



Filing Receipt

Received - 2021-11-02 02:22:48 PM

Control Number - 52195

ItemNumber - 335

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
OFFICE OF PUBLIC UTILITY COUNSEL'S
TWELFTH REQUEST FOR INFORMATION
QUESTION NOS. OPUC 12-1 THROUGH OPUC 12-2

TABLE OF CONTENTS

NOVEMBER 2, 2021

OPUC 12-1.....	2
OPUC 12-2.....	4

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
OFFICE OF PUBLIC UTILITY COUNSEL'S
TWELFTH REQUEST FOR INFORMATION
QUESTION NOS. OPUC 12-1 THROUGH OPUC 12-2

OPUC 12-1:

Please refer to Rate Filing Package, Schedule G-2 and Schedule G-2.1. Please provide copies of the most recent actuarial studies for each of EPE's benefit plans.

RESPONSE:

Please refer to WP/G-2.1 UPDATE, pages 7 through 76, on the 45-day update to the Rate Filing Package and OPUC 12-1, Attachment 1, for the most recent actuarial studies for each of El Paso Electric Company's benefit plans.

Preparer: En Li

Title: Manager – Financial Accounting

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller



El Paso Electric

Fiscal Year 2021 Benefit Cost Information

	RIP	Excess	SERP	OPEB	Total
A. Unfunded Liability at January 1, 2021					
1. Obligation	444,805,475	14,609,783	16,968,930	51,909,127	528,293,315
2. Fair Value of Assets	375,327,497	-	-	45,596,843	420,924,340
3. Unfunded Liability (1.- 2.)	69,477,978	14,609,783	16,968,930	6,312,284	107,368,975
B. Deferred Amounts ("AOCI") at January 1, 2021					
1. Prior Service Cost (Credit)	(10,008,300)	(29,171)	-	(20,378,896)	(30,416,367)
2. Losses / (Gains)	119,386,284	5,363,676	8,620,604	(53,510,228)	79,860,336
3. Total (1.+ 2.)	109,377,984	5,334,505	8,620,604	(73,889,124)	49,443,969
C. Recognized (Prepaid) Amount (A.3 - B.3)	(39,900,006)	9,275,278	8,348,326	80,201,408	57,925,006
D. 2021 Net Periodic Benefit Cost					
1. Service cost	12,701,901	234,653	-	3,498,330	16,434,884
2. Interest cost	8,874,193	300,218	225,197	1,051,207	10,450,815
3. Expected return on plan assets	(23,065,859)	-	-	(3,282,698)	(26,348,557)
4. Amortization of prior service (credit) / cost	(3,467,078)	(29,171)	-	(3,093,254)	(6,589,503)
5. Amortization of (gain) / loss	9,441,075	539,765	786,440	(3,614,818)	7,152,462
6. Net Periodic Benefit Cost (D.1+ D.2 + D.3 + D.4 + D.5)	4,484,232	1,045,465	1,011,637	(5,441,233)	1,100,101
E. Key Assumptions					
1. Discount Rates					
a. Obligations	2.66%	2.65%	2.05%	2.76%	
b. Service Cost	2.97%	2.72%	N/A	3.05%	
c. Interest Cost	2.04%	2.10%	1.40%	2.07%	
2. Expected Return on Assets	7.00%	N/A	N/A	7.35%	

Benefit obligations were measured as of January 1, 2021 and are based on census data collected as of that date, as reviewed / approved by EPE on August 13, 2021. We are not aware of any significance exclusions in the participant data that would require further adjustment. Except as otherwise provided herein, the results above and attached are based on the assumptions, methods, models, plan provisions and other information, outlined in the forthcoming actuarial valuation report to determine accounting requirements for the plans for the plan year ending December 31, 2020 delivered January 21, 2021. Therefore, such information, and the reliances and limitations of the valuation report and its use, should be considered part of this report.

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
OFFICE OF PUBLIC UTILITY COUNSEL'S
TWELFTH REQUEST FOR INFORMATION
QUESTION NOS. OPUC 12-1 THROUGH OPUC 12-2

OPUC 12-2:

Please refer to the Rate Filing Package, WP/A-3, Adjustment No. 3. Please provide the actual test year payroll expense ratio.

RESPONSE:

The payroll expense ratio for the test year was provided in El Paso Electric Company's response to CEP 2-7.

Preparer: Magdalena Rodriguez

Title: Supervisor – Payroll

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller