

LG&E and KU Energy LLC	A-	Stable	a-	Excellent	Significant	Gerri Jeps CFA
Louisville Gas & Electric Co.	A-	Stable	a-	Excellent	Significant	Gerri Jeps CFA
New York State Electric & Gas Corp.	A-	Stable	a-	Excellent	Significant	Fei S CFA
NextEra Energy Inc.	A-	Stable	a-	Excellent	Intermediate	Gabe Gros
Northern States Power Co.	A-	Stable	a	Excellent	Significant	Maya Deva
Northern States Power Wisconsin	A-	Stable	a-	Excellent	Intermediate	Maya Deva
NSTAR Gas Co.	A-	Stable	a-	Excellent	Significant	Sloa Milln CFA
Ohio Power Co.	A-	Stable	a-	Excellent	Significant	Gerri Jeps CFA
Oklahoma Gas & Electric Co.	A-	Stable	a-	Excellent	Significant	Obio Ugbc

Peoples Gas Light & Coke Co. (The)	A-	Stable	a-	Excellent	Significant	Maya Deva
Piedmont Natural Gas Co. Inc.	A-	Stable	a	Excellent	Intermediate	Obio Ugbo
Pinnacle West Capital Corp.	A-	Stable	a-	Excellent	Significant	Matt L. O'Neil
Potomac Electric Power Co.	A-	Stable	a-	Excellent	Significant	Gabe Grosz
PPL Corp.	A-	Stable	a-	Excellent	Significant	Gerri Jepsen CFA
PPL Electric Utilities Corp.	A-	Stable	a-	Excellent	Significant	Gerri Jepsen CFA
Progress Energy Inc.	A-	Stable	a-	Excellent	Significant	Obio Ugbo
Public Service Co. of Colorado	A-	Stable	a-	Excellent	Significant	Maya Deva
Public Service Co. of Oklahoma	A-	Stable	bbb	Strong	Significant	Gerri Jepsen CFA

Public Service Electric & Gas Co.	A-	Stable	a+	Excellent	Intermediate	Fei S CFA
Rochester Gas & Electric Corp.	A-	Stable	a-	Excellent	Significant	Fei S CFA
SJW Group	A-	Stable	a-	Excellent	Significant	Beve Gant
Southern Connecticut Gas Co.	A-	Stable	a-	Excellent	Significant	Fei S CFA
Southwest Gas Corp.	A-	Stable	a-	Excellent	Significant	Willi Hern
Southwestern Electric Power Co.	A-	Stable	bbb+	Excellent	Significant	Gerri Jeps CFA
Southwestern Public Service Co.	A-	Stable	bbb+	Excellent	Significant	May Deva
Spire Alabama Inc.	A-	Stable	a+	Excellent	Intermediate	Matt O'Ne
Spire Inc.	A-	Stable	a-	Excellent	Significant	Matt O'Ne

Spire Missouri Inc.	A-	Stable	a+	Excellent	Intermediate	Matt O'Ne
United Illuminating Co. (The)	A-	Stable	a-	Excellent	Significant	Fei S CFA
Washington Gas Light Co.	A-	Stable	a-	Excellent	Significant	Andr
WEC Energy Group Inc.	A-	Stable	a-	Excellent	Significant	Maya Deva
Wisconsin Electric Power Co.	A-	Stable	a-	Excellent	Significant	Maya Deva
Wisconsin Public Service Corp.	A-	Stable	a-	Excellent	Significant	Maya Deva
Xcel Energy Inc.	A-	Stable	a-	Excellent	Significant	Gerri Jeps CFA
Yankee Gas Services Co.	A-	Stable	a-	Excellent	Significant	Sloa Milln CFA
York Water Co. (The)	A-	Stable	a-	Excellent	Intermediate	Willia Hern
ATCO Ltd.	A-	Negative	a-	Excellent	Significant	Andr

Atlanta Gas Light Co.	A-	Negative	aa	Excellent	Modest	Obio Ugbc
Canadian Utilities Ltd.	A-	Negative	a-	Excellent	Significant	Andr
Consolidated Edison Co. of New York Inc.	A-	Negative	a-	Excellent	Significant	Sloa Milln CFA
Consolidated Edison Inc.	A-	Negative	a-	Excellent	Significant	Sloa Milln CFA
Fortis Inc.	A-	Negative	a-	Excellent	Significant	Andr
FortisAlberta Inc.	A-	Negative	a-	Excellent	Significant	Andr
Georgia Power Co.	A-	Negative	a-	Excellent	Significant	Obio Ugbc
ITC Holdings Corp.	A-	Negative	a-	Excellent	Significant	Sloa Milln CFA
KeySpan Gas East Corp.	A-	Negative	bbb+	Excellent	Significant	Sloa Milln CFA
Mississippi Power Co.	A-	Negative	bbb	Strong	Significant	Obio Ugbc

