Utilities’ Positions Regarding the Clean Air Act Amendments of 1990,” Industrial Energy Technology Conference, Houston, 1992
- “The Clean Air Act Amendments of 1990,” Public Utility Commission of Texas Staff Seminar, 1992

ATTACHMENT B

Previously Filed Testimony

**KARL J. NALEPA
TESTIMONY FILED**

<u>DKT NO.</u>	<u>DATE</u>	<u>REPRESENTING</u>	<u>UTILITY</u>	<u>PHASE</u>	<u>ISSUES</u>
<u>Before the Public Utility Commission of Texas</u>					
49148	Apr 19	City of El Paso	El Paso Electric	TCRF	TCRF Methodology
49042	Mar 19	Cities	SWEP CO	TCRF	TCRF Methodology
49041	Feb 19	Cities	SWEP CO	DCRF	DCRF Methodology
48963	Dec 18	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
48420	Aug 18	Gulf Coast Coalition	CenterPoint Energy Houston	EECRF	EECRF Methodology
48404	Jul 18	Cities	Texas-New Mexico Power	EECRF	EECRF Methodology
48371	Aug 18	Cities	Entergy Texas Inc.	Cost of Service	Cost of Service
48231	May 18	Cities	Oncor Electric Delivery	DCRF	DCRF Methodology
48226	May 18	Gulf Coast Coalition	CenterPoint Energy Houston	DCRF	DCRF Methodology
48222	Apr 18	Cities	AEP Texas Inc.	DCRF	DCRF Methodology
47900	Dec 17	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
47527	Apr 18	Cities	Southwestern Public Service	Cost of Service	Cost of Service
47461	Dec 17	Office of Public Counsel	SWEP CO	CCN	Public Interest Review
47236	Jul 17	Cities	AEP Texas	EECRF	EECRF Methodology
47235	Jul 17	Cities	Oncor Electric Delivery	EECRF	EECRF Methodology
47217	Jul 17	Cities	Texas-New Mexico Power	EECRF	EECRF Methodology
47032	May 17	Gulf Coast Coalition	CenterPoint Energy Houston	DCRF	DCRF Methodology
46936	Oct 17	Cities	Southwestern Public Service	CCN	Public Interest Review

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
46449	Apr 17	Cities	SWEPCO	Cost of Service	Cost of Service
46348	Sep 16	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
46238	Jan 17	Office of Public Counsel	Oncor Electric Delivery	STM	Public Interest Review
46076	Dec 16	Cities	Entergy Texas Inc.	Fuel Reconciliation	Fuel Cost
46050	Aug 16	Cities	AEP Texas	STM	Public Interest Review
46014	Jul 16	Gulf Coast Coalition	CenterPoint Energy Houston	EECRF	EECRF Methodology
45788	May 16	Cities	AEP-TNC	DCRF	DCRF Methodology
45787	May 16	Cities	AEP-TCC	DCRF	DCRF Methodology
45747	May 16	Gulf Coast Coalition	CenterPoint Energy Houston	DCRF	DCRF Methodology
45712	Apr 16	Cities	SWEPCO	DCRF	DCRF Methodology
45691	Jun 16	Cities	SWEPCO	TCRF	TCRF Methodology
45414	Feb 17	Office of Public Counsel	Sharyland	Cost of Service	Cost of Service
45248	May 16	City of Fritch	City of Fritch	Cost of Service (water)	Cost of Service
45084	Nov 15	Cities	Entergy Texas Inc.	TCRF	TCRF Methodology
45083	Oct 15	Cities	Entergy Texas Inc.	DCRF	DCRF Methodology
45071	Aug 15	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
44941	Dec 15	City of El Paso	El Paso Electric	Cost of Service	CEP Adjustments
44677	Jul 15	City of El Paso	El Paso Electric	EECRF	EECRF Methodology
44572	May 15	Gulf Coast Coalition	CenterPoint Energy Houston	DCRF	DCRF Methodology
44060	May 15	City of Frisco	Brazos Electric Coop	CCN	Transmission Cost Recovery
43695	May 15	Pioneer Natural Resources	Southwestern Public Service	Cost of Service	Cost Allocation

