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**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

**FREEPORT-MCMORAN’S RESPONSE TO
OFFICE OF PUBLIC UTILITY COUNSEL’S SECOND
REQUEST FOR INFORMATION**

Freeport-McMoRan, Inc. (“FMI”) files this Response to Office of Public Utility Counsel’s (OPUC) Second Requests for Information to Freeport-McMoRan, Inc. FMI’s response to requests for information shall be made within five (5) working days, making the responses due by November 19, 2021. This response is therefore timely. All parties may treat the answers as if they were filed under oath.

FMI files these responses without agreeing to the relevancy of the information sought and without waiving its right to object at the time of the hearing to the admissibility of information produced herein.

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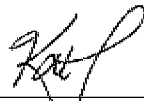
Respectfully submitted,

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By: 
**ATTORNEYS FOR FREEPORT-
MCMORAN, INC.**

CERTIFICATE OF SERVICE

I certify that a copy of this document was served by electronic mail, on all parties of record in this proceeding on November 19, 2021, in accordance with Order No. 2 in this Docket 52195.



Katherine K. Mudge

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**FREEPORT-MCMORAN'S RESPONSE TO
OPUC'S SECOND REQUEST FOR INFORMATION**

REQUEST OPUC 2-1:

Please refer to the Direct Testimony and Exhibits of Mr. Jeffry Pollock at 7:19 – 20. Please provide all citations to the order in which the Public Utility Commission of Texas (“PUC” of “Commission”) determined for El Paso Electric Company (“EPE”) that the load-factor weighting used in the calculation of EPE’s Four Coincident Peak – Average and Excess Demand (“4CP-A&E”) allocator should be based on the actual (unadjusted) single coincident peak-based annual system load factor.

RESPONSE NO. OPUC 2-1:

Based upon clarification from OPUC counsel on November 15, 2021, and understanding that the RFI refers to page 2: 19-20, to the best of Mr. Pollock’s knowledge, the PUCT has not rendered a decision on that question in a recent fully litigated rate case filed by El Paso Electric Company, as the prior three rate cases were settled.

Prepared by or under the direction of the following Sponsor: Jeffry C. Pollock

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REQUEST OPUC 2-2:

Does Mr. Pollock believe that once the Commission issues a decision concerning the appropriate cost allocation method for one fully-integrated electric utility that it regulates, that decision establishes the precedent for how similar costs must be allocated for all fully-integrated electric utilities the Commission regulates? Please provide a detailed explanation of your response.

RESPONSE NO. OPUC 2-2:

Mr. Pollock is not an attorney, and, therefore, cannot provide a legal opinion, which in essence is what the RFI asks for. However, if the RFI refers to page 9 of Mr. Pollock's Direct Testimony, Mr. Pollock was not stating an opinion but was, instead, characterizing EPE's testimony as recognizing the Commission's past precedent. Specifically, EPE witness George Novella (at pages 7-9 of his Direct Testimony) stated:

Q. CAN YOU PLEASE DESCRIBE THE RECENT HISTORY FOR EPE'S TREATMENT OF THE LOAD FACTOR USED IN ALLOCATION CALCULATIONS?

A. Yes. In 2015 EPE filed Docket No. 44941, a base rate case in which EPE used an annual load factor based on the 4CP instead of a 1 CP in its calculation of the 4CP-A&E. This treatment is how EPE has historically used the load factor in allocation formulas across both of its jurisdictions. During the 2015 proceeding, EPE learned of a recent ruling in Texas on the same matter. The Commission's Order on Rehearing in a recent Southwestern Public Service Company ("SPS") base rate case, Docket No. 43695, found that the use of a 1 CP factor was more consistent with how SPS planned and built its generation and transmission systems and should be used instead of a 4CP load factor.

EPE changed its methodology during the 2015 case, Docket No. 44941, to match that of the Commission's ruling in the SPS Docket No. 43695. EPE continued that practice in its most recent base rate proceeding in its 2017 Texas base rate case, Docket No. 46831, however that issue was not litigated in that case, and the case was settled without specifying the use of 1 CP for determining load factor. [footnotes omitted]

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REQUEST OPUC 2-3:

Please refer to the Direct Testimony and Exhibits of Mr. Pollock at 9:18 – 10:5. Please identify the docket number of the Southwestern Electric Power Company (“SWEPCO”) case discussed in that section of Mr. Pollock’s testimony. Please also identify whether the Commission’s approved load factor for use in the AED-4CP methodology for SWEPCO in that docket was based on a system 1CP demand or 4CP demand.

RESPONSE NO. OPUC 2-3:

The docket number of the SWEPCO case and order quoted is identified in footnote 5 on page 10 of Mr. Pollock’s Direct Testimony. The issue litigated in Docket No. 40443 was whether the load factor should be based on a system-wide measure or a Texas retail measure. The specific load factor metric was not at issue in Docket No. 40443.

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REQUEST OPUC 2-4:

As revised by OPUC via email on November 11, 2021:

Did Mr. Pollock review the loss study filed in Docket No. 51802, Southwestern Public Service Company's current rate case in which Mr. Pollock testified? If so, how many one-hour or other period power flows were used to calculate transmission energy loss factors?

RESPONSE NO. OPUC 2-4:

No.

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REQUEST OPUC 2-5:

Please refer to the Direct Testimony and Exhibits of Mr. Pollock at 24:2 - 5. Please admit or deny that 16 T.A.C. § 25.192 is not applicable to EPE and does not establish the manner by which EPE recovers its transmission costs. If your answer is anything other than an unqualified admittance, please provide a detailed explanation for your response.

RESPONSE NO. OPUC 2-5:

Subject to the stated qualification herein, Mr. Pollock admits that 16 T.A.C. § 25.192 does not apply to EPE. The qualification is Mr. Pollock's statement is simply a statement of fact dealing with 25.192 and is not intended to suggest that the rule is applicable to EPE. This portion of Mr. Pollock's Direct Testimony does not address the recovery of transmission costs; it addresses the allocation of load dispatching expense.

Prepared by or under the direction of the following Sponsor: Jeffry C. Pollock