Montana- Dakota Utilities Co.	A-	Negative	a-	Excellent	Significant	Sloa Milln CFA
National Grid North America Inc.	A-	Negative	bbb	Excellent	Aggressive	Sloa Milln CFA
Niagara Mohawk Power Corp.	A-	Negative	bbb+	Excellent	Significant	Sloa Milln CFA
Orange and Rockland Utilities Inc.	A-	Negative	bbb+	Excellent	Significant	Sloa Milln CFA
Pepco Holdings LLC	A-	Negative	a-	Excellent	Significant	Gabe Gros
Southern Co.	A-	Negative	a-	Excellent	Significant	Obio Ugbc
Southern Co. Gas	A-	Negative	bbb+	Strong	Significant	Obio Ugbc
The Brooklyn Union Gas Co.	A-	Negative	bbb+	Excellent	Significant	Sloa Milln CFA
Tucson Electric Power Co.	A-	Negative	bbb+	Excellent	Significant	Andr

Dominion Energy Questar Pipeline LLC	BBB+	WatchPos	bbb-	Satisfactory	Intermediate	Fei S CFA
Dominion Energy South Carolina Inc.	BBB+	Positive	bbb	Strong	Significant	Fei S CFA
Dominion Energy Inc.	BBB+	Positive	bbb+	Excellent	Significant	Matt L. O'J
Public Service Co. of North Carolina Inc.	BBB+	Positive	a	Excellent	Intermediate	Matt L. O'J
Questar Gas Co.	BBB+	Positive	a-	Excellent	Significant	Fei S CFA
Texas-New Mexico Power Co.	BBB+	Positive	a-	Excellent	Significant	Matt L. O'J
The East Ohio Gas Company d/b/a Dominion Energy Ohio	BBB+	Positive	a-	Excellent	Significant	Matt L. O'J
Virginia Electric & Power Co.	BBB+	Positive	a	Excellent	Significant	Matt L. O'J

Ameren Corp.	BBB+	Stable	bbb+	Excellent	Significant	Willi Hern
Ameren Illinois Co.	BBB+	Stable	a-	Excellent	Significant	Willi Hern
Avangrid Inc.	BBB+	Stable	bbb+	Strong	Significant	Matt L. O'I
Black Hills Corp.	BBB+	Stable	bbb+	Excellent	Significant	Willi Hern
Black Hills Power Inc.	BBB+	Stable	a-	Excellent	Significant	Willi Hern
Cleco Power LLC	BBB+	Stable	a-	Excellent	Significant	May Deva
CMS Energy Corp.	BBB+	Stable	bbb+	Excellent	Significant	Andr
DTE Energy Co.	BBB+	Stable	bbb+	Excellent	Significant	Matt L. O'I
Duquesne Light Co.	BBB+	Stable	aa-	Excellent	Modest	Sloa Milln CFA
Entergy Corp.	BBB+	Stable	bbb+	Excellent	Significant	Gerri Jeps CFA
Entergy Texas Inc.	BBB+	Stable	bbb+	Excellent	Aggressive	May Deva

Maritime Electric Co. Ltd.	BBB+	Stable	bbb+	Excellent	Significant	Andr
NiSource Inc.	BBB+	Stable	bbb+	Excellent	Significant	Matt L. O'J
Northern Indiana Public Service Co. LLC	BBB+	Stable	a-	Excellent	Intermediate	Matt L. O'J
Nova Scotia Power Inc.	BBB+	Stable	bbb+	Excellent	Significant	Andr
OGE Energy Corp.	BBB+	Stable	bbb+	Strong	Significant	Obio Ugbc
Ontario Power Generation Inc.	BBB+	Stable	bb+	Strong	Significant	May Deva
Otter Tail Power Co.	BBB+	Stable	bbb+	Strong	Significant	Andr
Public Service Enterprise Group Inc.	BBB+	Stable	bbb+	Strong	Significant	Matt L. O'J
Southwest Gas Holdings Inc.	BBB+	Stable	bbb+	Strong	Significant	Willi Hern
System Energy Resources Inc.	BBB+	Stable	a+	Strong	Minimal	May Deva

Tampa Electric Co.	BBB+	Stable	a	Excellent	Intermediate	Andr
Union Electric Co. d/b/a Ameren Missouri	BBB+	Stable	bbb+	Excellent	Significant	Willi Hern
Versant Power	BBB+	Stable	bbb+	Strong	Significant	Andr
Caribbean Utilities Co. Ltd.	BBB+	Negative	bbb+	Excellent	Significant	Carl D'Ar Beliz
Cascade Natural Gas Corp. (MDU)	BBB+	Negative	bbb	Strong	Significant	Sloa Milln CFA
CenterPoint Energy Houston Electric LLC	BBB+	Negative	a	Excellent	Significant	May Deva
CenterPoint Energy Inc.	BBB+	Negative	bbb+	Excellent	Aggressive	Gerri Jeps CFA
CenterPoint Energy Resources Corp.	BBB+	Negative	a-	Excellent	Significant	May Deva

