



Filing Receipt

Received - 2021-10-29 12:11:48 PM
Control Number - 52195
ItemNumber - 324

The following files are not convertible:

52195 Attachment DH-1 through DH-5.xlsx

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

Contact centralrecords@puc.texas.gov if you have any questions.

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

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

**§
§
§**

**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**



**DIRECT TESTIMONY OF
DIANE HOPINGARDNER
RATE REGULATION DIVISION
PUBLIC UTILITY COMMISSION OF TEXAS
October 29, 2021**

TABLE OF CONTENTS

I.	STATEMENT OF QUALIFICATIONS	3
II.	PURPOSE AND SCOPE OF TESTIMONY	4
III.	SUMMARY OF EL PASO ELECTRIC COMPANY'S REQUEST	6
IV.	SUMMARY OF RECOMMENDATION	7
V.	ADJUSTMENTS TO THE REVENUE REQUIREMENT	8
A.	Non-qualified Retirement Income Plans.....	8
B.	Contributions and Donations	10
C.	Payroll Expense	11
D.	Long-Term Incentive Compensation.....	12
E.	Other Revenue-Related Items.....	13
F.	Other Staff Witnesses' Recommended Adjustments.....	14
G.	Federal Income Taxes.....	15
H.	State Income Taxes – Texas Gross Margin Tax.....	16
I.	Working Cash Allowance.....	16
J.	EPE's Errata No. 2 to the Application.....	17

ATTACHMENTS

DH-1	Staff's Revenue Requirement Calculation
DH-2	Staff's Cash Working Capital Calculation
DH-3	Staff's Schedule of O&M Adjustments
DH-4	Staff's Calculation of Depreciation Expense
DH-5	Staff's Calculation of State Income Taxes – Method 1
DH-6	RFIs Referenced in Testimony
DH-7	List of Previous Testimony

I. STATEMENT OF QUALIFICATIONS

Q. Please state your name and business address.

A. My name is Diane Hopingardner. My business address is 1701 North Congress Avenue, Austin, Texas.

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

A. I am employed by the Public Utility Commission of Texas (Commission) as a Regulatory Accountant in the Rate Regulation Division.

Q. What are your principal responsibilities at the Public Utility Commission?

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

Q. Please describe your professional and educational background.

A. In 2004, I received a Bachelor of Science in Management Studies from the University of the West Indies. In May 2009, I received a Master of Business Administration (MBA) degree from St. Edward's University. From February 2010 to April 2013, I was employed as a Financial Examiner by the Texas State Securities Board. From May 2013 to March 2014, I was employed as a Financial Analyst by the Texas Bond Review Board. In April 2014, I began my employment with the Public Utility Commission of Texas. Since that time, I have analyzed wholesale and retail market design issues in the Electric Reliability Council of Texas and Midcontinent Independent System Operator markets. In addition, I have reviewed utility compliance filings and attended a variety of utility-related seminars.

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

3 A. Yes. Attachment DH-7 details the dockets in which I have filed direct testimony on behalf
4 of the public interest before the Commission. I have also filed memoranda and otherwise
5 participated in a myriad of other dockets and projects before the Commission.

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

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

8 A. The purpose of my testimony is to present Staff's recommendations regarding El Paso
9 Electric Company's (EPE) cost of service for the historical test year ended December 31,
10 2020. As part of my testimony, I have incorporated adjustments recommended by Staff
11 witnesses Emily Sears, Heidi Graham, Anna Givens and Ruth Stark.

12 **Q. What is the scope of your review?**

13 A. My review included the analysis and examination of the application submitted by EPE
14 and EPE's responses to Requests for Information (RFIs).

15 **Q. If you do not address an issue or position in your testimony, should that be**
16 **interpreted as supporting EPE's position on that issue?**

17 A. No. The fact that I do not address an issue or position in my testimony should not be
18 construed as agreeing with, endorsing, or consenting to any position taken by EPE.

19 **Q. What is the standard that you are using to make your determination concerning the**
20 **reasonableness of costs requested by EPE in this proceeding?**

21 A. I am applying standards set forth in the Public Utility Regulatory Act, Tex. Util. Code
22 Ann. § 36.051 (PURA) which states:

23 In establishing an electric utility's rates, the regulatory authority
24 shall establish the utility's overall revenues at an amount that will
25 permit the utility a reasonable opportunity to earn a reasonable
26 return on the utility's invested capital used and useful in providing

1 service to the public in excess of the utility's reasonable and
2 necessary operating expenses.

3 I am also applying 16 Texas Administrative Code (TAC) § 25.231(b), which states in part:

4 (a) **Components of cost of service.** Except as provided for in
5 subsection (c)(2) of this section, relating to invested capital;
6 rate base, and §23.23(b) of this title (relating to Rate
7 Design), rates are to be based upon an electric utility's cost
8 of rendering service to the public during a historical test
9 year, adjusted for known and measurable changes. The two
10 components of cost of service are allowable expenses and
11 return on invested capital.

12 (b) **Allowable expenses.** Only those expenses which are
13 reasonable and necessary to provide service to the public
14 shall be included in allowable expenses. In computing an
15 electric utility's allowable expenses, only the electric
16 utility's historical test year expenses as adjusted for known
17 and measurable changes will be considered, except as
18 provided for in any section of these rules dealing with fuel
19 expenses.

20 (c) **Return on invested capital.** The return on invested capital
21 is the rate of return times invested capital.

22 (2) **Invested capital; rate base.** The rate of return is
23 applied to the rate base. The rate base, sometimes
24 referred to as invested capital, includes as a major
25 component the original cost of plant, property, and
26 equipment, less accumulated depreciation, used and
27 useful in rendering service to the public.

28 **Q. As a result of your examination of EPE's application and its responses to RFIs, do**
29 **you propose any adjustments to EPE's requested cost of service?**

30 A. Yes, my proposed adjustments are presented on the schedules in Attachment DH-1 to my
31 testimony. The revenue requirement is presented in a series of five schedules described
32 as follows:

33 Schedule I of Attachment DH-1 presents the revenue requirement or cost of service. The
34 following schedules provide details of specific components on Schedule I.

35 Schedule II of Attachment DH-1 details the adjustments to operations and maintenance
36 expense and administrative and general expense. This schedule is organized by Federal
37 Energy Regulatory Commission (FERC) account.

1 Schedule III of Attachment DH-1 shows the calculation of invested capital. Schedule IIIA
2 of Attachment DH-1 presents Electric Plant in Service by FERC account, the total of
3 which is used in Schedule III. Schedule IIIB of Attachment DH-1 shows the depreciation
4 and amortization expense by plant category.

5 Schedule IV of Attachment DH-1 details the adjustments to taxes other than income taxes.

6 Schedule V of Attachment DH-1 details the Federal Income Tax calculation using Tax
7 Method 1.

8 **Q. Please describe the format of each schedule.**

9 A. The first column of each schedule presents December 31, 2020 historical test year
10 amounts. The second column reflects the proposed known and measurable changes
11 requested by EPE to derive its requested amounts presented in column three. The fourth
12 column presents my recommended adjustments to EPE's calculated cost of service. The
13 final column presents my proposed revenue requirement on a total company basis.
14 Additionally, Schedule V presents my adjusted total company Federal Income Tax
15 recommendation.

16 **III. SUMMARY OF EL PASO ELECTRIC COMPANY'S REQUEST**

17 **Q. Please explain El Paso Electric Company's request.**

18 A. EPE's June 1, 2021 filing presents \$967,939,397 for its total company revenue
19 requirement, which is a \$50,429,252 increase to the test year total cost of service of
20 \$917,510,145.¹

21

22

23

¹ El Paso Electric Company Application, Schedule A-3 at 1 (Jun.1, 2021).

1 **Q. Does EPE's request include any costs that result from payments to an affiliate and if**
2 **so, do those costs meet the requirements of affiliate expenses in PURA § 36.058?**

3 A. Yes. EPE included \$502,105 in affiliate transactions in its December 31, 2020 test year.²
4 Based upon my review of these costs, they meet the requirements for affiliate expenses in
5 PURA § 36.058.

6 **IV. SUMMARY OF RECOMMENDATION**

7 **Q. Please summarize your recommendations.**

8 A. Please refer to Attachment DH-1. This attachment presents the summary of my
9 recommended revenue requirement for EPE. Attachment DH-1 shows that I recommend
10 a total revenue requirement amount of \$930,375,452. On a total company basis, this
11 represents a decrease of \$42,851,931 from EPE's filing.³

12 **Q. Please explain the adjustments you recommend to EPE's revenue requirement.**

13 A. I recommend adjustments in several categories. In Section V, I recommend adjustments
14 to the operations and maintenance (O&M) expenses and administrative and general
15 expenses (A&G) related to nonqualified post-retirement benefits, incentive compensation,
16 contributions, and dues. I recommend adjustments to taxes other than income taxes as
17 well as the attendant impacts of all adjustments on cash working capital. I recommend an
18 adjustment to the Texas Gross Margins tax expense and I also recommend the Tax Method
19 1 federal income tax expense resulting from adjustments to return. I will discuss each of
20 these categories below.
21

² Application, Schedule G-6.0.

³ See Application, Schedule A.

V. ADJUSTMENTS TO THE REVENUE REQUIREMENT

A. Non-qualified Retirement Income Plans

Q. Please describe EPE’s request for Non-qualified Retirement Income Plans.

A. EPE states in its Application,

“The Company has two non-qualified retirement income plans that are non-funded defined benefit plans. The Supplemental Executive Retirement Plan Retirement Plan (SERP) covers certain former employees and directors of the Company. The Excess Benefit Plan, was adopted in 2004, and covers certain active and former employees of the Company.”⁴

Deductibility of non-qualified replacement benefits are limited by the Internal Revenue Code. EPE’s requested revenue requirement includes \$1,970,713 in nonqualified post-retirement benefits in FERC expense Account 926.⁵ An amount of \$937,304 is recorded for the Excess Benefit Plan expense and \$1,033,409 is recorded for the SERP expense.⁶ Additionally, EPE included \$89,827 in FERC Account 107, Construction Work in Progress, for which \$82,225 is recorded for the Excess Benefit Plan and \$7,602 is recorded for the SERP.⁷ Further, EPE capitalized \$2,041,715 since the end of the prior proceeding’s test year to the plant in service component of rate base.⁸ These expenses provide supplemental benefits to certain employees whose compensation exceeds the limits provided by tax law for deducting pension-related expense.

Q. Please explain your adjustment regarding Non-qualified Retirement Income Plans.

A. I recommend a reduction to EPE’s requested cost of service for non-qualified retirement income plans in the amount of \$1,970,713. I also recommend that EPE remove the

⁴ Application, Schedule G-2 at 2.

⁵ El Paso Electric Company’s Response to Staff’s First Request for Information Question Nos. Staff 1-1 through Staff 1-34 at Bates p. 128 (Jul. 19, 2021) (Staff RFI 1-22).

⁶ *Id.*

⁷ *Id.*

⁸ El Paso Electric Company’s Response to Staff’s Twelfth Request for Information Question Nos. Staff 12-1 through Staff 12-8 at Bates p. 2-3 (Oct. 5, 2021) (Staff RFI 12-1).

1 \$89,827 included in Construction Work in Progress from that account prior to any
2 transfers to plant in service.⁹ Further, I recommend removal of the capitalized portion of
3 EPE's non-qualified retirement plan expenses that have been added to plant in service
4 since September 2016, which was the end of the prior proceeding's test year.¹⁰ The
5 amount I recommend for removal from plant in service is \$2,041,715, as detailed by FERC
6 account in EPE's response to Staff RFI 12-1.¹¹ Corresponding adjustments representing
7 the payroll taxes related to the SERP and Excess Benefit Plan in the amount of (\$46,418)
8 have been reflected in the Staff recommended revenue requirement (FERC Account
9 408).¹²

10 **Q. Have similar types of payments been removed from cost of service in recent**
11 **proceedings?**

12 A. Yes. In Docket No. 39896, supplemental executive retirement plan expenses were
13 removed from cost of service.¹³ In that proceeding supplemental executive retirement
14 plan expenses were determined to be discretionary costs designed to attract, retain, and
15 reward highly compensated employees whose interests are more closely aligned with
16 those of the shareholders than the customers.¹⁴ Further, such expenses were not found to
17 be reasonable or necessary to provide utility service to the public, not in the public interest,
18 and not includable in cost of service.¹⁵

⁹ El Paso Electric Company's Response to Staff's First Request for Information at Staff 1-22 (Jul. 19, 2021) (Staff RFI 1-22).

