



Control Number: 52195



Item Number: 31

Addendum StartPage: 0

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

2021 JUN 29 AM 10:04

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

**CITY OF EL PASO'S THIRD REQUESTS FOR INFORMATION  
TO EL PASO ELECTRIC COMPANY QUESTIONS CEP 3-1 THROUGH CEP 3-32**

The City of El Paso (the "City") requests that the El Paso Electric Company ("EPE") provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within twenty (20) calendar days. Please copy the question immediately above the answer to each question. The question(s) are continuing in nature, and if there is a relevant change in circumstances, such as that new or additional information or review reveals that an answer previously made is no longer complete or is inaccurate, that EPE submit an amended answer, under oath, as a supplement to your original answer within five days of the discovery of new or additional information. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

The City requests that EPE serve its respective responses to this Request on the following person via electronic mail and delivery of hard copies:

Norman J. Gordon  
PO Box 8  
El Paso, Texas, 79940  
221 N. Kansas, Suite 700  
El Paso, Texas, 79901  
ngordon@ngordonlaw.com

Manuel Arambula, Senior Assistant City Attorney  
300 N. Campbell, Third Floor  
El Paso, Texas, 79901  
Arambulaml@elpasotexas.gov

31

## DEFINITIONS AND INSTRUCTIONS

1. This Request is directed to El Paso Electric Company ("EPE"). Reference to EPE, **"you" or "your"** means all divisions, departments, bureaus, agencies, and all witnesses whose testimony EPE intends to present, and all persons acting or purporting to act for or on behalf of EPE, including its directors, officers, employees, and agents.

2. The terms **"document" and "documents"** are used in their broadest sense and shall mean and include all written, printed, electronic, typed, recorded, or graphic matter of every kind and description, including drafts, originals and copies, and all attachments and appendices thereto. Without limiting the foregoing, the terms "document" or "documents" shall include all agreements, contracts, communications, correspondence, letters, telegrams, telexes, messages, memoranda, records, reports, books, summaries, tape recordings or other records of personal conversations, minutes or summaries or other records of negotiations, other summaries, diaries, diary entries, calendars, appointment books, time books, time records, instructions, work assignments, financial statements, work sheets, workpapers, drafts, graphs, maps, charts, tables, accounts, analytical records, consultant reports, appraisals, bulletins, brochures, pamphlets, circulars, trade letters, press releases, notes, notices, marginal notations, notebooks, telephone records, bills, statements, records of obligation and expenditure, invoices, lists, journals, advertising, recommendations, printouts, compilations, tabulations, analyses, studies, surveys, transcripts of hearings, transcripts of testimony, affidavits, expense reports, microfilm, microfiches, articles, speeches, tape or disk recordings, sound recordings, video recordings, film, tape, photographs, punch cards, programs, data compilation from which information can be obtained (including matter used in data processing) and other printed, written, handwritten, typewritten, recorded, stenographic, computer-generated, computer-stored, electronically-stored matter, however and by whomever produced, prepared, reproduced, disseminated, or made.

3. **"Person"** means any natural person, firm, association, partnership, joint venture, corporation, estate, trust, receiver syndicate, municipal corporation, government agency, any other form of legal entity, and other group or combination acting as a unit.

4. **"Relating to"** a subject means making a statement about, mentioning, referring to, discussing, describing, reflecting, identifying, dealing with, consisting of, constituting or in any way pertaining, in whole or in part, to the subject.

5. **"Identify"** means:

- a. as to a "person," stating his, her or its:
  - (i) legal, full, and customarily used names;
  - (ii) present residential or business address;
  - (iii) job title; and
  - (iv) name of employer.
- b. as to a document, act, event, transaction or occurrence, stating:
  - (i) its date, authors or participants;
  - (ii) the place where it took place, was created or occurred;
  - (iii) its purpose and subject matter; and
  - (iv) a concise description of what transpired.

6. For each response, please state the Request for Information and identify the individual(s) responsible for preparing and sponsoring the response by name and title.

7. Pursuant to Rule 196.4, Texas Rules of Civil Procedure, any electronic or magnetic data included in the definition of document should be produced on a CD-ROM or similar media that is compatible with Microsoft Office software.

8. For each document produced that is generated by computer, please identify:

- a. the nature and source of the data constituting the input;
- b. the form of the input (e.g., tapes, punch cards);
- c. the recording system employed (e.g., program, flow charts); and
- d. the person(s) responsible for processing the input and/or performing the programming.

9. “**Each**” shall be construed to include the word “**every**” and “**every**” shall be construed to include the word “**each**”.

10. “**Any**” shall be construed to include “**all**” and “**all**” shall be construed to include “**any**.”

11. The terms “**and**” and “**or**” shall be construed as either disjunctive or conjunctive as necessary to make this request inclusive rather than exclusive.