Commonwealth Edison Co.	BBB+	Negative	bbb+	Excellent	Significant	Gabe Gros
Exelon Corp.	BBB+	Negative	bbb+	Strong	Significant	Gabe Gros
Indiana Gas Co. Inc.	BBB+	Negative	a+	Excellent	Intermediate	Willie Hern
MDU Resources Group Inc.	BBB+	Negative	bbb+	Satisfactory	Significant	Sloan Milln CFA
PECO Energy Co.	BBB+	Negative	a	Excellent	Intermediate	Gabe Gros
Portland General Electric Co.	BBB+	Negative	bbb+	Excellent	Significant	Matt L. O'Neil
San Diego Gas & Electric Co.	BBB+	Negative	bbb+	Strong	Significant	Beve Gant
Sempra Energy	BBB+	Negative	bbb+	Strong	Significant	Obio Ugbo
Southern Indiana Gas & Electric Co.	BBB+	Negative	a	Excellent	Significant	Willie Hern
Southern Power Co.	BBB+	Negative	bb+	Satisfactory	Significant	Obio Ugbo

Unitil Corp.	BBB+	Negative	bbb+	Strong	Significant	Willi Hern
Vectren Utility Holdings Inc.	BBB+	Negative	a-	Excellent	Significant	Willi Hern
PNM Resources Inc.	BBB	Positive	bbb	Strong	Significant	Matt O'Ne
Public Service Co. of New Mexico	BBB	Positive	bbb	Strong	Significant	Fei S CFA
Algonquin Power & Utilities Corp.	BBB	Stable	bbb	Strong	Significant	May Deva
ALLETE Inc.	BBB	Stable	bbb	Strong	Significant	Sloa Milln CFA
Avista Corp.	BBB	Stable	bbb	Strong	Significant	Obio Ugbc
Duquesne Light Holdings Inc.	BBB	Stable	bbb	Excellent	Aggressive	Sloa Milln CFA
Emera Inc.	BBB	Stable	bbb	Excellent	Aggressive	Andr
Empire District Electric Co.	BBB	Stable	bbb	Strong	Significant	May Deva
IDACORP Inc.	BBB	Stable	bbb	Strong	Significant	Matt L. O'

Idaho Power Co.	BBB	Stable	bbb	Strong	Significant	Fei S CFA
Indianapolis Power & Light Co.	BBB	Stable	a-	Excellent	Significant	Sloa Milln CFA
IPALCO Enterprises Inc.	BBB	Stable	bbb	Excellent	Aggressive	Sloa Milln CFA
NorthWestern Corp.	BBB	Stable	bbb	Strong	Significant	Matt L. O'I
SEMCO Energy Inc.	BBB	Stable	bbb+	Excellent	Significant	Sloa Milln CFA
TECO Energy Inc.	BBB	Stable	a-	Excellent	Significant	Andr
Edison International	BBB	Negative	bbb	Strong	Significant	Obio Ugbc
Elizabethtown Gas Co.	BBB	Negative	a-	Excellent	Significant	Willia Hern
Entergy New Orleans LLC	BBB	Negative	bbb-	Strong	Significant	Maya Deva
Otter Tail Corp.	BBB	Negative	bbb	Satisfactory	Significant	Andr

Puget Sound Energy Inc.	BBB	Negative	bbb+	Excellent	Significant	Beve Gant
South Jersey Gas Co.	BBB	Negative	a-	Excellent	Significant	Willia Hern
South Jersey Industries Inc.	BBB	Negative	bbb	Excellent	Aggressive	Willia Hern
Southern California Edison Co.	BBB	Negative	bbb	Strong	Significant	Beve Gant
Hawaiian Electric Co. Inc.	BBB-	Positive	bbb-	Strong	Significant	Andr
Hawaiian Electric Industries Inc.	BBB-	Positive	bbb-	Strong	Significant	Andr
AltaGas Ltd.	BBB-	Stable	bbb-	Strong	Aggressive	Andr
Cleco Corporate Holdings LLC	BBB-	Stable	bbb	Satisfactory	Significant	Gerri Jeps CFA
ENMAX Corp.	BBB-	Stable	bbb-	Strong	Significant	Andr
Fortis TCI Ltd.	BBB-	Stable	bb+	Satisfactory	Significant	Andr

WGL Holdings Inc.	BBB-	Stable	bbb+	Excellent	Significant	Andr
Puget Energy Inc.	BBB-	Negative	bbb+	Excellent	Significant	Matt L. O'!
Dayton Power & Light Co.	BB+	Developing	bbb	Strong	Intermediate	Obio Ugbc
DPL Inc.	BB+	Developing	bb	Strong	Highly Leveraged	Obio Ugbc
Cleveland Electric Illuminating Co.	BB	Watch Neg	bbb	Excellent	Significant	Matt L. O'!
FirstEnergy Corp.	BB	Watch Neg	bb	Excellent	Aggressive	Matt L. O'!
FirstEnergy Transmission LLC	BB	Watch Neg	bbb+	Excellent	Intermediate	Beve Gant
Jersey Central Power & Light Co.	BB	Watch Neg	bb+	Strong	Significant	Beve Gant
Metropolitan Edison Co.	BB	Watch Neg	bbb	Excellent	Significant	Beve Gant