¹⁰ El Paso Electric Company's Response to Staff's Twelfth Request for Information Question at Staff 12-1 (Oct. 5, 2021) (Staff RFI 12-1).

¹¹ *Id.*

¹² El Paso Electric Company's Response to Texas Industrial Energy Consumer's Third Request for Information at TIEC 3-2 (Sept. 23, 2021) (TIEC RFI 3-2).

¹³ *Application of Entergy Texas, Inc. For Authority To Change Rates, Reconcile Fuel Costs, And Obtain Deferred Accounting Treatment*, Docket No. 39896, Order on Rehearing at Findings of Fact Nos. 141-142 (Nov. 1, 2012).

¹⁴ *Id.*

¹⁵ *Id.*

1 **B. Contributions and Donations**

2 **Q. Please describe EPE’s request for contributions and donations.**

3 A. EPE included in its requested test year \$1,312,437 for various expenses related to
4 contributions and donations.¹⁶ The various expenses can be categorized as follows:

5	Educational	\$ 277,029
6	Community Service	\$ 870,429
7	Economic Development	\$ 164,979
8	Total Test Year	\$1,312,437. ¹⁷

9 **Q. Does 16 TAC § 25.231(b)(1)(E) allow companies to include advertising expenses in
10 their revenue requirements?**

11 A. Yes. The provisions of 16 TAC § 25.231(b)(1)(E) state:

12 Advertising, contributions and donations. The actual expenditures for
13 ordinary advertising, contributions, and donations may be allowed as a cost
14 of service provided that the total sum of all such items allowed in the cost
15 of service shall not exceed three-tenths of 1.0% (0.3%) of the gross receipts
16 of the electric utility for services rendered to the public. The following
17 expenses shall be included in the calculation of the three-tenths of 1.0%
18 (0.3%) maximum:

19 (i) funds expended advertising methods of conserving energy;
20 (ii) funds expended advertising methods by which the consumer can effect
21 a savings in total electric utility bills;
22 (iii) funds expended advertising methods to shift usage off of system peak;
23 and
24 (iv) funds expended promoting renewable energy.

25 **Q. Please describe your recommended adjustments to contributions and donations.**

26 A. In response to Staff RFIs 12-9 to Staff 12-11, EPE indicated that it will be withdrawing
27 its request to include charitable contributions in its cost of service. As a result, I
28 recommend an adjustment of (\$1,312,437) from the revenue requirement.¹⁸ I have
29 included this adjustment in FERC Account 930.

¹⁶ Application, Schedule G-4.

¹⁷ Application, Schedule G-4.2.

¹⁸ El Paso Electric Company’s Response to Staff’s Twelfth Request for Information at Staff 12-9, 12-10, and 12-11 (Oct. 5, 2021).

1 **C. Payroll Expense**

2 **Q. Please describe EPE’s request for payroll expense.**

3 A. EPE presents \$86,883,519 as per books salaries and wages expensed during the test year.¹⁹
4 The test year costs were adjusted to reflect annualized expenses based on non-union
5 payroll data as of January 2021, executive salaries as of February 2021 and union payroll
6 as of September 2020.²⁰ In addition, EPE’s test year costs reflect the application of the
7 projected rate year O&M expense ratio to current payroll levels.²¹ EPE’s payroll expenses
8 also include overtime, payments in lieu of paid time off, and anticipated test year
9 bonuses.²² The resulting requested total annualized salaries and wages expense is
10 \$86,460,825, which is a decrease of \$422,694 to the test year payroll expense.²³

11 **Q. Can you explain EPE’s retirement incentive program?**

12 A. In response to Staff’s RFIs 1-19 and 1-20, EPE stated that it recently put in place a
13 retirement incentive program whereby retirement-eligible employees are offered a one-
14 time bonus if the employee agrees to retire between September 1, 2021 and December 31,
15 2021. EPE indicates that eligible employees had until September 9, 2021 to inform EPE
16 if they intend to take advantage of the incentive program.²⁴

17 **Q. What is the impact to the payroll expense given the retirement incentive program**
18 **described above?**

19 A. EPE has not yet provided information related to the number of employees that took
20 advantage of the retirement incentive program and the impact on the test year payroll

¹⁹ Application, WP/A-3 Adjustment No. 3 at 1.

²⁰ Application, Direct Testimony of Cynthia Prieto at 7: 3-9

²¹ *Id.* at 2.

²² *Id.*

²³ *Id.* at 1.

²⁴ El Paso Electric Company’s Amended Response to Commission Staff’s First Request for Information at Staff 1-19 and Staff 1-20 (Sep. 9, 2021).

1 expense. In Staff's RFIs 15-1 and 15-2, I requested that EPE provide details of the impact
2 of the retirement incentive program on its payroll expense. Staff issued the RFIs on
3 October 12, 2021 and the responses are due directly after the date of this testimony.

4 **Q. Considering EPE's retirement incentive program identified above, what is your**
5 **recommendation?**

6 A. As additional information is provided by EPE, I will make a determination whether that
7 new information regarding the retirement incentive program affects the test year data and
8 the revenue requirement.

9 **D. Long-Term Incentive Compensation**

10 **Q. Has EPE included costs related to long-term incentive compensation in the requested**
11 **revenue requirement?**

12 A. Yes. In response to City of El Paso's RFI 10-16, EPE indicated that the incentive plan
13 amounts for Palo Verde employees allocated to EPE for company earnings and utility
14 investments cost containment were \$144,579 and \$356,283, respectively.²⁵ EPE also
15 included, in its plant in service component of rate base, its share of Palo Verde capitalized
16 incentive compensation in the amount of \$203,811, for the year beginning 2016 through
17 the end of 2018.²⁶

18 **Q. Do you recommend an adjustment to EPE's revenue requirement?**

19 A. Yes. I recommend an adjustment of (\$500,862) to FERC Account 926 PV to remove the
20 expensed portion of the plan costs from the revenue requirement. Also, I recommend
21 removal of EPE's share of the capitalized portion of Palo Verde's incentive compensation

²⁵ El Paso Electric Company's Response to City of El Paso's Tenth Request for Information at CoEP 10-1 through CoEP 10-20 (Sept. 16, 2021).

²⁶ El Paso Electric Company's Response to Staff's Thirteenth Request for Information at Staff 13-1 through Staff 13-3 (Oct. 11, 2021).

1 expense that have been added to plant in service since 2016. The amount I recommend
2 removed from plant in service is \$203,811.

3 **Q. Why do you recommend an adjustment to EPE's revenue requirement based on the**
4 **long-term incentive compensation?**

5 A. The amounts allocated to company earnings and utility investment cost containment can
6 be considered financial measures. My recommendation is consistent with long-standing
7 Commission precedent in which financial measure determined to be of more immediate
8 benefit to shareholders and operating measures were determined to be of more immediate
9 benefit to ratepayers.²⁷ Furthermore, incentives to achieve operational measures were
10 found to be necessary and reasonable to provide utility service, but those incentives to
11 achieve financial measures were not.²⁸

12 **E. Other Revenue-Related Items**

13 **Q. Do the adjustments proposed by Staff to various components within the revenue**
14 **requirement affect other components of the revenue requirement?**

15 A. Yes. Several items within EPE's revenue requirement are interrelated. This means that
16 changes to one area or item will impact one or more additional items.

17 **Q. Please explain the adjustments in your recommended revenue requirement of this**
18 **nature.**

19 A. Staff made several adjustments that impact other items. First, Staff's recommended
20 changes to cost of service affect the calculation of the Texas state gross receipts tax. By
21 producing an effective rate which considers the ratio of revenue related tax to the total
22 company revenue, EPE has included in its cost of service an amount and an effective rate

²⁷ *Application of AEP Texas Central Company for Authority to Change Rates*, Docket No. 28840, Final Order at Findings of Fact Nos. 166-170 (Aug. 15, 2005).

²⁸ *Id.*

1 for the state gross receipts tax.²⁹ Accordingly, any adjustments that impact the total
2 revenue requirement also impact the state gross receipts tax. I applied EPE's calculated
3 effective rate of .012008³⁰ to Staff's recommended adjustments to the revenue
4 requirement to reach my recommended Texas state gross receipts tax expense. My
5 calculated adjustment to the state gross receipts tax is a \$514,566 reduction to EPE's
6 requested state gross receipts tax of \$10,705,684.³¹ The PUC Assessment tax is an
7 additional impacted item. EPE included in its cost of service an amount and an effective
8 rate for the Texas PUC Assessment Tax by producing an effective rate which considers
9 the ratio of this revenue-related tax to the total company revenue.³² As discussed above,
10 any adjustments that impact the total revenue requirement also impact the Texas PUC
11 Assessment Tax. I applied EPE's calculated effective rate of .001186³³ to Staff's
12 recommended adjustments to the revenue requirement to reach my recommended Texas
13 PUC Assessment Tax expense. My calculated adjustment to the PUC Assessment Tax
14 expense is a \$50,822 reduction to the EPE's requested PUC Assessment Tax expense of
15 \$1,057,293.³⁴

16 **F. Other Staff Witnesses' Recommended Adjustments**

17 **Q. Were other Staff adjustments included in your recommended revenue requirement**
18 **that impact EPE's requested cost of service?**

19 A. Yes. Staff witness Emily Sears recommends that a 7.42% rate of return be used in this
20 proceeding for purposes of determining Staff's recommended revenue requirement.

²⁹ Application, WP/A-3 Adjustment No. 17 at 6.

³⁰ *Id.*

³¹ Application, Schedule G-9.

³² Application, WP/A-3 Adjustment No. 17 at 6.

³³ *Id.*

³⁴ Application, Schedule G-9.

1 Please refer to Ms. Sears' testimony for further details of her recommendation. Staff
2 witness Heidi Graham recommends adjustments to depreciation expense. Ms. Graham's
3 recommendation has been reflected in my recommendation of the total company revenue
4 requirement. Please refer to Ms. Graham's testimony for details of her recommendation.
5 Also, Staff witness Ruth Stark recommends adjustments to rate base and the total company
6 revenue requirement. Ms. Stark's recommendation has been reflected in my
7 recommended total company revenue requirement and rate base. Please refer to Ms.
8 Stark's testimony for details of her recommendations.

9 **Q. Are there any other Staff adjustments included in your recommended revenue**
10 **requirement that impact EPE's requested cost of service?**

11 A. Yes. I made an adjustment of (\$1,154,276) for rate case expenses based on the
12 recommendation of staff witness Anna Givens regarding recovery of those expenses. I
13 have included the adjustment for rate case expenses in FERC account 928. Please refer
14 to Ms. Given's testimony for details of her recommendation.

15 **G. Federal Income Taxes**

16 **Q. What is the reason for your federal income tax expense adjustment?**

17 A. I calculated federal income tax expense using Tax Method 1, which is based on the return
18 calculation. Any adjustments to the invested capital and calculated return therefore impact
19 the federal income tax expense calculation. Staff witness Emily Sears has recommended
20 a decreased rate of return equal to 7.42%. Applying her rate of return to the Staff
21 recommended rate base results in a return amount of \$192,192,741,641. Using Tax
22 Method 1 results in my recommended federal income tax expense of \$26,544,259, which
23 is a decrease of \$4,027,865 to EPE's current federal income tax request.³⁵

³⁵ Application, Schedule A.