12. The term “**concerning**” includes the following meanings: relating to; pertaining to; regarding; discussion; mentioning; containing; reflecting; evidencing; describing; showing; identifying; providing; disproving; consisting of; supporting; contradicting; in any way legally, logically, or factually connected to the matter to which the term refers; or having a tendency to prove or disprove the matter to which the term refers.

13. The term “**including**” means and refers to “including but not limited to.”

14. Words used in the plural shall also be taken to mean and include the singular. Words used in the singular shall also be taken to mean and include the plural.

15. The present tense shall be construed to include the past tense, and the past tense shall be construed to include the present tense.

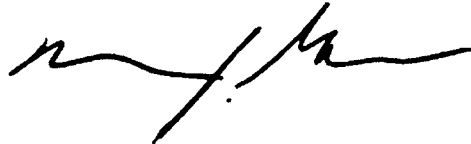
Dated June 29, 2021

Respectfully submitted,

Norman J. Gordon ([ngordon@ngordonlaw.com](mailto:ngordon@ngordonlaw.com) )  
State Bar No. 08203700  
P.O. Box 8  
El Paso, Texas, 79940  
221 N. Kansas, Suite 700  
El Paso, Texas, 79901  
(915) 203 4883

Karla M. Nieman, City Attorney  
State Bar No. 24048542  
Manuel Arambula, Senior Assistant City Attorney  
State Bar No. 24047423  
City of El Paso  
300 N. Campbell, 2<sup>nd</sup> Floor  
El Paso, Texas 79901  
(915) 212-0033  
(915) 212-0034 (fax)  
[Arambulam1@elpasotexas.gov](mailto:Arambulam1@elpasotexas.gov)

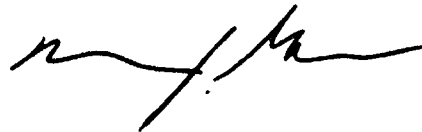
Attorneys for the City of El Paso



By: \_\_\_\_\_  
Norman J. Gordon

**Certificate of Service**

I certify that a true and correct copy of this document was served by e-mail and/or US mail on all parties of record in this proceeding on June 29, 2021.



\_\_\_\_\_  
Norman J. Gordon

PUC Docket No. 52195  
City of El Paso's THIRD RFIs  
Questions CEP 3-1---CEP 3-32

- CEP 3-1     **Incentive compensation:** For each long-term incentive compensation plan and stock-based incentive plan for which any expense is included in El Paso Electric's pro forma cost of service, please provide the information for (1) El Paso Electric's long-term and stock-based plans, and (2) affiliated company long-term and stock-based plans allocated to El Paso Electric:
- a.     Please provide a description of each plan.
  - b.     Provide a description of each of the goals or performance measures for each plan.
  - c.     Provide the amount awarded in the test year for each goal or performance measure, by plan.
  - d.     Provide the amount included in pro forma operating expense for each goal or performance measure for each plan.
  - e.     Provide the amount included in operating expenses for each plan for each year 2016 through 2020.
  - f.     Provide the amount capitalized for each plan for each year 2012 through 2015.
  - g.             For each plan, show the amounts and dates of each incentive award or payment for each year 2016 through 2020.
  - h.     For each month 2016 through 2020, provide the amount included in operating expenses for each plan.
  - i.     Provide the amount of any adjustments related to each plan.
  - j.     Provide the jurisdictional allocation factors for each plan.
  - k.     Please provide the amount of payroll taxes associated with each plan in the test year.
- CEP 3-2     **Incentive Compensation:** Please identify each Company incentive compensation plan which uses an Earnings Per Share ("EPS") modifier (or "trigger", or funding mechanism), and provide the following information for each:
- a.     What was the EPS modifier for the years 2016 through 2020?
  - b.     Is an EPS modifier of (-0-) or a negative number possible?
  - c.     How is the EPS modifier determined?
- CEP 3-3     **Incentive Compensation:** To what extent is the payment of incentive compensation to employees at the discretion of El Paso Electric's management
- CEP 3-4     **Compensation:** Please provide copies of any salary surveys or compensation studies performed after 2017 utilized by El Paso Electric.