Mid-Atlantic Interstate Transmission LLC	BB	Watch Neg	a-	Excellent	Intermediate	Beve Gant
Monongahela Power Co.	BB	Watch Neg	bb+	Strong	Significant	Beve Gant
Ohio Edison Co.	BB	Watch Neg	a	Excellent	Modest	Fei S CFA
Pennsylvania Electric Co.	BB	Watch Neg	bbb	Excellent	Significant	Fei S CFA
Pennsylvania Power Co.	BB	Watch Neg	a-	Excellent	Intermediate	Fei S CFA
Potomac Edison Co.	BB	Watch Neg	bb+	Strong	Significant	Matt L. O'J
Toledo Edison Co.	BB	Watch Neg	bbb	Excellent	Significant	Matt L. O'J
Trans- Allegheny Interstate Line Co.	BB	Watch Neg	a+	Excellent	Modest	Beve Gant
West Penn Power Co.	BB	Watch Neg	bbb+	Excellent	Intermediate	Matt L. O'J

Pacific Gas & Electric Co.	BB-	Negative	bb-	Satisfactory	Significant	Gabe Gros
PG&E Corp.	BB-	Negative	bb-	Satisfactory	Significant	Gabe Gros

Ratings as of Dec. 10, 2020. Source: S&P Global Ratings and company data.

◀ [] ▶
This report does not constitute a rating action.

Primary Credit Analysts:

Gabe Grosberg, New York + 1 (212) 438 6043;
gabe.grosberg@spglobal.com

Carl D'Amour-Belizario, Toronto + 1 (416) 507 2506;
Carl.DAmour-Belizario@spglobal.com

Secondary Contacts:

Kyle M Loughlin, New York + 1 (212) 438 7804;
kyle.loughlin@spglobal.com

Matthew L O'Neill, New York + 1 (212) 438 4295;
matthew.oneill@spglobal.com

Gerrit W Jepsen, CFA, New York + 1 (212) 438 2529;
gerrit.jepsen@spglobal.com

Obioma Ugboaja, New York + 1 (212) 438 7406;
obioma.ugboaja@spglobal.com

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of

Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business

decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party

redistributors. Additional information about our ratings fees is available at **www.standardandpoors.com/usratingsfees**.

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact S&P Global Ratings, Client Services, 55 Water Street, New York, NY 10041; (1) 212-438-7280 or by e-mail to: **research_request@spglobal.com**.

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 SEVENTEENTH REQUEST FOR INFORMATION
QUESTION NOS. CEP 17-1 THROUGH CEP 17-23

CEP 17-16:

Reference the Rebuttal testimony of Jennifer E. Nelson at 63 footnote 208, Please provide a copy of the study, and Cost of Capital Navigator referenced.

RESPONSE:

Please see CEP 17-16, Attachment 1-Confidential.

Preparer: Jennifer E. Nelson

Title: Assistant Vice President – Concentric
Energy Advisers

Sponsor: Jennifer E. Nelson

Title: Assistant Vice President – Concentric
Energy Advisers

EL PASO ELECTRIC COMPANY

SOAH Docket No. 473-21-2606

PUC Docket No. 52195

CEP's 17th, Q. No. CEP 17-16

Attachment 1

Page 1 of 1

PUBLIC

CEP 17-16 Attachment 1 is CONFIDENTIAL or HIGHLY SENSITIVE PROTECTED MATERIALS attachment.

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 SEVENTEENTH REQUEST FOR INFORMATION
QUESTION NOS. CEP 17-1 THROUGH CEP 17-23

CEP 17-17:

Reference the Rebuttal testimony of Jennifer E. Nelson at 64 footnote 209, please provide a copy of the Duff & Phelps CSRP Deciles Size Study Methodology, Cost of capital Navigator referenced.

RESPONSE:

Please see CEP 17-17, Attachment 1-Confidential.

Preparer: Jennifer E. Nelson

Title: Assistant Vice President
Concentric Energy Advisers

Sponsor: Jennifer E. Nelson

Title: Assistant Vice President
Concentric Energy Advisers

EL PASO ELECTRIC COMPANY

SOAH Docket No. 473-21-2606

PUC Docket No. 52195

CEP's 17th, Q. No. CEP 17-17

Attachment 1

Page 1 of 1

PUBLIC

CEP 17-17 Attachment 1 is CONFIDENTIAL or HIGHLY SENSITIVE PROTECTED MATERIALS attachment.

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 SEVENTEENTH REQUEST FOR INFORMATION
QUESTION NOS. CEP 17-1 THROUGH CEP 17-23

CEP 17-18:

Reference the Rebuttal testimony of Jennifer E. Nelson at 67, please provide a copy of the book referenced.

RESPONSE:

Please see CEP 17-18, Attachment 1.

Preparer: Jennifer E. Nelson

Title: Assistant Vice President – Concentric
Energy Advisers

Sponsor: Jennifer E. Nelson

Title: Assistant Vice President – Concentric
Energy Advisers

FUNDAMENTALS OF FINANCIAL MANAGEMENT

CONCISE FOURTH EDITION

EUGENE F. BRIGHAM

University of Florida

JOEL F. HOUSTON

University of Florida

THOMSON
—*—
SOUTH-WESTERN

Australia Canada Mexico Singapore Spain United Kingdom • United States

MATURITY MATCHING OR "SELF-LIQUIDATING," APPROACH

Maturity Matching, or "Self-Liquidating," Approach

A financing policy that matches asset and liability maturities. This is a moderate policy.