1 **H. State Income Taxes – Texas Gross Margin Tax**

2 **Q. What is the reason for your state income tax expense adjustment?**

3 A. EPE included a calculation for the Texas Gross Margin Tax expense as a function of the
4 total company return.³⁶ Any adjustments to the invested capital and calculated return
5 therefore impact the Texas Gross Margin Tax expense. Staff witness Emily Sears has
6 recommended a decreased rate of return equal to 7.42%. Applying her rate of return to
7 the Staff recommended rate base results in a return amount of \$192,741,641. Using EPE's
8 Texas Gross Margin Tax methodology results in my recommended current Texas Gross
9 Margin Tax expense of \$2,327,492, which is a decrease of \$920,590 to EPE's request of
10 \$3,248,082.³⁷

11 **I. Working Cash Allowance**

12 **Q. Please describe your adjustment to the working cash allowance calculation included**
13 **in rate base.**

14 A. My adjustment to cash working capital uses EPE's methodology and changes the total for
15 the inclusion of Staff's disallowances to EPE's request. I included the impacts of Staff's
16 recommended O&M adjustments, taxes other than income taxes adjustments, and the state
17 and federal income tax adjustments. The impacts of Staff's adjustments to cash working
18 capital are shown within Attachment DH-2 and amount to an increase to cash working
19 capital and rate base of \$1,034,319.
20

³⁶ Application, Schedule G-7.8 at 5.

³⁷ Application, Schedule A.

1 **J. EPE’s Errata No. 2 to the Application**

2 **Q. Please describe your adjustments to the revenue requirements calculation based on**
3 **EPE’s Errata No. 2.**

4 A. I made an adjustment of (\$194,524) to O&M expenses to account for mathematical errors
5 in EPE’s Errata No. 2 to the Application³⁸. These adjustments were made in FERC
6 accounts 561 and 904.

7 **Q. Please describe your recommendation for the working cash allowance calculation**
8 **based on EPE’s Errata No. 2**

9 A. In EPE’s Errata No. 2 to the Application, EPE states that there are errors in the reported
10 lead-lag study and that the revisions to the cash working capital requirements will be
11 submitted with rebuttal testimony.³⁹ I will provide supplemental testimony as additional
12 information is provided by EPE.

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

14 A. Yes.

³⁸ El Paso Electric Company’s Errata No.2 to its Application at 1. (Oct.1, 2021)

³⁹ *Id.* at 2.

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

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

EL PASO ELECTRIC COMPANY'S RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-48

STAFF 1-22:

Payroll

Has the Company included any non-qualified pension payments in its request? If so, please provide by FERC account and identify as Company direct or affiliate allocated. Please provide the amounts expensed as well as the amounts capitalized.

RESPONSE:

The request includes amounts for El Paso Electric Company's ("Company") nonqualified pension costs in FERC account 926 as well as amounts charged to FERC account 107 that were closed to plant in service during the test year. Amounts recorded by the Company for its Excess Benefit Plan ("Excess") and Supplemental Retirement Plan ("SERP") are shown below. All requested amounts are Company direct costs. There were no affiliate pension costs allocated during the test year.

<u>FERC Account</u>	<u>Excess</u>	<u>SERP</u>	<u>Total</u>
926 - Employee Pensions and Benefits	\$937,304	\$1,033,409	\$1,970,713
107 - Construction Work in Progress	82,225	7,602	89,827

Preparer: Karen Baca

En Li

Title: Senior Accountant – Technical
Accounting
Manager – Financial Accounting

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

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

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

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

STAFF 12-1:

Payroll

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

RESPONSE:

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

Preparer: Barbara J. Torres

Title: Principal Plant Accountant

Sponsor: Larry J. Hancock
Cynthia S. Prieto

Title: Manager-Plant Accounting
Vice President – Controller

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

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

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

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

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

STAFF 12-9 TO STAFF 12-11:

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

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

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

EL PASO ELECTRIC COMPANY'S RESPONSE TO
TEXAS INDUSTRIAL ENERGY CONSUMERS'
THIRD REQUEST FOR INFORMATION
QUESTION NOS. TIEC 3-1 THROUGH TIEC 3-5

TIEC 3-2:

Please provide the Test Year employer-paid payroll tax expense, if any, associated with the following costs on a Total Company and Texas jurisdictional basis:

- a. Supplemental Retirement Plan
- b. Excess Benefit Plan

RESPONSE:

El Paso Electric Company ("EPE") pays checks to beneficiaries similar to payroll checks (benefit payments). EPE does not distinguish benefit payments between the Supplemental Retirement Plan and Excess Benefit Plan, as such, the payroll tax expense is not reported separately. Test Year employer-paid payroll tax expense on a Total Company and Texas jurisdictional basis, for both plans, is as follows:

<u>Total Company</u>	<u>TX Allocator</u>	<u>TX Amount</u>
\$ 46,418	0.794221	\$ 38,866

Preparer: Tammy Henderson

Title: Manager – Tax

Sponsor: Sean M. Ihorn

Title: Director – Tax

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

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

EL PASO ELECTRIC COMPANY'S AMENDED RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
QUESTION NOS. STAFF 1-19 THROUGH STAFF 1-20

STAFF 1-19:

Payroll

Please provide a narrative description of any and all programs that the Company and/or its parent company has instituted which could result in a decrease to the Company's number of employees after the end of the test year.

AMENDED RESPONSE:

El Paso Electric Company ("Company") recently implemented a retirement incentive program whereby retirement-eligible employees were offered a one-time cash bonus of up to nine months of base pay if the employee agreed to retire between September 1, 2021, and December 31, 2021. Nothing in this program altered or will alter any of the Company's benefits programs including, but not limited to, the retirement income plan, personal time off plan, or short-term incentive plan. The incentive program was offered to eligible employees on August 9, 2021, and those employees have until September 9, 2021, to inform the Company if they intend to retire in accordance with the terms of the incentive program. Once retiring employees are identified, the Company will determine whether the positions being vacated by retiring employees needs to be replaced or repurposed and will seek to fill vacancies as needed. In addition, a number of positions held by retiring employees will likely be filled with current employees, which will require a similar evaluation of the positions being vacated by those employees.

Preparer: Robert M. Almanzan

Title: Senior Director – Human Resources

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

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

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

EL PASO ELECTRIC COMPANY'S AMENDED RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
QUESTION NOS. STAFF 1-19 THROUGH STAFF 1-20

STAFF 1-20:

Payroll

Please quantify the savings which have been achieved or that are expected to be achieved from programs to reduce the number of employees of the Company and/or its parent company.

AMENDED RESPONSE:

El Paso Electric Company (“EPE” or “Company”) has not engaged in an analysis to determine what if any savings may be achieved or that are expected to be achieved from the retirement incentive program discussed in EPE’s amended response to STAFF 1-19. At the current time, EPE has not identified all of the employees that will take advantage of the retirement incentive program, whether the positions of retiring employees will be filled in kind, or whether filling positions of retiring employees will result in filling the vacancy in another separate repurposed position. Additionally, the Company is unable to predict what the level of pay employees hired to fill the newly vacant positions will be. Any savings in payroll expenses that may ultimately occur as a result of the retirement incentive program are not likely to be quantified until after January 2022 and are likely to be offset by the union salary increase effective in September 2021 and non-union salary increases that occur in January each year. That being said, in the short-term, costs would be expected to increase due to the nine-month salary payout to employees opting to retire and any long-term savings would have to overcome this initial outlay.

Preparer: Robert M. Almanzan

Title: Senior Director – Human Resources

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

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

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

EL PASO ELECTRIC COMPANY'S RESPONSE TO
CITY OF EL PASO'S TENTH REQUEST FOR INFORMATION
QUESTION NOS. CEP 10-1 THROUGH CEP 10-20

CEP 10-16:

Palo Verde: Please provide an analysis of each incentive plan for Palo Verde employees showing the amounts included in test year expenses based on a) company earnings, b) utility investment cost containment, c) expense containment, d) customer service, and e) safety.

RESPONSE:

- a) Company Earnings – \$915,058 (EPE Share \$144,579)
- b) Utility Investment Cost Containment (Capital Budget) - \$2,254,959 (EPE Share \$356,283)
- c) Expense Containment (O&M Budget) - \$7,195,405 (EPE Share \$1,136,874)
- d) Customer Service (Operational Excellence) - \$20,806,383 (EPE Share \$3,287,408)
- e) Safety (Safety/Performance Improvement) - \$7,660,653 (EPE Share \$1,210,383)

Preparer: Victor Martinez

Title: Manager – Resource Planning, Resource
Management Regulatory & Quality
Assurance

Sponsor: Todd A. Horton

Title: Senior Vice President –Site Operations
(Palo Verde Generating Station)

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

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

EL PASO ELECTRIC COMPANY'S RESPONSE TO
COMMISSION STAFF'S THIRTEENTH REQUEST FOR INFORMATION
QUESTION NOS. STAFF 13-1 THROUGH STAFF 13-3

TABLE OF CONTENTS

OCTOBER 11, 2021

STAFF 13-1	2
STAFF 13-2	5
STAFF 13-3	7

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

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

EL PASO ELECTRIC COMPANY'S RESPONSE TO
COMMISSION STAFF'S THIRTEENTH REQUEST FOR INFORMATION
QUESTION NOS. STAFF 13-1 THROUGH STAFF 13-3

STAFF 13-1:

Please refer to WP-B-1 - Adj 01 Plant in Service, Page 3, Column (d) Incentive Compensation.

- a) Please provide detailed calculations by incentive plan type (ACBP, LTIP, etc.) for the adjustments to plant in service totaling \$10,073,841.
- b) Are the adjustments to plant in service the amounts for the test year only? If more than the test year is included in the proposed adjustments, please provide the amounts included by plan by year. If not included in the calculation of the proposed adjustments, please provide the total financial-based incentive compensation capitalized to plant in service in the same format by plan by year since the end of the test year in Docket No. 46831.
- c) Do the proposed adjustments to plant in service for incentive compensation include any adjustments for capitalized Palo Verde financial-based incentive compensation? If not, please provide the amount of Palo Verde financial-based incentive compensation capitalized to plant in service in the same format by plan type by year since the end of the test year in Docket No. 46831.

RESPONSE:

- a) See Staff 13-1, Attachment 1, for the detailed calculations of the capitalized incentive compensation adjustment to plant in service totaling \$10,073,841.
- b) No, Staff 13-1, Attachment 1, reflects the capitalized incentive compensation charged to CWIP, by year, since the second half of 2009.
- c) No. For years 2016 – 2018, 20% of the incentives were related to financial performance. The table below shows the total Palo Verde amounts during that time period that were capitalized based on that financial performance. For years 2019 – 2020, only incentives

for Vice Presidents and levels above were based on financial performance, none of which were capitalized, as reflected in the table below.

