



Filing Receipt

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

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

EL PASO ELECTRIC COMPANY'S SUPPLEMENTAL RESPONSE TO
COMMISSION STAFF'S SIXTH REQUEST FOR INFORMATION
QUESTION NOS. STAFF 6-1 THROUGH STAFF 6-24

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STAFF 6-1:

Rate Case Expenses

Please provide the following information regarding all requested rate case expenses for El Paso Electric Company (EPE) through July 31, 2021. If provided previously, please provide a cross-reference identifying the specific RFI response or other Commission filing that contains this information. Please update each of the requested schedules monthly for additional rate case expenses incurred.

Please provide for EPE:

- a) a summary schedule of total rate case expenses by vendor within each discipline (legal, engineering, accounting, etc.) with subtotals for each month: estimated expenses, expenses incurred and paid to date, expenses incurred and not paid to date, remaining estimated expenditures, and specific areas of work by vendor;
- b) an explanation of the basis for any estimated rate case expenses requested and when the estimated expenses are expected to be incurred; and,
- c) assurance that the total amounts provided in response to item (a) equal your total requested rate case expenses.

SUPPLEMENTAL RESPONSE:

- a) Please refer to Staff 6-1, Attachment 1-Supplemental, for the summary schedule of total rate case expenses and specific areas of work by vendor in Docket No. 52195 through August 31, 2021. Pursuant to agreement, expenses for Docket No. 51780 (EPE's request for a waiver of Schedule S audit) have been excluded.

- b) EPE estimates total rate case expenses that would occur for the duration of the case, and the estimates were not broken down to specific time periods for when they would be incurred. The rate case expenses were estimated based on prior case costs and utilizing increases based on inflation or vendor hourly rate increases.
- c) The total amounts provided in response to item (a) equal the total requested rate case expenses shown in Schedule G-14.1.

Preparer: Alejandra Montalvo

Title: Staff Accountant – Regulatory Accounting

Sponsor: James Schichtl

Title: Vice President – Regulatory and
Governmental Affairs

| (a) | (b) | (c) | (c) | (d) | (e) | (f) | (g) | | (h) | (i) | (j) |
|--------------------------------------|---|------------------------|---------------------|----------------------|-------------------------------------|---------------------|----------------------|----------------------|---|--|------------------------------|
| | | | | | Expenses paid through July 31, 2021 | | | | | | |
| Discipline | Vendor Name | Estimated Expenses | 202103 | 202104 | 202105 | 202106 | 202107 | 202108 | Expenses paid to date through July 31, 2021 | Expenses incurred and not paid to date | Remaining estimated expenses |
| NON-PAYROLL EMPLOYEE EXPENSES | | \$ 66,550.00 | | | | | | | \$ 647.68 | | \$ 65,902.32 |
| | House Of Pizza Downtown (21 people) | | | | | 253.38 | | | \$ 253.38 | | |
| | Healthy Bite (3 people) | | | | | 31.80 | | | \$ 31.80 | | |
| | Subway (10 people) | | | | | 80.41 | | | \$ 80.41 | | |
| | Taco Cabana (10 people) | | | | | 30.29 | | | \$ 30.29 | | |
| | Rockstar Burger Bar (17 people) | | | | | 251.80 | | | \$ 251.80 | | |
| OFFICE SUPPLIES | | \$ 2,000.00 | | | | | | | \$ 1,023.50 | | \$ 976.50 |
| | Olmsted-Kirk Paper Co. 1 | 2,000.00 | | | 1,023.50 | | | | \$ 1,023.50 | | 976.50 |
| SUBCONTRACTOR CHARGES | | \$ 5,000.00 | | | | | | | \$ 2,273.28 | | \$ 2,726.72 |
| | Spectrum Technologies | 5,000.00 | | | 1,136.64 | 1,136.64 | | | \$ 2,273.28 | | 2,726.72 |
| OUTSIDE SVCS-CONSULTING | | \$ 770,000.00 | | | | | | | \$ 185,859.75 | | \$ 584,140.25 |
| | Concentric Energy Advisors, Inc | 435,000.00 | 8,898.75 | 49,565.00 | | 38,421.25 | 6,536.25 | 11,420.00 | \$ 114,841.25 | | 320,158.75 |
| | DGC Consulting | 185,000.00 | 1,031.25 | 15,262.50 | 4,812.50 | 16,018.75 | 17,086.25 | | \$ 54,211.25 | | 130,788.75 |
| | Gannett Fleming Valuation and Rate Consultants, LLC | 40,000.00 | | 1,040.00 | | 2,360.00 | 5,570.00 | 560.00 | \$ 9,530.00 | | 30,470.00 |
| | TLG Services, Inc | 10,000.00 | | | | 3,496.00 | | | \$ 3,496.00 | | 6,504.00 |
| | Wilson Consulting Group | 100,000.00 | | | 3,781.25 | | | | \$ 3,781.25 | | 96,218.75 |
| DEFERRED LEGAL EXPENSES | | \$ 2,500,000.00 | | | | | | | \$ 589,561.17 | | \$ 1,910,438.83 |
| | Duggins Wren Mann & Romero, LLP | 2,500,000.00 | 86,218.50 | 136,876.50 | 124,803.00 | | 133,644.75 | 125,480.42 | \$ 607,023.17 | | 1,892,976.83 |
| | Docket No. 51780 Expenses | | (2,646.00) | (1,188.00) | (10,910.00) | | (2,718.00) | | \$ (17,462.00) | | |
| ADVERTISING | | \$ 10,000.00 | | | | | | | \$ 7,680.00 | | \$ 2,320.00 |
| | El Diario de El Paso | 5,000.00 | | | | | | 7,680.00 | \$ 7,680.00 | | (2,680.00) |
| | Hudspeth County Herald | 5,000.00 | | | | | | 2,400.00 | \$ 2,400.00 | | 2,600.00 |
| Total | | \$ 3,353,550.00 | \$ 93,502.50 | \$ 201,556.00 | \$ 124,646.89 | \$ 62,080.32 | \$ 160,119.25 | \$ 147,540.42 | \$ 787,045.38 | \$ - | \$ 5,045,004.92 |