The maturity matching, or "self-liquidating," approach calls for matching asset and liability maturities as shown in Panel a of Figure 14-3. This strategy minimizes the risk that the firm will be unable to pay off its maturing obligations. To illustrate, suppose a company borrows on a one-year basis and uses the funds obtained to build and equip a plant. Cash flows from the plant (profits plus depreciation) would not be sufficient to pay off the loan at the end of only one year, so the loan would have to be renewed. If for some reason the lender refused to renew the loan, then the company would have problems. Had the plant been financed with long-term debt, however, the required loan payments would have been better matched with cash flows from profits and depreciation, and the problem of renewal would not have arisen.

At the limit, a firm could attempt to match exactly the maturity structure of its assets and liabilities. Inventory expected to be sold in 30 days could be financed with a 30-day bank loan; a machine expected to last for 5 years could be financed with a 5-year loan; a 20-year building could be financed with a 20-year mortgage bond; and so forth. Actually, of course, two factors prevent this exact maturity matching: (1) there is uncertainty about the lives of assets, and (2) some common equity must be used, and common equity has no maturity. To illustrate the uncertainty factor, a firm might finance inventories with a 30-day loan, expecting to sell the inventories and then use the cash to retire the loan. But if sales were slow, the cash would not be forthcoming, and the use of short-term credit could end up causing a problem. Still, if a firm makes an attempt to match asset and liability maturities, we would define this as a moderate current asset financing policy.

In practice, firms don't finance each specific asset with a type of capital that has a maturity equal to the asset's life. However, academic studies do show that most firms tend to finance short-term assets from short-term sources and long-term assets from long-term sources.¹⁶

AGGRESSIVE APPROACH

Panel b of Figure 14-3 illustrates the situation for a relatively aggressive firm that finances all of its fixed assets with long-term capital and part of its permanent current assets with short-term, nonspontaneous credit. Note that we used the term "relatively" in the title for Panel b because there can be different *degrees* of aggressiveness. For example, the dashed line in Panel b could have been drawn *below* the line designating fixed assets, indicating that all of the permanent current assets and part of the fixed assets were financed with short-term credit; this would be a highly aggressive, extremely nonconservative position, and the firm would be very much subject to dangers from rising interest rates as well as to loan renewal problems. However, short-term debt is often cheaper than long-term debt, and some firms are willing to sacrifice safety for the chance of higher profits.

CONSERVATIVE APPROACH

Panel c of Figure 14-3 has the dashed line *above* the line designating permanent current assets, indicating that long-term capital is being used to finance all permanent



Students can access various types of historical interest rates, including fixed and variable rates, at the St. Louis Federal Reserve's FRED site. The address is <http://research.stlouisfed.org/fred/>.

¹⁶ For example, see William Beranek, Christopher Cornwell, and Sunho Choi, "External Financing, Liquidity, and Capital Expenditures," *Journal of Financial Research*, Vol. 18, No. 2, 207-222.

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 SEVENTEENTH REQUEST FOR INFORMATION
QUESTION NOS. CEP 17-1 THROUGH CEP 17-23

CEP 17-19:

Reference the Rebuttal testimony of R. Clay Doyle, Exhibit RCD-1R confidential.

- a. Please explain why the E-mails on pages 3-7 of this exhibit were not produced by EPE in response to earlier discovery requests related to the Isleta Pueblo right of way?
- b. Please identify the date and by whom that pages 3 of 7 and 4 of 7 were made available to Marvin C. Hutcheson and provide any parts of the Email chain that were not provided.
- c. Please identify the date and by whom pages 4 of 7 and 5 of 7 were made available to Marvin C. Hutcheson and provide any parts of the E-mail chain that were not provided.
- d. If b. is admitted, why was this not produced in either Docket 51348 or this Docket prior to the filing of rebuttal testimony.
- e. Reference page 4 of 7, please provide an unredacted copy of the E-mail.
- f. Reference Page 4 of 7 Please identify the name and qualifications of the "consultant" referenced in the second to last bullet point on that page.
- g. Reference Page 4 of 7 Provide all records and or notes of the information given to Mr. Paulk by the individuals or entities referenced in the second to last bullet point on that page.
- h. Reference page 7 of 7, provide a copy of the map that was attached to that E-mail of January 18, 2017

RESPONSE:

- a. Upon discovery that the referenced emails had not been included in the initial filing of El Paso Electric Company's ("EPE") response to City of El Paso's ("CEP") 5th Request for Information, the emails were filed in the supplemental filing.

With regard to the email chains on pages 3-5 and 6-7 of Exhibit RCD-1R, these email chains had been previously produced in EPE's recent TCRF proceeding, Docket No. 49148, in the Company's supplemental response to CEP 1-6 as CEP 1-6 Supplemental Attachment 1-CONFIDENTIAL. In responding to CEP 5-12 in this docket, the Company intended to produce all emails that had been produced to CEP regarding this issue in Docket No. 49148, but the email chains on pages 3-5 and 6-7 of Exhibit RCD-1R were inadvertently not included in the otherwise voluminous initial response to CEP 5-12 in this docket.