- CEP 3-5      **Outside Services:** Please provide an analysis of the amount of any adjustments to outside services showing the amount of the adjustment for each service provider.
- CEP 3-6      **Outside Services:** Please provide an analysis of outsider services showing the amounts for each service provider during each of the three years preceding the test year.
- CEP 3-7      **Injuries and Damages:** Please provide the amounts for Injuries and Damages Expense for each year 2016 through 2019 and for the test year. Also please identify any adjustments the Company proposed to this expense and the pro forma amount included in the revenue requirement.
- CEP 3-8      **Injuries and Damages:** Please provide an analysis of the account Injuries and Damages Expense (or its related reserve account if appropriate) showing the amount paid for each settlement or court award during the test year and during each of the three years preceding the test year. For each claim identified provide an explanation of the incident that gave rise to the claim, why that claim should be recovered from ratepayers, and the amount included in the pro forma total Company and jurisdictional revenue requirement.
- CEP 3-9      **General:** Please provide copies of the Company's FERC Form 1 Report for the most recent two calendar years.
- CEP 3-10     **General:** Please provide the O&M expenses by FERC account for the test-year and for each of the three years preceding the test year. Please provide the response in Excel compatible format with fully functional formulas.
- CEP 3-11     **ADIT:** Please provide an analysis showing the impact on accumulated deferred income taxes of each of the Company's proposed adjustments to plant in service. Please provide an explanation for each proposed plant adjustment that does not have an impact on accumulated deferred income taxes and explain which plant additions do not qualify for the special depreciation allowance and why. Please provide the response in Excel compatible format with fully functional formulas.
- CEP 3-12     **Pension regulatory assets and liability:** Please provide an analysis of the pension regulatory asset or liability providing the following information:
- a)      A narrative describing the history of the regulatory asset or liability;
  - b)      The level of pension expense included in rates in each year since inception;
  - c)      The amount of pension expense each year;
  - d)      The beginning asset or liability balance and each year ending balance;

- e) The amounts for items b) through d) for each month after the test year through the latest date available; and
- f) The expected return on plan assets for 2019, 2020 and 2021.

- CEP 3-13      **Retirement plans:** Please provide a narrative describing any changes to the Company's retirement plans or post-retirement benefits after the beginning of the test year and continuing through the latest date after the end of the test year.
- CEP 3-14      **Retirement plans:** Please provide a narrative describing any changes the Company plans to make to any of its retirement plans or post-retirement benefits within the two years after the end of the test year.
- CEP 3-15      **Retirement plans:** Please quantify the savings which have been achieved or that are expected to be achieved from changes to Company's retirement plans or post-retirement benefits.
- CEP 3-16      **Retirement plans:** Please provide copies of the actuary reports supporting the test year level of costs for each retirement plan or post-retirement benefits.
- CEP 3-17      **Retirement plans:** Please provide copies of the actuary reports supporting the 2021 level of costs for each retirement plan or post-retirement benefits.
- CEP 3-18      **Retirement plans:** Please provide the amounts included in test year operating expenses for each retirement plan and post-retirement benefits.
- CEP 3-19      **Retirement plans:** Please provide the amounts included in pro forma operating expenses for each retirement plan and post-retirement benefits.
- CEP 3-20      **Retirement plans:** Please provide a copy of the full document(s) provided by the Company's actuary supporting the level of pension costs and post-retirement benefits included in the revenue requirement.
- CEP 3-21      **Retirement plans:** Please provide the amount of nonqualified employee retirement plan costs in pro forma expense. Please show both restoration and SERP costs for both El Paso Electric and each affiliated company included in pro forma operating expense.



- CEP 3-22      **Employee Benefits:** Please provide narrative description of any changes to the Company's employee benefits during the test year and continuing through the latest date after the end of the test year.
- CEP 3-23      **Employee Benefits:** Please provide a narrative describing any changes the Company plans to make to any of its employee benefits within the two years after the end of the test year.
- CEP 3-24      **Employee Benefits:** Please quantify the savings which have been achieved or that are expected to be achieved from changes to Company's employee benefits.
- CEP 3-25      **Employee Benefits:** Please provide copies of the documents supporting the test year level of employee benefits.
- CEP 3-26      **Employee Benefits:** Please provide copies of the documents supporting the pro forma level of employee benefits.
- CEP 3-27      **Employee Benefits:** Please provide the amount of each employee benefit in each of the three years preceding the test year.
- CEP 3-28      **Affiliate costs:** Please provide the amount of affiliate costs allocated to El Paso Electric and included in the revenue requirement.
- CEP 3-29      **Directors and Officers Expenses:** Please provide the amounts recorded for directors' and officers' expenses for the test year for EPE total company and for the Texas jurisdiction, separately identifying the amounts for each business entity with costs included in the EPE revenue requirement.
- CEP 3-30      **Directors and Officers Expenses:** Please provide the amounts included in the adjusted revenue requirement for directors' and officers' expenses for EPE total company and for the Texas jurisdiction, separately identifying the amounts for each business entity with costs included in the EPE revenue requirement and identify any adjustment to these expenses.
- CEP 3-31      **Directors and Officers Insurance:** Please provide the amounts included in the adjusted revenue requirement for directors' and officers' insurance for EPE total company and for the Texas jurisdiction, separately identifying the amounts for each business entity with costs included in the EPE revenue requirement and identify any adjustment to these expenses.

CEP 3-32      **Board of Director Compensation:** Please describe and quantify any director's compensation included in the revenue requirement other than that included in WP A-3, Adjustment 21.