Total PV 2016	Total PV 2017	Total PV 2018	Total PV 2019	Total PV 2020	EPE Share 2016	EPE Share 2017	EPE Share 2018	EPE Share 2019	EPE Share 2020
\$464,092	\$500,917	\$324,931	\$0.00	\$0.00	\$73,327	\$79,145	\$51,339	\$0.00	\$0.00

Preparer: Mariana Gamez
 Victor Martinez

Title: Senior Accountant – Plant Accounting
 Manager – Resource Planning, Resource
 Management Regulatory & Quality
 Assurance

Sponsor: Larry J. Hancock
 Todd A. Horton

Title: Manager – Plant Accounting
 Senior Vice President –Site Operations
 (Palo Verde Generating Station)

El Paso Electric Company
Information for Capitalized Incentive
Compensation Adjustment (Financial Portion)
As of December 31, 2020

Financial Portion of Bonus Capitalized to PIS (a)	2009 Bonus Targets (6ME Dec 2009)	6 ME Dec Composite Dep Rate	2010 Bonus Targets	2010 Composite Dep Rate	2011 Bonus Targets	2011 Composite Dep Rate	2012 Bonus Targets	2012 Composite Dep Rate	4ME 201204 Composite Dep Rate	8ME 201212 Composite Dep Rate	2013 Bonus Targets	2013 Composite Dep Rate	2014 Bonus Targets	2014 Composite Dep Rate	9ME 201509 Composite Dep Rate	3ME 201512 Composite Dep Rate	3ME 201512 Composite Dep Rate	2016 Bonus Targets	2016 Composite Dep Rate	2016 Bonus Targets	6ME 201706 Composite Dep Rate	6ME 201706 Composite Dep Rate	3ME 201709 Composite Dep Rate	3ME 201709 Composite Dep Rate	3ME 201712 Composite Dep Rate	3ME 201712 Composite Dep Rate	12ME 201812 Composite Dep Rate	12ME 201812 Composite Dep Rate	12ME 201912 Composite Dep Rate	12ME 201912 Composite Dep Rate	Total PIS Adjustment @ 201912	12ME 202012 Bonus Targets	12ME 202012 Composite Dep Rate	Total PIS Adjustment @ 202012
CWIP - Steam Production	\$ 516	2.86%	1,650	4.90%	(989)	4.90%	254	3.61%	4.90%	3.61%	284	3.61%	121	3.61%	1,580	3.61%	416	3.61%	6,495	2.16%	4,190	2.16%	8,171	2.28%	2,084	2.28%	42,983	2.28%	47,395	2.28%	115,164	42,488	2.28%	\$ 153,832
CWIP - Other Production	-	10.03%	23,757	4.16%	6,354	4.16%	18,484	4.16%	4.16%	4.16%	5,221	4.16%	39,351	4.16%	34,708	4.16%	25,727	4.16%	39,895	2.19%	2,924	2.19%	3,438	2.19%	943	2.19%	21,370	2.19%	30,880	2.19%	253,049	40,277	2.19%	299,326
CWIP - Transmission	3,488	1.74%	121,853	2.02%	136,698	2.02%	70,992	2.02%	1.83%	1.83%	121,538	1.83%	66,397	1.83%	121,538	1.83%	13,192	1.83%	130,997	1.27%	37,118	1.27%	60,837	1.26%	94,318	1.26%	187,407	1.26%	215,577	1.26%	1,262,788	227,763	1.26%	1,490,572
CWIP - NM Distribution	16,157	2.73%	216,706	2.09%	242,086	2.09%	173,848	2.09%	2.09%	2.09%	29,341	2.09%	73,351	2.09%	101,725	2.09%	9,471	2.09%	129,741	2.06%	13,147	2.06%	55,957	2.04%	139,305	2.04%	120,690	2.04%	323,437	2.04%	1,674,770	225,342	2.04%	1,900,111
CWIP - TX Distribution	41,727	2.73%	489,629	2.41%	431,315	2.41%	350,061	2.41%	2.09%	2.09%	50,005	2.09%	192,893	2.09%	264,091	2.09%	10,140	2.09%	373,263	1.70%	115,054	1.70%	149,930	1.72%	357,101	1.72%	508,857	1.72%	799,894	1.72%	4,143,638	516,098	1.72%	4,660,335
CWIP - General	248	9.27%	(4,865)	3.22%	257,848	3.22%	7,116	3.22%	3.22%	3.22%	1,992	3.22%	(47,213)	3.22%	(61,292)	3.22%	33,418	3.22%	54,147	3.03%	21,521	3.03%	211,704	4.61%	35,948	4.61%	327,251	4.61%	93,375	4.61%	327,251	702,455	4.61%	1,029,708
CWIP - Intangible	421	10.00%	(9,586)	20.00%	14,032	20.00%	12,478	20.00%	20.00%	20.00%	11,798	20.00%	10,039	20.00%	22,712	20.00%	24,023	7.98%	125,122	7.98%	36,829	7.98%	29,885	7.98%	3,215	7.98%	61,201	7.98%	119,539	7.98%	451,806	90,053	7.98%	541,859
Grand Total	\$ 62,557		\$ 839,064		\$ 1,087,174		\$ 833,632		\$ 120,018		\$ 334,929		\$ 485,060		\$ 116,387		\$ 659,668		\$ 260,783		\$ 610,001		\$ 320,872		\$ 988,355		\$ 1,630,174		\$ 8,228,467	\$ 1,845,374		\$ 10,073,841 (d)		

Cumulative CIC - Based on 1/2 year convention (b)	6ME Dec 2009 Cumulative Depreciable CIC in PIS	Dec 2010 Cumulative Depreciable CIC in PIS	2011 Cumulative Depreciable CIC in PIS	2012 Cumulative Depreciable CIC in PIS	2013 Cumulative Depreciable CIC in PIS	2014 Cumulative Depreciable CIC in PIS	9ME 201509 Cumulative Depreciable CIC in PIS	3ME 201512 Cumulative Depreciable CIC in PIS	2016 Cumulative Depreciable CIC in PIS	6ME 201706 Cumulative Depreciable CIC in PIS	3ME 201709 Cumulative Depreciable CIC in PIS	3ME 201712 Cumulative Depreciable CIC in PIS	12ME 201812 Cumulative Depreciable CIC in PIS	12ME 201912 Cumulative Depreciable CIC in PIS	12ME 202012 Cumulative Depreciable CIC in PIS	Depr Exp Adj for TY Ended 202012		
CWIP - Steam Production	\$ 258	\$ 1,341	\$ 1,883	\$ 1,328	\$ 1,597	\$ 1,800	\$ 2,850	\$ 3,649	\$ 7,104	\$ 12,446	\$ 16,532	\$ 17,574	\$ 46,288	\$ 91,472	\$ 136,398	\$ 3,110		
CWIP - Other Production	-	11,879	26,934	39,353	51,205	73,491	110,520	140,736	173,547	194,956	196,675	197,147	211,494	237,809	273,188	5,893		
CWIP - Transmission	1,744	64,414	193,889	297,533	339,218	378,605	472,573	539,938	612,032	696,080	721,509	768,668	953,508	1,155,000	1,376,688	17,594		
CWIP - NM Distribution	8,079	124,510	353,910	561,782	693,276	714,622	802,160	857,759	927,364	1,013,808	1,041,788	1,111,439	1,290,988	1,513,051	1,787,441	38,464		
CWIP - TX Distribution	20,893	286,542	747,014	1,136,002	1,492,876	1,868,779	1,897,266	1,894,391	2,026,062	2,370,241	2,345,206	2,523,756	3,089,226	3,743,648	4,402,136	73,717		
CWIP - General	124	(2,234)	124,107	256,409	261,943	238,432	184,179	170,242	214,024	357,709	218,563	215,953	280,594	378,478	512,668	8,126		
CWIP - Intangible	211	(4,362)	(2,129)	11,128	23,284	34,192	60,557	73,825	148,498	229,473	244,455	245,063	305,687	392,037	496,632	38,647		
Grand Total	\$ 31,278	\$ 482,089	\$ 1,445,208	\$ 2,805,611	\$ 2,682,437	\$ 2,909,910	\$ 3,319,804	\$ 3,620,628	\$ 4,108,651	\$ 4,688,872	\$ 4,928,872	\$ 5,084,209	\$ 5,114,115	\$ 7,413,379	\$ 9,151,154	\$ 209,544 (e)		
Dep Expense Adj - Based on 1/2 yr convention (c)	6ME Dec 2009 Depr Exp Adj	2010 Depr Exp Adj	2011 Depr Exp Adj	4 ME April 2012 Depr Exp Adj	8 ME Dec 2012 Depr Exp Adj	2013 Depr Exp Adj	2014 Depr Exp Adj	9ME 201509 Depr Exp Adj	3ME 201512 Depr Exp Adj	2016 Depr Exp Adj	6ME 201706 Depr Exp Adj	3ME 201709 Depr Exp Adj	3ME 201712 Depr Exp Adj	12ME 201812 Depr Exp Adj	12ME 201912 Depr Exp Adj	Total AD Adjustment (200907 - 201912)	12ME 202012 Depr Exp Adj	Total AD Adjustment (200907 - 202012)
CWIP - Steam Production	\$ 4	\$ 86	\$ 92	\$ 22	\$ 32	\$ 58	\$ 65	\$ 72	\$ 33	\$ 153	\$ 134	\$ 94	\$ 100	\$ 1,055	\$ 2,088	\$ 4,056	\$ 3,110	\$ 7,166
CWIP - Other Production	-	494	1,120	546	1,091	2,130	3,057	3,448	1,464	3,801	2,135	1,077	1,079	4,632	5,204	31,278	5,983	37,960
CWIP - Transmission	15	1,301	3,913	2,003	3,630	6,208	6,928	6,488	2,470	7,773	4,420	2,273	2,421	12,014	14,553	76,409	17,346	93,755
CWIP - NM Distribution	110	2,602	7,397	3,914	7,827	13,862	14,936	12,574	4,492	19,011	10,392	5,313	5,988	26,336	30,866	165,291	36,464	201,754
CWIP - TX Distribution	265	6,806	18,003	9,142	15,858	28,065	30,697	26,805	9,585	34,443	19,297	10,084	10,852	53,135	64,391	337,346	75,717	413,063
CWIP - General	6	(72)	3,996	2,753	5,508	6,406	7,678	4,448	1,370	6,485	3,818	4,123	2,530	9,955	12,934	73,933	31,278	105,211
CWIP - Intangible	11	(672)	(478)	142	1,403	4,053	6,836	7,594	1,475	11,850	9,150	4,927	4,909	24,472	31,285	109,033	39,647	147,681
Grand Total	\$ 430	\$ 10,425	\$ 34,088	\$ 19,121	\$ 35,428	\$ 63,381	\$ 70,188	\$ 61,216	\$ 20,878	\$ 83,516	\$ 49,350	\$ 27,841	\$ 27,661	\$ 131,599	\$ 161,318	\$ 796,346	\$ 209,544	\$ 1,005,890 (f)

(a) Amounts shown represent the capitalized incentive compensation (CIC) charged to CWIP for each year since the second half of 2009.
(b) Represents the cumulative CIC balance on which the depreciation rate is applied to calculate the annual dep exp amount.
(c) Represents the annual depreciation expense calculated on the cumulative CIC amount.
(d) Represents the amount of CIC adjusted out of EPE's requested plant in service in this case. Refer to WP B-1 Adj 01, Plant in Service.
(e) Represents the amount of depreciation expense adjusted out of EPE's requested depreciation expenses in this case. Refer to WP A-3 Adj 14, Depreciation Expense.
(f) Represents the amount of accumulated depreciation related to the CIC adjusted out of EPE's requested accumulated depreciation in this case. Refer to WP B-1 Adj 02, Accumulated Depreciation.

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

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

EL PASO ELECTRIC COMPANY'S RESPONSE TO
COMMISSION STAFF'S THIRTEENTH REQUEST FOR INFORMATION
QUESTION NOS. STAFF 13-1 THROUGH STAFF 13-3

STAFF 13-3:

Please provide the amount of all non-qualified pension payments capitalized to plant in service by FERC account since the Docket No. 46831 test year end and included in EPE' s requested rate base. Please also provide the amount of any associated accumulated depreciation. If there are no capitalized non-qualified pension payments for the referenced period included in EPE' s requested rate base, please provide a detailed calculation and reference to the adjustment where such amounts were removed from the request.

RESPONSE:

Please refer to El Paso Electric Company's ("EPE") response to Staff 12-1 for all non-qualified pension payments capitalized to plant in service by FERC account since the Docket No. 46831 test year end and included in EPE' s requested rate base. Estimated accumulated depreciation on the non-qualified pension payments capitalized to plant amounted to (\$100,508).

Preparer: Barbara J. Torres

Title: Principal Plant Accountant

Sponsor: Larry J. Hancock

Title: Manager – Plant Accounting

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

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

**EL PASO ELECTRIC COMPANY'S
ERRATA NO. 2 TO ITS APPLICATION**

El Paso Electric Company (EPE) files this Errata No. 2 to its rate filing application in this proceeding in order to correct certain errors it has discovered during the course of this proceeding.

I. ERRATA NO. 2

1. Manuel Carrasco Direct Testimony and Exhibit MC-8 Excess ADIT Refund by Rate Class

The changes to the Excess Accumulated Deferred Income Tax (EDIT) in the workpaper to Schedule G 7-9(a).03 described below required a change to Mr. Carrasco's Direct Testimony and Exhibit MC-8 Excess ADIT Refund by Rate Class.

2. Daniel S. Dane Direct Testimony, Exhibits, and Workpapers

EPE found errors in the reported results of its lead-lag study. Specifically, the number of days for the payment processing lag is revised from 1.2 days to 0.8 days; the total lag is revised from 45.1 to 44.7; and the revenue lag, inclusive of both retail revenues and wholesale and other revenues is changed from 44.4 to 44.0. Therefore, the testimony and exhibits (DSD-2 through DSD-9) of EPE witness Daniel S. Dane will need to be revised to reflect these changes. The changes to the results of EPE's lead-lag study will also impact EPE's cash working capital requirement. The calculation of the cash working capital requirement will require EPE to update a number of schedules, workpapers, and testimony. Therefore, EPE plans to submit the required revisions to Mr. Dane's testimony when EPE submits its rebuttal testimony.

3. Workpapers for the Direct Testimony of Larry J. Hancock

EPE discovered that the workpapers for the Direct Testimony of Larry J. Hancock were not submitted in the original rate case application filing. The workpapers are included as part of this errata:

- 2019 Study – Unit 1 TX Funding 12-31-19.xls

- 2019 Study – Unit 2 TX Funding 12-31-19.xls
- 2019 Study – Unit 3 TX Funding 12-31-19.xls

4. Schedule G-15

EPE discovered that the “As Adjusted” column did not include any values so the adjusted total did not tie to line 119 “Adj to COS” in Workpaper A-3.

5. Schedule H-12.03a Unit Data

EPE discovered formula errors in some of the cells in Schedule H-12.03a Unit Data. The cells that have been corrected are highlighted in yellow.

6. Schedule P-2 Allocation of Revenue Deductions to Proposed Rate Classes and Schedule P-4 Separation of Expenses

EPE identified an error in Schedules P-2 and P-4. Namely, that the subtotal “Total Power Production Expense” should include Steam Power and Nuclear Power expense. Schedules P-2 and P-4 have been corrected and are included with this errata.

7. Schedule P-7 Allocation Factors

During discovery, an error in Schedule P-7 was identified. The values in the columns for the General Service and Large Power Service classes were switched. A corrected version is included with this errata. The Cost of Service allocations to the General Service and Large Power Service classes were not impacted by the errors in Schedule P-7.

8. Schedule Q-8.8 Schedule No. FTRF Update (Federal Tax Refund Factor Update)

The changes to the EDIT in the workpaper to Schedule G 7-9(a).03 described below required a change to the rates in Schedule Q-8.8 Schedule No. FTRF Update.

9. Schedule G Workpaper 7-9(a).03

EPE identified an error in Schedule G Workpaper 7-9(a).03, specifically in the tab labeled “WP1a Excess TCJA for Rider.” During the preparation of this work paper, the amortization of the EDIT on lines 17 and 18 related to the NOL Carryforwards for Federal and New Mexico were not included in the amortization of the protected EDIT. A corrected version of tab “WP1a Excess TCJA for Rider” of WP G-7.9(a).03 is included with this errata and includes the updated annual rider amount of (\$73,806) on a Total Company basis. The corrected cells are highlighted in yellow.

10. Summary List of Errata Documents

Attachment Number	Document	
1	Direct Testimony of Manuel Carrasco	Bates – 1674
2	Exhibit MC-8 to the Direct Testimony of Manuel Carrasco	Bates – 1709 - 1711
3	Workpaper to the Direct Testimony of Larry Hancock: 2019 Study – Unit 1 TX Funding 12-31-19.xls	WP/LJH Testimony/1
4	Workpaper to the Direct Testimony of Larry Hancock: 2019 Study – Unit 2 TX Funding 12-31-19.xls	WP/LJH Testimony/2
5	Workpaper to the Direct Testimony of Larry Hancock: 2019 Study – Unit 3 TX Funding 12-31-19.xls	WP/LJH Testimony/3
6	Schedule G-15 – Errata	Bates – 2750 - 2761
7	Schedule-H-12.03a – Errata	Bates – 3170 - 3189
8	Schedule P-2 Allocation of Revenue Deductions to Proposed Rate Classes – Errata	Bates – 4163 - 4167
9	Schedule P-4 Separation of Expenses – Errata	Bates – 4172 - 4182
10	Schedule P-7 Allocation Factors – Errata	Bates – 4195 - 4196
11	Schedule Q-8.8 Schedule No. FTRF Update - Errata	Bates – 4428
12	Schedule G Workpaper 7-9(a).03 – Errata	Bates – 5773

Respectfully Submitted,

Bret J. Slocum
State Bar No. 18508200
Casey A. Bell
State Bar No. 24012271
Laura Bradshaw Kennedy
State Bar No. 24041234
Duggins Wren Mann & Romero, LLP
P.O. Box 1149
Austin, Texas 78767
(512) 744-9300
bslocum@dwmrlaw.com
cbell@dwmrlaw.com
lkennedy@dwmrlaw.com


Laura Bradshaw Kennedy

**ATTORNEYS FOR EL PASO ELECTRIC
COMPANY**

CERTIFICATE OF SERVICE

I certify that a true and correct copy of this document was served by electronic mail on
October 1, 2021.


Laura Bradshaw Kennedy

Attachment No. 6

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 1 OF 12

Line No.	FERC Acct.	(a) Description	(b) January	(c) February	(d) March	(e) April	(f) May	(g) June	(h) July	(i) August	(j) September
<u>Steam Power Generation Expense</u>											
<u>Operations Expense</u>											
1	500000	Operation Supervision & Engineering	\$ 152,667	\$ 185,724	\$ 192,291	\$ 199,058	\$ 198,281	\$ 202,271	\$ 241,527	\$ 204,074	\$ 210,318
2	501000	Fuel	4,490,979	2,381,718	2,308,767	2,020,664	5,174,366	5,095,492	5,922,351	5,888,505	6,551,147
3	502000	Steam Expenses	262,209	213,762	239,775	235,592	262,818	250,921	316,167	239,379	312,392
4	505000	Electric Expenses	289,618	249,155	328,689	394,396	448,503	492,641	544,109	492,252	551,421
5	506000	Miscellaneous Steam Power Expenses	321,982	230,726	248,301	216,207	279,757	448,389	273,101	260,414	247,768
6	507000	Rents	53,145	43,628	43,216	44,976	46,276	52,161	43,322	59,269	43,216
7	509000	Allowances	0	0	0	0	0	0	0	4,188	13,287
8		Total Operations Expense	5,570,600	3,304,713	3,361,039	3,100,893	6,410,001	6,541,875	7,340,577	7,148,061	7,929,549
<u>Maintenance Expense</u>											
9	510000	Maintenance Supervision & Engineering	199,521	201,903	189,726	196,666	196,564	211,667	254,721	181,272	196,304
10	511000	Maintenance of Structures	112,032	52,853	54,735	100,903	81,098	129,982	83,268	118,464	155,952
11	512000	Maintenance of Boiler Plant	748,396	1,638,602	919,924	616,148	719,720	442,742	775,734	662,984	372,050
12	513000	Maintenance of Electric Plant	726,825	2,339,687	1,499,833	3,500,101	525,971	1,459,093	587,644	1,269,784	360,365
13	514000	Maintenance of Miscellaneous Steam Plant	194,466	251,836	414,309	(94,690)	121,935	208,753	221,923	188,002	167,282
14		Total Maintenance Expense	1,981,240	4,494,781	3,078,527	4,309,128	1,615,288	2,452,247	1,923,290	2,420,366	1,251,953
15		Total Steam Power Generation Expense	7,551,840	7,799,494	6,439,566	7,410,021	8,025,289	8,994,122	9,263,867	9,568,427	9,181,502
<u>Nuclear Power Generation Expense</u>											
<u>Operations Expense</u>											
16	517000	Operation Supervision & Engineering	1,121,000	703,600	1,137,190	961,000	1,140,795	646,497	1,006,000	1,089,730	1,056,475
17	518000	Nuclear Fuel Expense	3,848,952	3,263,155	3,775,352	1,806,993	3,542,378	3,771,918	3,882,848	3,906,310	3,839,035
18	519000	Coolants & Water	633,572	547,733	617,192	525,000	650,857	559,916	689,000	694,460	597,736
19	520000	Steam Expenses	364,000	215,781	615,874	591,000	519,400	182,207	324,000	353,703	275,406
20	523000	Electric Expenses	624,000	302,235	627,161	554,000	524,055	535,434	588,000	385,506	562,808
21	524000	Miscellaneous Nuclear Power Expenses (A)	1,649,331	1,780,668	1,791,275	1,327,349	1,392,915	1,611,472	1,492,877	1,141,947	1,675,408
22	525000	Rents	0	0	0	0	0	0	0	0	0
23		Total Operations Expense	8,240,855	6,813,172	8,564,044	5,765,342	7,769,398	7,307,444	7,982,725	7,571,656	8,006,698
<u>Maintenance Expense</u>											
24	528000	Maintenance Supervision & Engineering	99,000	167,080	359,323	1,024,000	58,351	(41,252)	102,000	36,114	68,189
25	529000	Maintenance of Structures	(19,000)	129,204	102,624	147,000	44,622	136,081	(40,000)	176,315	182,229
26	530000	Maintenance of Reactor Plant Equipment	456,000	544,773	(50,174)	2,727,000	(462,612)	(352,868)	352,000	709,629	(111,338)
27	531000	Maintenance of Electric Plant	211,000	310,559	654,975	572,000	612,712	431,100	196,000	422,961	397,625
28	532000	Maintenance of Miscellaneous Nuclear Plant	69,000	82,067	185,675	137,000	188,611	111,271	57,000	149,326	219,336
29		Total Maintenance Expense	816,000	1,233,683	1,252,423	4,607,000	441,684	284,332	667,000	1,494,335	756,041
30		Total Nuclear Power Generation Expense	9,056,855	8,046,855	9,816,467	10,372,342	8,211,082	7,591,776	8,649,725	9,065,991	8,762,709

(A) As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts not an increase in costs incurred during the test year ended December 31, 2020.