- b. Pages 3 of 7 and 4 of 7 were made available to Marvin C. Hutcheson by EPE's outside counsel who assisted EPE with its recent TCRF proceeding (Docket No. 49148), on November 9, 2021. As explained in the Company's response to CEP 17-19(a) above, these pages comprise an email chain that was produced in Docket No. 49148 in response to CEP 1-6. The document provided is the complete email chain. The email attachment "image003.jpg", which is on page 4 of 7, is the Google Earth image of the existing transmission line with pole location numbers and is attached as CEP 17-19, Attachment 1. The email attachment "image002.png", is the EPE logo that accompanies emails sent from employees' work iPhones.
- c. EPE assumes CEP is referring to pages 6 and 7 of 7 of Exhibit RCD-1R. On November 12, 2021, pages 6 of 7 and 7 of 7 were made available to Mr. Hutcheson by EPE's outside counsel, who assisted EPE with its recent TCRF proceeding (Docket No. 49148). As noted in the Company's response to CEP 17-19(a) above, these pages comprise an email chain that was produced by EPE in Docket No. 49148 in response to CEP 1-6. The document provided is the complete email chain. The email attachment "20170190_Isleta_Route_Analysis.pdf" on page 6 of 7 is a map of the routes considered for the Isleta right of way as shown in Exhibit RCD-5, page 6 of 6, of Mr. Doyle's direct testimony and is attached as CEP 17-19, Attachment 2.
- d. Not applicable. As noted in the Company's response to CEP 17-19(a) above, pages 3-5 and 6-7 of Exhibit RCD-1R comprise email chains that were produced by EPE in Docket No. 49148 in response to CEP 1-6 as CEP 1-6 Supplemental Attachment 1-CONFIDENTIAL.
- e. As noted in the footnote, the redacted names are those of other utilities. Please see CEP 17-19, Attachment 3-Confidential.

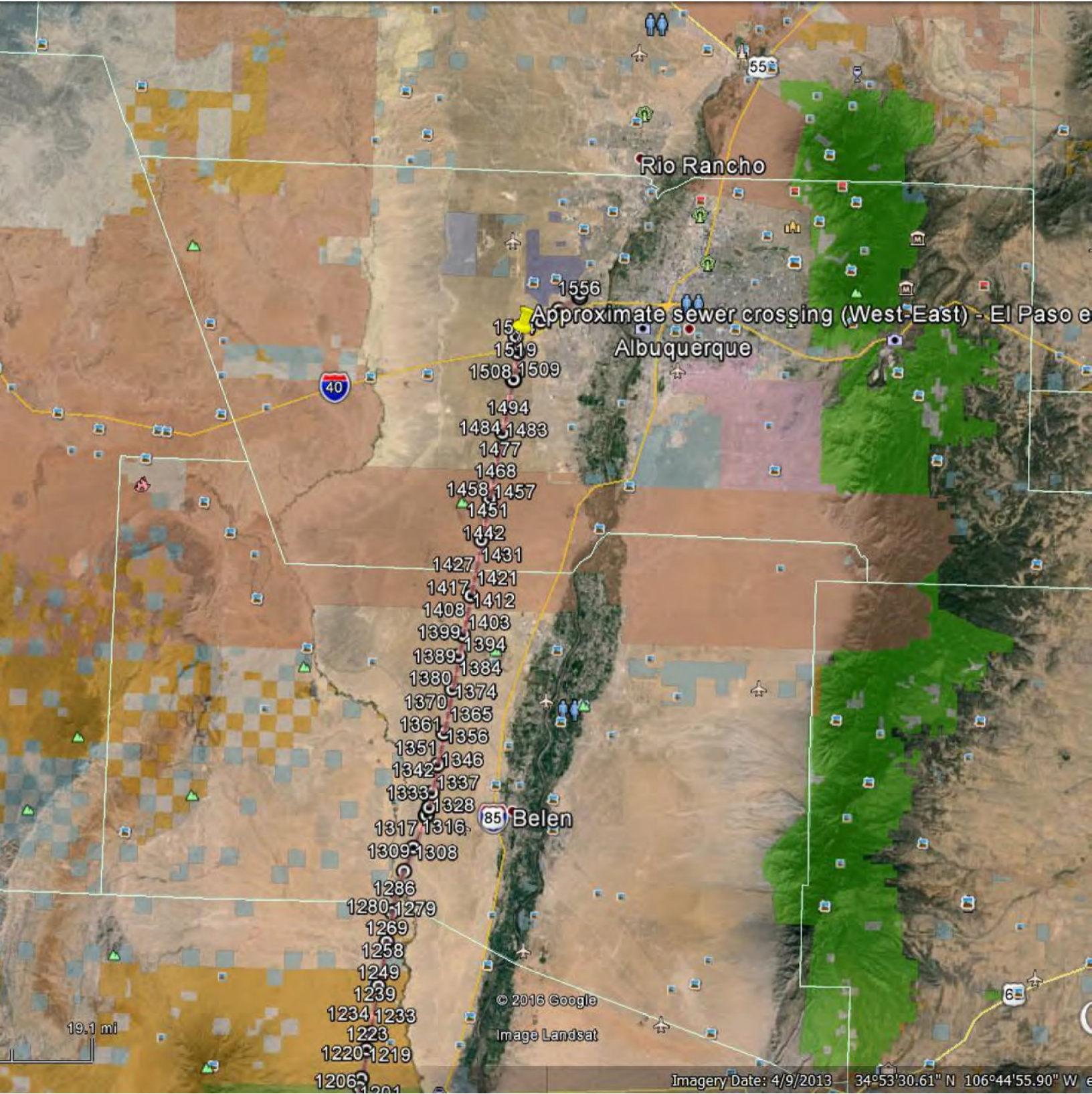
- f. The Company cannot confirm which consultant is being referenced on page 4 of 7, but believes it was likely G&P Land. Please see CEP 17-19, Attachment 4, for qualifications summary.
- g. There are no records or written notes. It was all verbal communication as the information was provided verbally.
- h. Please see CEP17-19, Attachment 2.

