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

APPLICATION OF EL PASO ELECTRIC COMPANY TO CHANGE RATES	§ § §	**PUBLIC UTILITY COMMISSION OF TEXAS**

FILING CLERK

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO EL PASO ELECTRIC COMPANY
QUESTION NOS. STAFF 2-1 THROUGH 2-35

Pursuant to 16 Texas Administrative Code (TAC) § 22.144 of the Commission's Procedural Rules, the Staff of the Public Utility Commission of Texas (Staff) requests that El Paso Electric Company (EPE) by and through its attorney of record, provide the following information and answer the following question(s) under oath. The question(s) shall be answered in sufficient detail to fully present all of the relevant facts, within the time limit provided by the Presiding Officer or within 20 days, if the Presiding Officer has not provided a time limit. Please copy the question immediately above the answer to each question. These question(s) are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

Provide responses to the Requests for Information by filing with the Commission solely through the Interchange on the Commission's website and provide notice, by email, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered by the presiding officer pursuant to the Order Suspending Rules in Docket No. 50664.

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Dated: June 29, 2021

Respectfully submitted,
PUBLIC UTILITY COMMISSION OF TEXAS
LEGAL DIVISION

Rachelle Nicolette Robles
Division Director

Rashmin Asher
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/s/ Robert Parish
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CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record on June 29, 2021 in accordance with the Order Suspending Rules filed in Project No. 50664.

/s/ Robert Parish
Robert Dakota Parish

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COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
EL PASO ELECTRIC COMPANY
QUESTION NOS. STAFF 2-1 THROUGH 2-35

DEFINITIONS

1) "EPE," "Company," or "you" refers to El Paso Electric Company and any person acting or purporting to act on their behalf, including without limitation, attorneys, agents, advisors, investigators, representatives, employees or other persons.

2) "Document" includes any written, recorded, or graphic matter, however produced or reproduced, including but not limited to correspondence, telegrams, contracts, agreements, notes in any form, memoranda, diaries, voice recording tapes, microfilms, pictures, computer media, work papers, calendars, minutes of meetings or other writings or graphic matter, including copies containing marginal notes or variations of any of the foregoing, now or previously in your possession. In the event any documents requested by this Request for Information have been transferred beyond the Company's control, describe the circumstances under which the document was destroyed or transferred and provide an exact citation to the subject document. In the event that documents containing the exact information do not exist, but documents do exist which contain portions of the required information or which contain substantially similar information, then the definition of "documents" shall include the documents which do exist and these documents will be provided.

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COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO EL PASO ELECTRIC COMPANY QUESTION NOS. STAFF 2-1 THROUGH 2-35

INSTRUCTIONS

1) Pursuant to 16 TAC § 22.144(c)(2), Staff requests that answers to the requests for information be made under oath.

2) Please copy the question immediately above the answer to each question. State the name of the witness in this cause who will sponsor the answer to the question and can vouch for the truth of the answer.

3) These questions are continuing in nature, and if there is a relevant change in circumstances, submit an amended answer, under oath, as a supplement to your original answer.

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

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

6) If any document is withheld under any claim of privilege, please furnish a list identifying each document for which a privilege is claimed, together with the following information: date, sender, recipients or copies, subject matter of the document, and the basis upon which such privilege is claimed.

7) Pursuant to 16 TAC § 22.144(h)(4), if the response to any request is voluminous, please provide a detailed index of the voluminous material.

8) Staff requests that each item of information be made available as it is completed, rather than upon completion of all information requested.

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO EL PASO ELECTRIC COMPANY QUESTION NOS. STAFF 2-1 THROUGH 2-35

Affiliates – Shared Assets

Staff 2-1 Has the Company included any amounts for carrying costs associated with shared assets that have been charged by an affiliate in its revenue requirement? If so, please provide by FERC account the amount in total, amount that is debt based, and the amount considered equity return.

Staff 2-2 Please provide the rate of return, cost of equity, and cost of debt utilized in determining the carrying costs associated with shared assets that have been charged to the Company by an affiliate.

Staff 2-3 Has the Company received prior Commission approval to recover carrying costs charged by any affiliate? If so, please provide the relevant citations.

Staff 2-4 Is the Company aware of any prior Commission precedent approving the recovery of carrying costs charged to a utility by an affiliate? If so, please provide the relevant citations.

Incentive Compensation

Staff 2-5 Please provide a copy of each employee incentive plan utilized by the Company.

Staff 2-6 For each incentive plan utilized by the Company, please provide the amount the Company sought to recover in the revenue requirement in its last rate case and the amount the Commission excluded from rate recovery, and the basis for excluding those incentives. Please provide this information separately for the Company and for each affiliate of the Company with expenses included in the revenue requirement.

Staff 2-7 Please explain changes to each incentive plan since the Company's last rate case and continuing through the most recent change.

Staff 2-8 For each incentive plan utilized by the Company, please provide a description of the plan, plan eligibility, the type of employees covered by the plan, the criteria used as a basis for the awards, any requirements related to company earnings for awards to be made, the service period covered by the plan, and the date awards are made to employees.

Staff 2-9 For each incentive plan please provide the amounts of awards for the test year and each of the three years prior to the test year.