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 2 OF 12

Line No.	FERC Acct.	(a) Description	(k) October	(l) November	(m) December	(n) Total	(o) Payroll Expense	(p) Other Expense	(q) Per Book Total	(r) Non-Payroll Adjustments	(s) Payroll Adjustment (B)	(t) As Adjusted Total
<u>Steam Power Generation Expense</u>												
<u>Operations Expense</u>												
1	500000	Operation Supervision & Engineering	\$ 189,437	\$ 177,007	\$ 219,586	\$ 2,372,241	\$ 2,357,025	\$ 15,216	\$ 2,372,241	\$ (0)	\$ (11,707)	\$ 2,360,534
2	501000	Fuel	3,937,806	7,358,282	8,327,679	59,457,766	0	59,457,766	59,457,766	(1,927,307)	0	57,530,459
3	502000	Steam Expenses	206,713	272,627	269,323	3,081,678	2,471,330	610,348	3,081,678	0	(12,275)	3,069,403
4	505000	Electric Expenses	328,897	388,061	441,738	4,939,480	1,124,027	3,815,453	4,939,480	0	(5,683)	4,933,897
5	506000	Miscellaneous Steam Power Expenses	400,562	318,895	612,578	3,858,680	1,029,932	2,828,748	3,858,680	(82,700)	(5,116)	3,770,864
6	507000	Rents	130,183	51,733	44,073	655,198	0	655,198	655,198	0	0	655,198
7	509000	Allowances	10,096	0	0	27,551	0	27,551	27,551	0	0	27,551
8		Total Operations Expense	5,203,694	8,566,615	9,914,977	74,392,594	6,982,314	67,410,280	74,392,594	(2,010,007)	(34,681)	72,347,906
<u>Maintenance Expense</u>												
9	510000	Maintenance Supervision & Engineering	170,547	176,942	147,915	2,303,648	2,287,088	16,560	2,303,648	0	(11,390)	2,292,258
10	511000	Maintenance of Structures	66,935	121,263	62,408	1,119,903	362,014	757,889	1,119,903	0	(1,798)	1,118,105
11	512000	Maintenance of Boiler Plant	473,830	818,993	609,463	8,798,466	1,501,580	7,296,886	8,798,466	(109)	(7,458)	8,790,899
12	513000	Maintenance of Electric Plant	698,211	1,399,744	7,114	14,374,352	2,011,663	12,362,689	14,374,352	(62,375)	4,689	14,316,666
13	514000	Maintenance of Miscellaneous Steam Plant	223,442	232,250	285,746	2,415,254	371,341	2,043,913	2,415,254	(334)	(1,844)	2,413,076
14		Total Maintenance Expense	1,632,965	2,749,192	1,112,646	29,011,623	6,533,696	22,477,937	29,011,623	(62,818)	(17,771)	28,931,034
15		Total Steam Power Generation Expense	6,836,659	11,315,807	11,027,623	103,404,217	13,516,000	89,888,217	103,404,217	(2,072,825)	(52,452)	101,278,940
<u>Nuclear Power Generation Expense</u>												
<u>Operations Expense</u>												
16	517000	Operation Supervision & Engineering	905,855	1,225,527	989,054	11,982,723	0	11,982,723	11,982,723	0	0	11,982,723
17	518000	Nuclear Fuel Expense	2,993,921	2,421,769	4,205,917	41,258,546	0	41,258,546	41,258,546	0	0	41,258,546
18	519000	Coolants & Water	571,000	444,794	1,055,597	7,586,857	0	7,586,857	7,586,857	0	0	7,586,857
19	520000	Steam Expenses	565,000	443,119	447,419	4,895,908	0	4,895,908	4,895,908	0	0	4,895,908
20	523000	Electric Expenses	568,000	454,551	543,005	6,268,555	0	6,268,555	6,268,555	0	0	6,268,555
21	524000	Miscellaneous Nuclear Power Expenses (A)	1,415,524	1,279,148	26,178,002	42,735,916	189,579	42,546,337	42,735,916	(1,769,839)	(942)	40,965,135
22	525000	Rents	0	0	0	0	0	0	0	0	0	0
23		Total Operations Expense	7,019,300	6,268,908	33,418,993	114,728,505	189,579	114,538,926	114,728,505	(1,769,839)	(942)	112,957,724
<u>Maintenance Expense</u>												
24	528000	Maintenance Supervision & Engineering	489,000	149,392	(69,584)	2,441,613	0	2,441,613	2,441,613	0	0	2,441,613
25	529000	Maintenance of Structures	151,000	127,362	139,562	1,276,999	0	1,276,999	1,276,999	0	0	1,276,999
26	530000	Maintenance of Reactor Plant Equipment	2,695,000	(311,269)	317,493	6,513,634	0	6,513,634	6,513,634	0	0	6,513,634
27	531000	Maintenance of Electric Plant	481,000	658,028	961,872	5,909,822	0	5,909,822	5,909,822	0	0	5,909,822
28	532000	Maintenance of Miscellaneous Nuclear Plant	159,000	247,334	201,855	1,807,475	0	1,807,475	1,807,475	0	0	1,807,475
29		Total Maintenance Expense	3,975,000	870,947	1,551,198	17,949,543	0	17,949,543	17,949,543	0	0	17,949,543
30		Total Nuclear Power Generation Expense	10,994,300	7,139,755	34,970,191	132,678,048	189,579	132,488,469	132,678,048	(1,769,839)	(942)	130,907,267

(A) As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts not an increase in costs incurred during the test year ended December 31, 2020.

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 3 OF 12

Line No.	FERC Acct.	(a) Description	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			January	February	March	April	May	June	July	August	September
		<u>Other Power Generation Expenses</u>									
		<u>Operations Expense</u>									
31	548000	Operation Supervision & Engineering	79,418	55,554	70,572	67,993	71,877	69,702	86,875	65,026	76,432
32	547000	Fuel	1,466,537	1,623,886	742,528	903,433	1,920,692	2,293,617	2,747,929	2,217,448	1,330,748
33	548000	Generation Expenses	45,025	61,695	61,809	91,298	79,962	112,710	135,120	125,156	77,105
34	549000	Misc. Other Power Generation Expenses	89,412	51,593	106,554	37,031	97,797	90,006	78,329	57,700	102,692
35	550000	Rents	3,242	3,242	108,524	10,746	11,934	(3,015)	34,174	6,146	(28,312)
36		Total Operations Expense	1,683,634	1,795,970	1,089,987	1,110,501	2,182,262	2,563,020	3,082,427	2,471,476	1,558,665
		<u>Maintenance Expense</u>									
37	551000	Maintenance Supervision & Engineering	19,422	21,761	38,719	14,350	14,756	12,638	14,052	11,828	21,028
38	552000	Maintenance of Structures	7,218	16,187	18,846	36,692	11,621	6,656	41,664	44,698	26,500
39	553000	Maintenance of Generating & Electric Plant	269,485	449,033	351,468	481,392	489,548	309,936	210,879	406,811	554,033
40	554000	Maintenance of Miscellaneous Other Power	55,003	66,943	100,654	205,463	83,238	50,574	62,168	67,372	62,474
41		Total Maintenance Expense	351,108	553,924	509,687	737,887	599,163	379,804	328,763	530,709	664,035
42		Total Other Power Generation Expense	2,034,742	2,349,894	1,599,674	1,848,388	2,781,425	2,942,824	3,411,190	3,002,185	2,222,700
		<u>Other Power Supply Expense</u>									
43	555000	Purchased Power	2,916,181	3,352,135	3,498,269	4,139,999	4,213,097	5,534,294	9,232,105	27,285,033	8,320,375
44	556000	System Control & Load Dispatching	0	0	0	2,007	1,913	866	4,216	1,010	866
45	556000	System Control & Load Dispatching - PV	93,000	86,265	65,049	94,000	90,823	84,163	93,000	46,888	62,652
46	557000	Other Expenses	0	0	60,000	0	0	0	0	0	0
47		Total Other Power Supply Expense	3,009,181	3,438,400	3,623,318	4,236,006	4,305,833	5,619,313	9,329,321	27,332,931	8,383,893
48		Total Power Production Expense	21,652,618	21,624,643	21,479,025	23,866,757	23,323,629	25,148,035	30,654,103	48,969,534	28,550,804

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 4 OF 12

Line No.	FERC Acct.	(a) Description	(k) October	(l) November	(m) December	(n) Total	(o) Payroll Expense	(p) Other Expense	(q) Per Book Total	(r) Non-Payroll Adjustments	(s) Payroll Adjustment (B)	(t) As Adjusted Total
		<u>Other Power Generation Expenses</u>										
		<u>Operations Expense</u>										
31	546000	Operation Supervision & Engineering	78,448	160,691	221,717	1,104,305	1,011,712	92,593	1,104,305	0	(5,025)	1,099,280
32	547000	Fuel	1,123,964	979,934	1,464,224	18,814,840	0	18,814,840	18,814,840	(620,399)	0	18,194,441
33	548000	Generation Expenses	49,735	36,116	40,173	915,904	0	915,904	915,904	0	0	915,904
34	549000	Misc. Other Power Generation Expenses	78,669	4,095	30,139	824,017	714,124	109,893	824,017	(37,258)	(2,365)	784,394
35	550000	Rents	38,159	901	5,198	190,939	0	190,939	190,939	0	0	190,939
36		Total Operations Expense	<u>1,368,975</u>	<u>1,181,637</u>	<u>1,761,451</u>	<u>21,850,005</u>	<u>1,725,836</u>	<u>20,124,189</u>	<u>21,850,005</u>	<u>(657,657)</u>	<u>(7,390)</u>	<u>21,184,958</u>
		<u>Maintenance Expense</u>										
37	551000	Maintenance Supervision & Engineering	17,259	13,990	14,631	214,434	186,421	28,013	214,434	(180,185)	179,259	213,508
38	552000	Maintenance of Structures	66,461	(33,280)	14,755	258,018	68,141	189,877	258,018	0	(338)	257,680
39	553000	Maintenance of Generating & Electric Plant	921,400	954,093	1,559,209	6,957,257	1,276,517	5,680,740	6,957,257	0	(6,340)	6,950,917
40	554000	Maintenance of Miscellaneous Other Power	93,770	119,228	31,413	998,300	134,541	863,759	998,300	0	(688)	997,632
41		Total Maintenance Expense	<u>1,098,890</u>	<u>1,054,031</u>	<u>1,620,008</u>	<u>8,428,009</u>	<u>1,665,619</u>	<u>6,762,390</u>	<u>8,428,009</u>	<u>(180,185)</u>	<u>171,913</u>	<u>8,419,737</u>
42		Total Other Power Generation Expense	<u>2,467,865</u>	<u>2,235,668</u>	<u>3,381,459</u>	<u>30,278,014</u>	<u>3,391,455</u>	<u>26,886,559</u>	<u>30,278,014</u>	<u>(837,842)</u>	<u>164,523</u>	<u>29,604,695</u>
		<u>Other Power Supply Expense</u>										
43	555000	Purchased Power	5,089,233	3,837,523	4,819,626	82,237,860	0	82,237,860	82,237,860	169,988	0	82,407,848
44	556000	System Control & Load Dispatching	866	866	866	13,476	0	13,476	13,476	(2,935)	0	10,541
45	556000	System Control & Load Dispatching - PV	94,000	81,261	53,479	944,580	0	944,580	944,580	0	0	944,580
46	557000	Other Expenses	318,642	0	0	378,642	0	378,642	378,642	0	0	378,642
47		Total Other Power Supply Expense	<u>5,502,741</u>	<u>3,919,650</u>	<u>4,873,971</u>	<u>83,574,558</u>	<u>0</u>	<u>83,574,558</u>	<u>83,574,558</u>	<u>167,053</u>	<u>0</u>	<u>83,741,611</u>
48		Total Power Production Expense	<u>25,801,565</u>	<u>24,610,880</u>	<u>54,253,244</u>	<u>349,934,837</u>	<u>17,097,034</u>	<u>332,837,803</u>	<u>349,934,837</u>	<u>(4,513,453)</u>	<u>111,129</u>	<u>345,532,513</u>

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 5 OF 12

Line No.	FERC Acct.	(a) Description	(b) January	(c) February	(d) March	(e) April	(f) May	(g) June	(h) July	(i) August	(j) September
<u>Transmission Expense</u>											
<u>Operations Expense</u>											
49	560000	Operation Supervision & Engineering	134,342	160,149	151,664	147,115	170,090	163,978	223,830	178,513	202,386
50	561100	Load Dispatch - Reliability	8,362	11,985	11,446	11,940	12,145	12,100	9,932	7,374	9,641
51	561200	Load Dispatch - Monitor & Oper Trans Sys	64,499	67,666	74,082	76,828	95,250	74,403	90,843	76,918	80,553
52	561300	Load Dispatch - Trans Service & Sched	72,514	84,803	83,683	90,328	101,928	90,769	99,823	87,067	90,026
53	561400	Scheduling, Sys Control & Dispatch Ser	52,105	59,021	53,904	54,710	41,791	57,539	64,242	47,620	61,536
54	561500	Reliability, Planning & Standards Development	51,567	50,544	50,399	55,065	56,831	52,432	69,173	39,634	45,845
55	561600	Transmission Service Studies	0	0	0	0	0	0	0	0	0
56	561700	Generation Interconnection Studies	0	0	0	0	0	0	0	0	0
57	561800	Reliability, Plan & Standards Develop Services	0	0	0	0	0	0	0	0	0
58	562000	Station Expenses	(2,103)	6,925	19,466	8,947	6,829	10,125	9,052	26,709	3,628
59	563000	Overhead Line Expenses	2,984	34,157	136,900	(3,163)	13,721	9,056	7,682	20,490	(451)
60	565000	Transmission of Electricity by Others	515,500	514,863	534,586	523,575	543,182	598,620	630,180	664,515	553,713
61	566000	Miscellaneous Transmission Expenses	568,247	480,085	541,160	594,395	424,754	1,335,507	1,230,540	722,169	993,506
62	567000	Rents	11,442	15,277	9,507	9,366	16,174	4,994	8,911	5,582	5,679
63		Total Operations Expense	1,479,459	1,495,475	1,668,797	1,559,206	1,482,695	2,409,523	2,444,208	1,876,601	2,046,062
<u>Maintenance Expense</u>											
64	568000	Maintenance Supervision & Engineering	1,090	99	1,897	1,305	1,577	1,656	1,199	1,260	1,382
65	569000	Maintenance of Structures	42	(6,315)	0	0	96	1,240	154	384	663
66	569100	Maintenance of Computer Hardware	0	0	0	0	0	0	0	0	0
67	569200	Maintenance of Computer Software	0	0	0	0	0	0	0	0	0
68	569300	Maintenance of Communication Equipment	0	0	0	0	0	0	0	0	0
69	569400	Maintenance of Misc. Regional Trans Plant	0	0	0	0	0	0	0	0	0
70	570000	Maintenance of Station Equipment	7,298	15,239	11,400	33,405	8,369	114,788	3,624	44,586	10,417
71	571000	Maintenance of Overhead Lines	64,184	125,739	149,600	131,001	98,503	191,299	128,399	178,947	102,022
72	573000	Maintenance of Misc. Transmission Plant	426	1,262	806	725	524	1,478	391	544	1,377
73		Total Maintenance Expense	73,040	136,024	163,703	166,436	109,069	310,461	133,767	225,721	115,861
74		Total Transmission Expense	1,552,499	1,621,499	1,832,500	1,725,642	1,591,764	2,719,984	2,577,975	2,102,322	2,161,923

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 6 OF 12

Line No.	FERC Acct.	(a) Description	(k) October	(l) November	(m) December	(n) Total	(o) Payroll Expense	(p) Other Expense	(q) Per Book Total	(r) Non-Payroll Adjustments	(s) Payroll Adjustment (B)	(t) As Adjusted Total
<u>Transmission Expense</u>												
<u>Operations Expense</u>												
49	560000	Operation Supervision & Engineering	214,791	205,279	217,072	2,169,209	2,271,460	(102,251)	2,169,209	0	(11,282)	2,157,927
50	561100	Load Dispatch - Reliability	10,844	11,469	10,909	128,147	128,147	0	128,147	0	(637)	127,510
51	561200	Load Dispatch - Monitor & Oper Trans Sys	76,582	79,246	75,133	932,103	795,994	0	932,103	0	(3,954)	927,904
52	561300	Load Dispatch - Trans Service & Sched	113,451	91,215	96,609	1,092,216	983,860	0	1,092,216	0	(4,897)	1,087,296
53	561400	Scheduling, Sys Control & Dispatch Ser	58,913	52,194	49,283	652,858	651,242	0	652,858	0	(3,235)	649,917
54	561500	Reliability, Planning & Standards Development	82,329	60,003	64,816	678,638	600,545	0	678,638	0	(2,983)	675,581
55	561600	Transmission Service Studies	0	0	0	0	0	0	0	0	0	0
56	561700	Generation Interconnection Studies	0	0	0	0	0	0	0	0	0	0
57	561800	Reliability, Plan & Standards Develop Services	0	0	0	0	0	0	0	0	0	0
58	562000	Station Expenses	35,393	3,180	9,345	137,496	34,628	102,868	137,496	0	(172)	137,324
59	563000	Overhead Line Expenses	4,408	6,380	6,377	240,539	162,888	77,651	240,539	0	(809)	239,730
60	565000	Transmission of Electricity by Others	537,202	563,801	548,929	6,728,666	0	6,728,666	6,728,666	0	0	6,728,666
61	566000	Miscellaneous Transmission Expenses	779,476	730,925	551,615	8,942,379	4,460,967	4,481,412	8,942,379	128,885	(22,157)	9,049,107
62	567000	Rents	10,100	7,590	13,311	117,943	0	117,943	117,943	0	0	117,943
63		Total Operations Expense	1,923,487	1,811,282	1,633,399	21,820,194	10,089,731	11,406,289	21,820,194	128,885	(50,115)	21,898,965
<u>Maintenance Expense</u>												
64	568000	Maintenance Supervision & Engineering	1,319	1,015	1,717	15,516	0	15,516	15,516	0	0	15,516
65	569000	Maintenance of Structures	1,768	158	107	(1,705)	0	(1,705)	(1,705)	0	0	(1,705)
66	569100	Maintenance of Computer Hardware	0	0	0	0	0	0	0	0	0	0
67	569200	Maintenance of Computer Software	0	0	0	0	0	0	0	0	0	0
68	569300	Maintenance of Communication Equipment	0	0	0	0	0	0	0	0	0	0
69	569400	Maintenance of Misc. Regional Trans Plant	0	0	0	0	0	0	0	0	0	0
70	570000	Maintenance of Station Equipment	24,086	9,553	35,098	317,863	796	317,067	317,863	0	(4)	317,859
71	571000	Maintenance of Overhead Lines	109,907	85,543	160,098	1,525,242	727,958	797,284	1,525,242	0	(3,616)	1,521,626
72	573000	Maintenance of Misc. Transmission Plant	1,070	6,485	24,638	39,726	8,139	31,587	39,726	0	(40)	39,686
73		Total Maintenance Expense	138,148	102,754	221,658	1,896,642	736,893	1,159,749	1,896,642	0	(3,680)	1,892,962
74		Total Transmission Expense	2,061,635	1,914,036	1,855,057	23,716,836	10,826,624	12,566,038	23,716,836	128,885	(53,775)	23,791,947

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 7 OF 12

Line No.	FERC Acct.	(a) Description	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			January	February	March	April	May	June	July	August	September
		<u>Distribution Expense</u>									
		<u>Operations Expense</u>									
75	580000	Operation Supervision & Engineering	78,900	80,885	92,339	89,949	87,475	83,723	163,416	82,979	100,796
76	581000	Load Dispatching	0	0	0	0	0	0	0	0	0
77	582000	Station Expenses	215,796	110,601	87,577	69,458	73,000	129,858	142,830	172,003	120,527
78	583000	Overhead Line Expenses	108,268	83,744	85,725	85,027	59,734	54,238	155,440	68,744	45,716
79	584000	Underground Line Expenses	85,430	35,904	85,089	61,655	90,330	31,657	100,768	131,116	32,324
80	585000	Street Lighting & Signal System Expenses	0	0	0	0	0	0	0	0	0
81	586000	Meter Expenses	144,010	156,224	153,314	175,132	183,345	194,972	201,722	182,941	182,206
82	587000	Customer Installations Expenses	33,163	41,054	44,700	44,498	42,769	44,948	51,724	49,149	44,348
83	588000	Miscellaneous Distribution Expenses	756,932	618,228	662,534	627,963	667,205	756,758	891,905	684,576	657,752
84	589000	Rents	47,475	46,117	9,793	22,206	27,434	17,607	27,415	24,233	10,657
85		Total Operations Expense	1,469,974	1,172,757	1,221,071	1,155,988	1,231,292	1,313,761	1,735,220	1,395,741	1,194,326
		<u>Maintenance Expense</u>									
86	590000	Maintenance Supervision & Engineering	4,678	5,999	4,216	5,451	5,943	(1,165)	0	4,119	7,333
87	591000	Maintenance of Structures	420	156	104	405	658	308	816	430	12
88	592000	Maintenance of Station Equipment	106,802	118,405	124,992	130,496	153,950	248,263	186,089	164,999	159,000
89	593000	Maintenance of Overhead Lines	348,385	767,335	489,047	562,775	474,650	483,678	502,278	775,738	538,262
90	594000	Maintenance of Underground Lines	439,561	(328,290)	57,671	116,759	64,587	100,426	(7,674)	180,655	58,544
91	595000	Maintenance of Line Transformers	0	301	0	0	0	0	2,746	0	0
92	596000	Maint. of Street Lighting & Signal System	25,563	26,017	20,312	23,309	15,618	29,014	18,826	33,351	24,568
93	597000	Maintenance of Meters	8,761	14,869	20,892	14,955	12,231	19,802	20,404	30,509	25,541
94	598000	Maintenance of Misc. Distribution Plant	79,229	37,080	31,193	70,084	31,684	66,063	59,822	65,447	34,034
95		Total Maintenance Expense	1,013,399	643,872	748,427	924,234	759,321	946,389	783,307	1,255,247	847,294
96		Total Distribution Expense	2,483,373	1,816,629	1,969,498	2,080,122	1,990,613	2,260,150	2,518,527	2,650,988	2,041,620

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 8 OF 12

Line No.	FERC Acct.	(a) Description	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
			October	November	December	Total	Payroll Expense	Other Expense	Per Book Total	Non-Payroll Adjustments	Payroll Adjustment (B)	As Adjusted Total
		<u>Distribution Expense</u>										
		<u>Operations Expense</u>										
75	580000	Operation Supervision & Engineering	89,078	80,738	77,888	1,108,166	999,009	109,157	1,108,166	0	(4,962)	1,103,204
76	581000	Load Dispatching	0	0	0	0	0	0	0	0	0	0
77	582000	Station Expenses	57,377	98,858	156,390	1,434,275	851,863	582,412	1,434,275	0	(4,231)	1,430,044
78	583000	Overhead Line Expenses	59,831	51,294	55,791	893,552	701,564	191,988	893,552	0	(3,495)	890,057
79	584000	Underground Line Expenses	62,760	81,960	39,067	837,960	45,107	792,853	837,960	0	(224)	837,736
80	585000	Street Lighting & Signal System Expenses	0	0	0	0	0	0	0	0	0	0
81	586000	Meter Expenses	196,384	184,568	170,084	2,124,902	1,801,510	323,392	2,124,902	(1,885)	(8,948)	2,114,069
82	587000	Customer Installations Expenses	51,039	47,878	52,047	547,317	490,801	56,516	547,317	0	(2,438)	544,879
83	588000	Miscellaneous Distribution Expenses	666,776	743,080	1,006,611	8,740,320	5,333,030	3,407,290	8,740,320	(77,018)	(26,489)	8,636,813
84	589000	Rents	26,649	23,378	58,170	341,134	0	341,134	341,134	0	0	341,134
85		Total Operations Expense	1,209,894	1,311,654	1,616,048	16,027,626	10,222,884	5,804,742	16,027,626	(78,903)	(50,777)	15,897,946
		<u>Maintenance Expense</u>										
86	590000	Maintenance Supervision & Engineering	6,185	5,691	5,424	53,873	51,066	2,807	53,873	0	(254)	53,619
87	591000	Maintenance of Structures	593	22	104	4,028	1,225	2,803	4,028	0	(6)	4,022
88	592000	Maintenance of Station Equipment	248,646	167,569	69,978	1,879,189	1,277,018	602,171	1,879,189	0	(6,343)	1,872,846
89	593000	Maintenance of Overhead Lines	601,001	432,581	373,991	6,349,721	2,300,434	4,049,287	6,349,721	0	(11,426)	6,338,295
90	594000	Maintenance of Underground Lines	86,574	79,148	24,376	874,337	397,698	476,639	874,337	0	(1,975)	872,362
91	595000	Maintenance of Line Transformers	0	0	5,624	8,671	1,571	7,100	8,671	0	(8)	8,663
92	596000	Maint. of Street Lighting & Signal System	27,498	26,371	17,752	288,197	177,756	110,441	288,197	0	(883)	287,314
93	597000	Maintenance of Meters	25,877	17,092	22,211	233,144	200,988	32,156	233,144	0	(998)	232,146
94	598000	Maintenance of Misc. Distribution Plant	34,752	80,176	63,464	663,028	46,859	616,169	663,028	0	(233)	662,795
95		Total Maintenance Expense	1,031,124	818,650	582,924	10,354,188	4,454,615	5,899,573	10,354,188	0	(22,126)	10,332,062
96		Total Distribution Expense	2,241,018	2,130,304	2,198,972	26,381,814	14,677,499	11,704,315	26,381,814	(78,903)	(72,903)	26,230,008