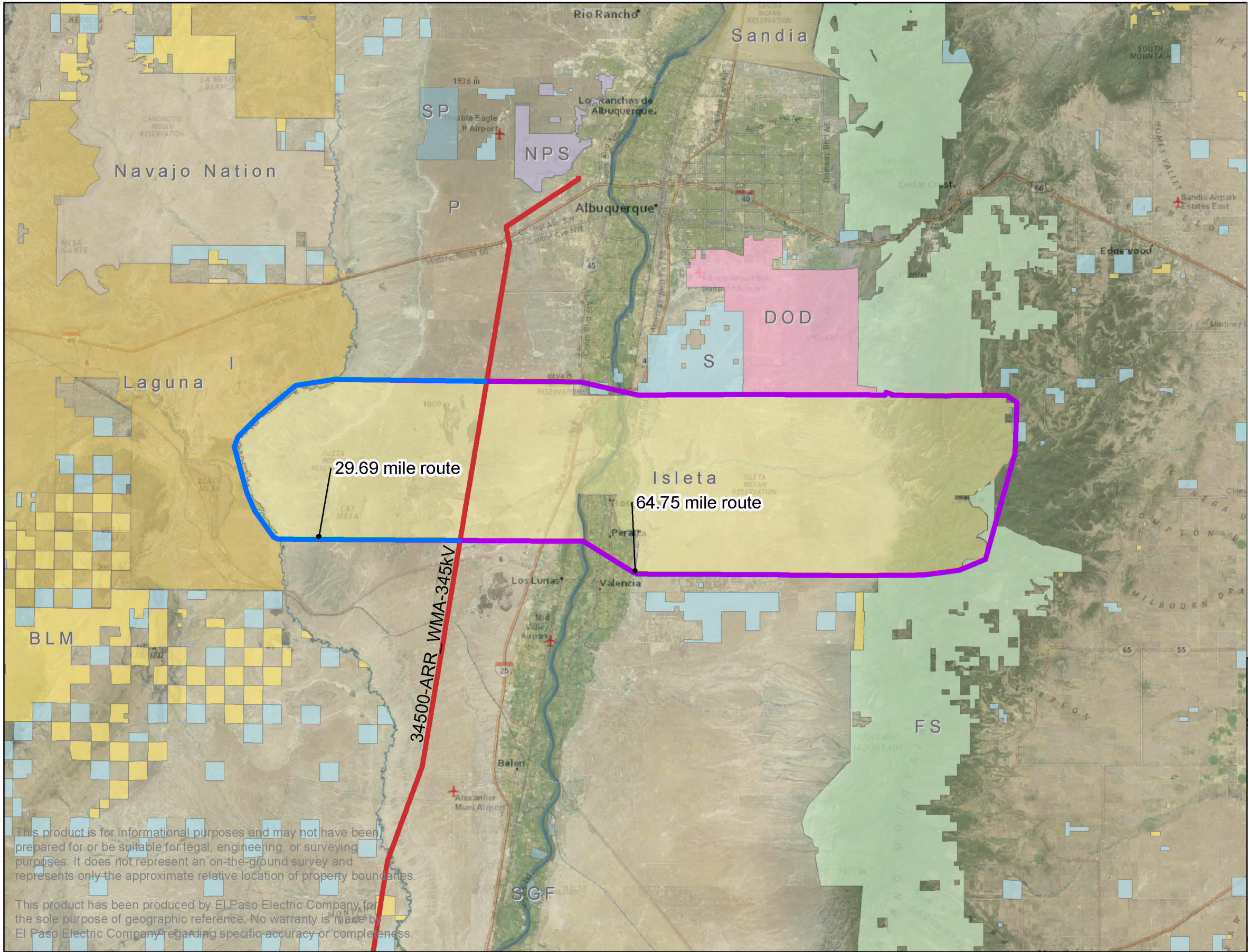
Preparer: Curtis Hutcheson

Title: Manager – Regulatory Case Management

Sponsor: R. Clay Doyle

Title: Vice President – Transmission and
Distribution





Isleta Pueblo 34500 Route Analysis

Date: 1/9/2017



1 in = 5 miles

Coordinate System:
NAD 1983 State Plane New Mexico
Central FIPS 3002 (US Feet)

Imagery: ESRI Satellite Imagery



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

This product has been produced by El Paso Electric Company for the sole purpose of geographic reference. No warranty is made by El Paso Electric Company regarding specific accuracy or completeness.