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
43111	Oct 14	Cities	Entergy Texas Inc.	DCRF	DCRF Methodology
42770	Aug 14	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
42485	Jul 14	Cities	Entergy Texas Inc.	EECRF	EECRF Methodology
42449	Jul 14	City of El Paso	El Paso Electric	EECRF	EECRF Methodology
42448	Jul 14	Cities	SWEPCO	TCRF	Transmission Cost Recovery Factor
42370	Dec 14	Cities	SWEPCO	Rate Case Expenses	Rate Case Expenses
41791	Jan 14	Cities	Entergy Texas Inc.	Cost of Service	Cost of Service/Fuel
41539	Jul 13	Cities	AEP Texas North	EECRF	EECRF Methodology
41538	Jul 13	Cities	AEP Texas Central	EECRF	EECRF Methodology
41444	Jul 13	Cities	Entergy Texas Inc.	EECRF	EECRF Methodology
41223	Apr 13	Cities	Entergy Texas Inc.	ITC Transfer	Public Interest Review
40627	Nov 12	Austin Energy	Austin Energy	Cost of Service	General Fund Transfers
40443	Dec 12	Office of Public Counsel	SWEPCO	Cost of Service	Cost of Service/Fuel
40346	Jul 12	Cities	Entergy Texas Inc.	Join MISO	Public Interest Review
39896	Mar 12	Cities	Entergy Texas Inc.	Cost of Service/ Fuel Reconciliation	Cost of Service/ Nat Gas/ Purch Power
39366	Jul 11	Cities	Entergy Texas Inc.	EECRF	EECRF Methodology
38951	Feb 12	Cities	Entergy Texas Inc.	CGS Tariff	CGS Costs
38815	Sep 10	Denton Municipal Electric	Denton Municipal Electric	Interim TCOS	Wholesale Transmission Rate
38480	Nov 10	Cities	Texas-New Mexico Power	Cost of Service	Cost of Service/Rate Design
37744	Jun 10	Cities	Entergy Texas Inc.	Cost of Service/ Fuel Reconciliation	Cost of Service/ Nat Gas/ Purch Power/ Gen

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
37580	Dec 09	Cities	Entergy Texas Inc.	Fuel Refund	Fuel Refund Methodology
36956	Jul 09	Cities	Entergy Texas Inc.	EECRF	EECRF Methodology
36392	Nov 08	Texas Municipal Power	Texas Municipal Power	Interim TCOS	Wholesale Transmission Rate
35717	Nov 08	Cities Steering Committee	Oncor Electric Delivery	Cost of Service	Cost of Service/Rate Design
34800	Apr 08	Cities	Entergy Gulf States	Fuel Reconciliation	Natural Gas/Coal/Nuclear
16705	May 97	North Star Steel	Entergy Gulf States	Fuel Reconciliation	Natural Gas/Fuel Oil
10694	Jan 92	PUC Staff	Midwest Electric Coop	Revenue Requirements	Depreciation/ Quality of Service
10473	Sep 91	PUC Staff	HL&P	Notice of Intent	Environmental Costs
10400	Aug 91	PUC Staff	TU Electric	Notice of Intent	Environmental Costs
10092	Mar 91	PUC Staff	HL&P	Fuel Reconciliation	Natural Gas/Fuel Oil
10035	Jun 91	PUC Staff	West Texas Utilities	Fuel Reconciliation Fuel Factor	Natural Gas Natural Gas/Fuel Oil/Coal
9850	Feb 91	PUC Staff	HL&P	Revenue Req. Fuel Factor	Natural Gas/Fuel Oil/ETSI Natural Gas/Coal/Lignite
9561	Aug 90	PUC Staff	Central Power & Light	Fuel Reconciliation Revenue Requirements Fuel Factor	Natural Gas Natural Gas/Fuel Oil Natural Gas
9427	Jul 90	PUC Staff	LCRA	Fuel Factor	Natural Gas
9165	Feb 90	PUC Staff	El Paso Electric	Revenue Requirements Fuel Factor	Natural Gas/Fuel Oil Natural Gas
8900	Jan 90	PUC Staff	SWEPCO	Fuel Reconciliation Fuel Factor	Natural Gas Natural Gas
8702	Sep 89 Jul 89	PUC Staff	Gulf States Utilities	Fuel Reconciliation Revenue Requirements Fuel Factor	Natural Gas/Fuel Oil Natural Gas/Fuel Oil Natural Gas/Fuel Oil

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
8646	May 89 Jun 89	PUC Staff	Central Power & Light	Fuel Reconciliation Revenue Requirements Fuel Factor	Natural Gas Natural Gas/Fuel Oil Natural Gas
8588	Aug 89	PUC Staff	El Paso Electric	Fuel Reconciliation	Natural Gas

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
<u>Before the Railroad Commission of Texas</u>					
10737	Jun 18	T&L Gas Co.	T&L Gas Co.	Cost of Service	Cost of Service/Rate Design
10622	Apr 17	LDC, LLC	LDC, LLC	Cost of Service	Cost of Service/Rate Design
10617	Mar 17	Onalaska Water & Gas	Onalaska Water & Gas	Cost of Service	Cost of Service/Rate Design
10580	Mar 17	Cities Steering Committee	Atmos Pipeline Texas	Cost of Service	Cost of Service/Rate Design
10567	Feb 17	Gulf Coast Coalition	CenterPoint Energy Entex	Cost of Service	Cost of Service/Rate Design
10506	Jun 16	City of El Paso	Texas Gas Service	Cost of Service	Cost of Service/Energy Efficiency
10498	Feb 16	NatGas, Inc.	NatGas, Inc.	Cost of Service	Cost of Service/Rate Design
10359	Jul 14	Cities Steering Committee	Atmos Energy Mid Tex	Cost of Service	Cost of Service/Rate Design
10295	Oct 13	Cities Steering Committee	Atmos Pipeline Texas	Revenue Rider	Rider Renewal
10242	Jan 13	Onalaska Water & Gas	Onalaska Water & Gas	Cost of Service	Cost of Service/Rate Design
10196	Jul 12	Bluebonnet Natural Gas	Bluebonnet Natural Gas	Cost of Service	Cost of Service/Rate Design
10190	Jan 13	City of Magnolia, Texas	Hughes Natural Gas	Cost of Service	Cost of Service/Rate Design
10174	Aug 12	Steering Committee of Cities	Atmos Energy West Texas	Cost of Service	Cost of Service/Rate Design
10170	Aug 12	Cities Steering Committee	Atmos Energy Mid Tex	Cost of Service	Cost of Service/Rate Design
10106	Oct 11	Gulf Coast Coalition	CenterPoint Energy Entex	Cost of Service	Cost of Service/Rate Design
10083	Aug 11	City of Magnolia, Texas	Hughes Natural Gas	Cost of Service	Cost of Service/Rate Design
10038	Feb 11	Gulf Coast Coalition	CenterPoint Energy Entex	Cost of Service	Cost of Service/Rate Design
10021	Oct 10	AgriTex Gas, Inc.	AgriTex Gas, Inc.	Cost of Service	Cost of Service/Rate Design
10000	Dec 10	Cities Steering Committee	Atmos Pipeline Texas	Cost of Service	Cost of Service/Rate Design

DKT NO.	DATE	REPRESENTING	UTILITY	PHASE	ISSUES
9902	Oct 09	Gulf Coast Coalition	CenterPoint Energy Entex	Cost of Service	Cost of Service/Rate Design
9810	Jul 08	Bluebonnet Natural Gas	Bluebonnet Natural Gas	Cost of Service	Cost of Service/Rate Design
9797	Apr 08	Universal Natural Gas	Universal Natural Gas	Cost of Service	Cost of Service/Rate Design
9732	Jul 08	Cities Steering Committee	Atmos Energy Corp.	Gas Cost Review	Natural Gas Costs
9670	Oct 06	Cities Steering Committee	Atmos Energy Corp.	Cost of Service	Affiliate Transactions/ O&M Expenses/GRIP
9667	Nov 06	Oneok Westex Transmission	Oneok Westex Transmission	Abandonment	Abandonment
9598	Sep 05	Cities Steering Committee	Atmos Energy Corp.	GRIP Appeal	GRIP Calculation
9530	Apr 05	Cities Steering Committee	Atmos Energy Corp.	Gas Cost Review	Natural Gas Costs
9400	Dec 03	Cities Steering Committee	TXU Gas Company	Cost of Service O&M Expenses/Capital Costs	Affiliate Transactions/

<u>DKT NO.</u>	<u>DATE</u>	<u>REPRESENTING</u>	<u>UTILITY</u>	<u>PHASE</u>	<u>ISSUES</u>
<u>Before the Louisiana Public Service Commission</u>					
U-34344/ U-34717	Apr 18	PSC Staff	Dixie Electric Member Corporation	Formula Rate Plan	Stipulation
U-34344	Jan 18	PSC Staff	Dixie Electric Member Corporation	Formula Rate Plan	Adjusted Revenues
U-33633	Nov 15	PSC Staff	Entergy Louisiana, LLC/ Entergy Gulf States Louisiana	Resource Certification	Prudence
U-33033	Jul 14	PSC Staff	Entergy Louisiana, LLC/ Entergy Gulf States Louisiana	Resource Certification	Revenue Requirement
U-31971	Nov 11	PSC Staff	Entergy Louisiana, LLC/ Entergy Gulf States Louisiana	Resource Certification	Certification/Cost Recovery
<u>Before the Arkansas Public Service Commission</u>					
O7-105-U	Mar 08	Arkansas Customers	CenterPoint Energy, Inc. & pipelines serving CenterPoint	Gas Cost Complaint	Prudence / Cost Recovery
<u>Before the Colorado Public Utilities Commission</u>					
18A-0791E	Mar 19	Pueblo County	Black Hills Colorado Electric	Economic Development Rate	Tariff Issues

ATTACHMENT C
REC INVOICE

ReSolved Energy Consulting, LLC

11044 Research Blvd, A-420
Austin, TX 78759

Invoice

DATE	INVOICE NUMBER
5/6/2019	4384

BILL TO

Norman Gordon Law
Norman Gordon
221 N. Kansas St., Suite 700
El Paso, TX 79901

PROJECT

EPE 19 DCRF 49395

DESCRIPTION	HOURS	RATE	AMOUNT
Consulting (Nalepa)	4.4	270.00	1,188.00
Work Completed thru - April 30, 2019	TOTAL DUE		
	\$1,188.00		

Monthly Recap

Karl Nalepa

Date	Task	Hours
<i>April 4, 2019</i>	Download and review filing.	0.80
<i>April 5, 2019</i>	Review filing.	0.80
<i>April 10, 2019</i>	Call with N. Gordon regarding schedules. Review issues lists.	0.60
<i>April 22, 2019</i>	Review filing and prepare discovery. Send to N. Gordon.	1.40
<i>April 24, 2019</i>	Continue to review filing.	0.80

4.40