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 9 OF 12

Line No.	FERC Acct.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		Description	January	February	March	April	May	June	July	August	September
<u>Customer Accounts Expense</u>											
97	901000	Supervision	1,397	0	0	0	0	0	0	0	0
98	902000	Meter Reading Expenses	197,800	184,779	185,463	203,126	204,902	208,210	251,680	190,304	224,096
99	903000	Customer Records & Collection Expenses	1,170,231	1,139,518	1,153,513	1,209,679	1,319,048	1,276,010	1,333,164	1,180,647	1,268,134
100	904000	Uncollectible Accounts	163,000	79,000	158,848	127,890	250,000	200,200	411,000	484,200	288,069
101	906000	Misc. Customer Accounts Expenses	8,784	14,330	15,366	10,931	3,689	19,745	9,700	6,741	(6,354)
102		Total Customer Accounts Expense	1,541,212	1,417,627	1,513,190	1,551,626	1,777,639	1,704,165	2,005,544	1,861,892	1,773,945
<u>Customer Svcs. & Info. Expense</u>											
103	908000	Customer Assistance Expenses	0	0	0	0	0	0	0	0	0
104	909000	Infor. & Instr. Advertising Expenses	10,648	10,631	10,508	20,533	745	11,540	20,518	744	10,631
105		Total Customer Svcs. & Info. Expense	10,648	10,631	10,508	20,533	745	11,540	20,518	744	10,631
106	912000	Demonstrating & Selling Expenses	0	0	0	0	0	0	0	0	0

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 10 OF 12

Line No.	FERC Acct.	(a) Description	(k) October	(l) November	(m) December	(n) Total	(o) Payroll Expense	(p) Other Expense	(q) Per Book Total	(r) Non-Payroll Adjustments	(s) Payroll Adjustment (B)	(t) As Adjusted Total
<u>Customer Accounts Expense</u>												
97	901000	Supervision	0	25	0	1,422	0	1,422	1,422	0	0	1,422
98	902000	Meter Reading Expenses	211,119	219,392	220,284	2,501,155	1,833,744	667,411	2,501,155	0	(9,108)	2,492,047
99	903000	Customer Records & Collection Expenses	1,284,052	1,119,231	1,113,074	14,566,301	6,948,541	7,617,760	14,566,301	(131,276)	(34,513)	14,400,512
100	904000	Uncollectible Accounts	36,427	543,400	107,223	2,849,257	0	2,849,257	2,849,257	(814,170)	0	2,229,477
101	906000	Misc. Customer Accounts Expenses	4,680	10,844	11,154	109,610	0	109,610	109,610	0	0	109,610
102		Total Customer Accounts Expense	1,536,278	1,892,892	1,451,735	20,027,745	8,782,285	11,245,460	20,027,745	(945,446)	(43,621)	19,233,068
<u>Customer Svcs. & Info. Expense</u>												
103	908000	Customer Assistance Expenses	0	0	0	0	0	0	0	0	0	0
104	909000	Infor. & Instr. Advertising Expenses	11,447	10,631	10,629	129,205	0	129,205	129,205	(645)	0	128,560
105		Total Customer Svcs. & Info. Expense	11,447	10,631	10,629	129,205	0	129,205	129,205	(645)	0	128,560
106	912000	Demonstrating & Selling Expenses	0	0	0	0	0	0	0	0	0	0

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 11 OF 12

Line No.	FERC Acct.	(a) Description	(b) January	(c) February	(d) March	(e) April	(f) May	(g) June	(h) July	(i) August	(j) September
<u>Administrative & General Expense</u>											
<u>Operation</u>											
107	920000	Administrative & General Salaries	2,320,109	2,235,399	2,414,026	2,810,991	2,828,896	2,152,977	3,512,437	2,890,197	2,733,202
108	921000	Office Supplies & Expenses	343,814	393,870	371,896	315,632	577,778	624,397	364,850	432,317	374,812
109	923000	Outside Services Employed	1,288,740	1,254,833	1,301,454	1,272,747	1,686,663	1,121,392	1,333,151	1,391,892	868,175
110	924000	Property Insurance	364,838	393,006	360,967	239,858	446,291	434,998	438,465	437,300	435,030
111	924000	Property Insurance - PV (A)	115,348	111,153	(1,892,301)	104,352	112,757	110,803	114,711	113,053	132,186
112	925000	Injuries & Damages	422,288	281,823	386,091	317,156	280,911	199,409	349,859	250,640	390,142
113	925000	Injuries & Damages - PV (A)	98,000	47,640	73,508	72,000	70,611	(35,472)	106,000	(118,713)	72,076
114	926000	Employee Pensions & Benefits	738,741	748,409	2,895,791	1,996,993	1,402,393	1,862,033	1,938,922	200,325	2,099,858
115	926000	Employee Pensions & Benefits - PV (A)	544,000	456,460	517,445	511,000	470,833	(98,095)	521,000	168,529	(85,878)
116	928000	Regulatory Commission Expenses	1,359,285	794,745	971,991	1,097,256	831,054	478,501	1,251,382	940,773	835,799
117	928000	Regulatory Commission Expenses - PV (A)	210,000	206,704	245,967	225,000	238,940	265,665	231,000	142,193	215,261
118	930100	General Advertising Expenses	18,128	2,003	265,721	30,519	73,394	103,937	137,838	160,912	217,811
119	930200	Miscellaneous General Expenses	248,627	186,089	195,978	402,678	242,933	259,950	466,365	396,166	38,081
120	930200	Miscellaneous General Expenses - PV (A)	914,083	803,206	1,039,576	1,060,408	849,669	3,066,775	848,894	857,836	865,718
121	931000	Rents	34,848	32,931	34,316	33,021	41,633	27,889	36,717	31,283	27,410
122		Total Operation	<u>9,020,849</u>	<u>7,948,271</u>	<u>9,182,516</u>	<u>10,499,611</u>	<u>10,134,758</u>	<u>10,575,159</u>	<u>11,651,591</u>	<u>8,294,703</u>	<u>9,219,683</u>
123	935000	Maintenance of General Plant	<u>736,486</u>	<u>777,002</u>	<u>717,356</u>	<u>838,074</u>	<u>860,548</u>	<u>796,515</u>	<u>749,005</u>	<u>949,778</u>	<u>978,171</u>
124		Total Administrative & General Expense	<u>9,757,335</u>	<u>8,725,273</u>	<u>9,899,872</u>	<u>11,327,685</u>	<u>10,995,306</u>	<u>11,371,674</u>	<u>12,400,596</u>	<u>9,244,481</u>	<u>10,197,854</u>
125		Total Operation & Maintenance Expense	<u>\$ 36,997,685</u>	<u>\$ 35,216,302</u>	<u>\$ 36,704,593</u>	<u>\$ 40,572,365</u>	<u>\$ 39,679,696</u>	<u>\$ 43,215,548</u>	<u>\$ 50,177,263</u>	<u>\$ 64,829,961</u>	<u>\$ 44,736,777</u>

(A) As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts not an increase in costs incurred during the test year ended December 31, 2020.

Amounts may not add or tie to other schedules due to rounding.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-15: MONTHLY O&M EXPENSE
SPONSOR: JENNIFER I. BORDEN / CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ / MELODY BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE G-15 - ERRATA NO. 2
PAGE 12 OF 12

Line No.	FERC Acct.	(a)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)
		Description	October	November	December	Total	Payroll Expense	Other Expense	Per Book Total	Non-Payroll Adjustments	Payroll Adjustment (B)	As Adjusted Total
<u>Administrative & General Expense</u>												
<u>Operation</u>												
107	920000	Administrative & General Salaries	2,536,879	2,668,374	2,836,144	31,939,633	31,939,633	0	31,939,633	(8,619)	(166,333)	31,764,681
108	921000	Office Supplies & Expenses	426,602	501,399	746,006	5,473,363	0	5,473,363	5,473,363	(694,120)	0	4,779,243
109	923000	Outside Services Employed	1,704,788	1,206,923	1,505,763	15,916,521	0	15,916,521	15,916,521	(15,522)	0	15,900,999
110	924000	Property Insurance	435,019	438,721	427,783	4,852,276	0	4,852,276	4,852,276	477,475	0	5,329,751
111	924000	Property Insurance - PV (A)	114,711	(287,856)	1,161,083	0	0	0	0	0	0	0
112	925000	Injuries & Damages	270,548	283,877	211,468	3,644,212	0	3,644,212	3,644,212	(324,935)	0	3,319,277
113	925000	Injuries & Damages - PV (A)	72,000	82,946	(540,596)	0	0	0	0	0	0	0
114	926000	Employee Pensions & Benefits	1,216,588	1,620,270	1,612,039	18,332,362	0	18,332,362	18,332,362	(546,594)	(6,782,701)	11,003,067
115	926000	Employee Pensions & Benefits - PV (A)	489,000	163,807	(3,658,101)	0	0	0	0	0	0	0
116	928000	Regulatory Commission Expenses	1,374,772	1,219,551	2,063,656	13,218,765	0	13,218,765	13,218,765	(603,441)	0	12,615,324
117	928000	Regulatory Commission Expenses - PV (A)	234,000	190,586	(2,405,316)	0	0	0	0	0	0	0
118	930100	General Advertising Expenses	89,974	10,650	582,255	1,693,142	0	1,693,142	1,693,142	(155,311)	0	1,537,831
119	930200	Miscellaneous General Expenses	505,948	58,572	14,438	3,015,825	0	3,015,825	3,015,825	1,142,254	0	4,158,079
120	930200	Miscellaneous General Expenses - PV (A)	1,033,264	750,389	(11,662,450)	427,468	0	427,468	427,468	0	0	427,468
121	931000	Rents	37,521	32,175	36,490	406,234	0	406,234	406,234	0	0	406,234
122		Total Operation	10,541,614	8,930,384	(7,069,338)	98,919,801	31,939,633	66,980,168	98,919,801	(728,813)	(6,949,034)	91,241,954
123	935000	Maintenance of General Plant	737,561	891,386	488,941	9,520,823	230,131	9,290,692	9,520,823	0	(1,143)	9,519,680
124		Total Administrative & General Expense	11,279,175	9,821,770	(6,580,397)	108,440,624	32,169,764	76,270,860	108,440,624	(728,813)	(6,950,177)	100,761,634
125		Total Operation & Maintenance Expense	\$ 42,931,118	\$ 40,380,513	\$ 53,189,240	\$ 528,631,061	\$ 83,553,206	\$ 444,753,682	\$ 528,631,061	\$ (6,138,375)	\$ (7,009,347)	\$ 515,677,730

(A) As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts not an increase in costs incurred during the test year ended December 31, 2020.

Amounts may not add or tie to other schedules due to rounding.

ATTACHMENT DH-7
LIST OF PREVIOUS TESTIMONY FOR
Diane Hopingardner

1. **Docket No. 51100**
Application of the City of Lubbock, By and Through Lubbock Power & Light, for Authority to Establish Initial Wholesale Transmission Rates and Tariffs.
2. **Docket No. 50584**
Joint Report and Application of Wind Energy Transmission Texas, LLC; AxInfra US, LP; Hotspur Holdco 1 LLC; Hotspur Holdco 2, LLC; and 730 Hotspur, LLC, For Regulatory Approvals Under PURA §§ 14.101, 39.262, and 39.915.
3. **Docket No. 51611**
Application of Sharyland Utilities, LLC for Authority to Change Rates.
4. **Docket No 51802**
Application of Southwestern Public Service Company for Authority to Change Rates
5. **Docket No. 51671**
Application of AEP Texas Inc. for the Final Reconciliation of Advanced Metering Costs
6. **Docket No. 51997**
Application of Entergy Texas, Inc. for Determination of System Restoration Costs