Staff 2-10 For each incentive plan please provide the amount included in the revenue requirement by FERC account, and reconcile to the amount of pro forma payroll expense identified by the Company in response to question Staff 2-9 above for the Company and for each affiliate with costs allocated to the Company.

Staff 2-11 Please provide an analysis of each incentive plan showing the amounts included in test year expenses based on a) company earnings, b) capital expenditures, c) O&M expenses, d) customer service, e) safety, and f) other. Please provide this information separately for El Paso Electric and for each affiliated group with incentive compensation included in the revenue requirement.

Staff 2-12 Please provide an analysis of each incentive plan showing the amounts included in pro forma expenses based on a) company earnings, b) capital expenditures, c) O&M expenses, d) customer service, e) safety, and f) other. Please provide this information separately for the Company and for each affiliated group with incentive compensation included in the revenue requirement.

Staff 2-13 Please provide an analysis of each incentive plan showing the target amounts of expense based on a) company earnings, b) capital expenditures, c) O&M expenses, d) customer service, e) safety, and f) other. Please provide this information separately for the Company and for each affiliated group with incentive compensation included in the revenue requirement.

Staff 2-14 Please provide an analysis of each incentive plan showing for each year since the last rate case, the amounts capitalized and included in rate base by FERC account, and the related balance of accumulated depreciation or amortization. Please provide this information separately for the Company and each affiliated group with incentives allocated to the Company.

Long Term Incentive Plans

Staff 2-15 Please provide copies of the performance reviews or other plan related documents supporting the awards of long-term incentives for the test year.

Staff 2-16 Please provide copies of the performance reviews and other plan related documents supporting the awards of long-term incentives for each of the three years prior to the test year.

Staff 2-17 Please provide the amount of long-term incentive expense included in the revenue requirement both of the Company and allocated to the Company from shared services.

Accumulated Deferred Income Tax

Staff 2-18 Please provide a detailed analysis of the Company's Accumulated Deferred Income Tax (ADIT) balances, showing, for each ADIT component (for example: depreciation expense, capitalization, pension expense, non-qualified pension expense, etc.), references to specific balance sheet components (plant in service, cash working capital, etc.) and to revenue or expense components.

Staff 2-19 Please provide a detailed explanation of each ADIT component excluded from the pro forma rate base and explain why each item is not related to the provision of regulated utility service.

Staff 2-20 Please provide an analysis showing the impact on accumulated deferred income taxes of each of the Company's proposed adjustments to plant in service. Please provide an explanation for each proposed plant adjustment that does not have an impact on accumulated deferred income taxes and explain which plant additions do not qualify for the special depreciation allowance and why. Please provide the response in Excel compatible format with fully functional formulas.

Staff 2-21 Please identify any ADIT in rate base associated with non-qualified retirement plans.

Trial Balance

Staff 2-22 Please provide copies of the Company's detail trial balance beginning one month before the test year and for each month of the test year.

Staff 2-23 Please provide copies of the Company's detail trial balance for each year end since the test year end of the Company's last rate case.

Retirement Plans and OPEB

Staff 2-24 Please provide a narrative describing any changes the Company plans to make to any of its retirement plans or post-retirement benefits within the two years after the end of the test year.

Staff 2-25 Please quantify the savings which have been achieved or that are expected to be achieved from changes to Company's retirement plans or post-retirement benefits.

Staff 2-26 Please provide copies of the actuary reports supporting the test year level of pension costs for each retirement plan or post-retirement benefits.

Staff 2-27 Please provide the amounts included in test year operating expenses for each retirement plan and post-retirement benefits.

Staff 2-28 Please provide the amounts included in pro forma operating expenses for each retirement plan and post-retirement benefits.

Staff 2-29 Please provide a copy of the full document(s) provided by the Company's actuary supporting the level of pension costs and post-retirement benefits included in the revenue requirement.

Staff 2-30 Please identify each non-qualified retirement plan and provide the amount of each included in the revenue requirement separately for the Company and each affiliated group with costs allocated to the Company.

Regulatory Assets and Regulatory Liabilities

Staff 2-31 For each regulatory asset and liability, provide and explanation of the item, the reason for including it in rate base, and any related statutes, orders, legal precedent or other available documentary support for including the item in rate base.

Staff 2-32 For each regulatory asset and liability, provide an analysis of the item showing by month the related revenue or expense, increases and decreases to the account balance with basic descriptive information (i.e. "Storm Damage," Insurance Reimbursements," "Amortization"), and the account balances. This analysis should begin with the later of the origination of the item or the last jurisdictional filing which included the item, and the analysis should continue through latest available date. Please provide the response in Excel compatible format with fully functional formulas.

Staff 2-33 Please provide the balances of each regulatory asset and liability for each month beginning one month prior to the test year and continuing through the latest available date.

Injuries and Damages

Staff 2-34 Please provide an analysis of reserve account for Injuries and Damages Expense for each of the three years prior to the test year and for the test year showing the beginning balance, the accruals increasing the reserve account, claims charged to the reserve account, adjusting entries, and the year ending balance for the reserve account.

FIN 48

Staff 2-35 Please identify any FIN 48 amounts included in rate base.

Credit Rating Reports

Staff 2- 36 Please confidentially file the 4 credit rating reports listed in schedule K-9 of the application.