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

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| Concentric Energy Advisors Inc | Mr. Daniel Dane prepared a lead-lag study to determine the appropriate amount of cash working capital to be included in cost of service. His testimony and this study was included as part of EPE's filing. Mr. Dane also responded to discovery. Jennifer Nelson provided support for EPE's required rate of return on equity and addressed the Company's requested capital structure and overall rate of return. She provided testimony and responded to discovery in the rate case. Concentric also provided a review of rate case schedules prior to filing. |
| DGC Consulting | Mr. David Carpenter provided support to EPE witnesses regarding financial, tax and other accounting issues prior to and during the case. He also assisted with testimony and discovery. |
| Duggins Wren Mann & Romero LLP | DWMR provides legal services including paralegal services and other support services. DWMR invoices also include expenses such as telephone, copying, travel, lodging, etc. |
| Gannett Fleming Valuation and | Mr. John Spanos supported the 2020 depreciation study conducted under his direction and supervision for El Paso Electric Company. Mr. Spanos provided testimony and responded to discovery that he used the straight line remaining life method of depreciation with the average service life procedure in performing the 2020 study. His testimony details the processes by which he determined service lives, net salvage percentages, and estimated annual depreciation accrual rates. |
| Non-Payroll Employee Expenses | Non payroll employee expenses related to Docket No. 52195 including air fare, car rentals, taxi, hotels, meals, supplies and miscellaneous expenses. |
| Olmsted-Kirk Paper Co. | Olmsted-Kirk Paper Co.provides paper to EPE. |
| Spectrum Technologies | Spectrum Technologies provide printer support. These charges are for 24 hour support during production of the rate case. |
| TLG Services Inc | Mr. Roderick Knight presented the results of the 2017 decommissioning cost update prepared for the Palo Verde Nuclear Generating Station located in Tonopah, Arizona ("Palo Verde") by TLG. Mr. Knight provided testimony and responded to discovery during this case. |
| Wilson Consulting Group | Mr. Scott Wilson provided support to EPE witnesses regarding financial and other accounting issues prior to and during the case. He also assisted with testimony and discovery. |

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Please provide a detailed schedule of, and justification for, each individual whose hourly billing rate is \$500 an hour or greater. The schedule should include the vendor name, individual's name, individual's title, number of hours billed, and specific work areas. Please attach applicable invoices and receipts.

SUPPLEMENTAL RESPONSE:

El Paso Electric Company's ("EPE") rate case expenses include only one individual who charges more than \$500 per hour. EPE believes this individual's rate is justified because of their extensive experience in a very specialized field. Please see Staff 6-2-Supplemental, Attachments 1 and 2 – Highly Sensitive Protected Materials to include August 2021.

Preparer: Curtis Hutcheson

Title: Manager – Regulatory Case Management

Sponsor: James Schichtl

Title: Vice President – Regulatory &
Governmental Affairs

PUBLIC

STAFF 6-2-Supplemental Attachments 1 and 2 are CONFIDENTIAL and/or HIGHLY SENSITIVE PROTECTED MATERIALS attachments.

The following files are not convertible:

STAFF 06-01-Supplemental_Attachment
01.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.