EL PASO ELECTRIC COMPANY

SOAH Docket No. 473-21-2606
PUC Docket No. 52195
CEP's 17th, Q. No. CEP 17-19 Subpart (e.)
Attachment 1
Page 1 of 1

PUBLIC

CEP 17-19 Subpart (e.) Attachment 3 is CONFIDENTIAL or HIGHLY SENSITIVE
PROTECTED MATERIALS attachment.



From its corporate offices in San Antonio, Texas, G&P Land operates nationwide and offers land and right of way acquisition services ranging from turnkey project management to a one-person assignment in the client's office. Right of way services are provided for small or large scale pipeline projects, gathering systems, electric transmission projects, due diligence and more, according to the needs of the client.

Times have changed. Landowners are better organized, lawyers are savvier and juries are more sympathetic. It is vital that clients hire consultants who demonstrate and make use of the highest levels of ethics, experience and sensitivity.

G&P is a modern and forward-thinking company whose clients include private sector entities engaged in electric generation and transmission, telecommunications, railroads, and the energy industry, including crude oil, natural gas and petroleum products. We are also experienced with the requirements of federal, state and county governments. With the Eagle Ford, Marcellus & Utica



Shale plays becoming a vital part of our country's most economically recoverable resources, G&P Land has increased our staff and secured the services of experienced agents to assist our clients in staffing various projects ranging from due diligence projects to mineral abstracting to leasing mineral acreage. As a nationwide service company, G&P Land is capable of handling the client's staffing needs from ROW acquisition projects to oil & gas production projects, no matter the size or scope of the project.

G&P Land provides professional right of way personnel to assist corporate and governmental clients in the acquisition of land and rights of way. We strive to provide the most experienced and knowledgeable staff available, expediting the acquisition of rights of way for essential services such as electric transmission systems, oil, gas and products pipelines, telecommunications networks and railroads.

The process of land acquisition has become increasingly complex for the right of way service industry. Continually changing rules and regulations of federal, state and local governments make it absolutely vital that a right of way service provider stay abreast of and understand the policies and procedures mandated by various entities.

Project management personnel and field agents who are up to date and understand the most current rulings and regulations of FERC, public utility commissions, farm cooperatives and city & state governments are critical to project success. At G&P we make every effort to identify and staff the most qualified right of way team available. We will provide complete project management staff, or supplement existing staff, according to your specific needs and requirements.

G&P Land maintains an extensive personnel data base, classifying agents according to types of project experience, specific skills, particular areas of expertise, home state and states worked, to name a few. With the pertinent information at our fingertips, we are able to quickly identify an initial pool of agent professionals from which to begin selecting a project team.



At G&P we fully understand the importance of establishing and maintaining good relationships between the client and landowner from the outset; relationships that will continue long after our job is finished. G&P agents are the first point of contact between client and landowner and that first impression often sets the tone for the life of the relationship. At G&P we go out of our way to ensure that client-owner relationships begin in a courteous and professional manner, meeting with landowners face-to-face and at their convenience.



The bottom line is just this, using experienced, knowledgeable and qualified right of way professionals who represent the client and the client's interests while treating the landowner with dignity and respect is in the best interest of all parties involved and the key to being effective.

G&P Land provides those professionals

We are proud to say that our professional right of way agents are equally comfortable and effective working at a kitchen table, on the tailgate of a pickup truck or in the formal setting of a corporate board room. They know how to blend the newest technology with their negotiating skills, but they also know that a smile and a conversation over a cup of coffee are often the most effective tools. That is part of the reason that G&P Land is known for completing projects on time, at or under budget and with low condemnation rates.



G&P Land seeks all opportunities to discuss its wide range of services, submit proposals and/or custom design a project plan to meet a client's needs.

PROJECT ADMINISTRATION

Project management is the discipline of planning, organizing and managing resources to bring about the successful completion of specific project goals and objectives.

At G&P Land, we put service first when it comes to your right of way acquisition needs. We are committed to providing our clients with quality management oversight of each and every project. We will consistently strive to meet your time lines, stay within your budget and work diligently to provide you with the right people to meet your specific project needs. This process starts with qualified, reliable project management personnel. After almost three decades of providing right of way services, the senior management of G&P Land has been able to consistently identify and retain the highest caliber of professionals required for the success of your project.



The Scope of our Services includes:

- Ground reconnaissance to assist with route selection
- Preliminary environmental reviews of route options
- Identification of parcel ownership and development of a line list
- Creation and maintenance of database
- Creation and preparation of documents
- Establishment of tract files for both field and office use
- Right of Entry Permission for survey, environmental, archeological, clearance and maintenance of right of way
- Landowner liaison during surveying
- Post-survey damage settlement
- Environmental assessment
- Mapping & GIS Services
- Title search and verification
- Abstracting
- Leasing
- Due diligence
- Land value analysis
- Preparation of offer letters
- Presentation of offers
- Native American land issues and negotiations
- Negotiations of easements & fee purchases
- Execution and filing of documents
- Condemnation support, including expert witness testimony
- Permitting of railroads, roads, rivers and streams, BLM, Corps of Engineers
- Securing temporary construction easements
- Landowner liaison during construction
- Construction liaison & damage Settlement
- Due diligence for oil & gas production projects
- Full mineral abstracting & curative title investigations

Subcontracted Services

- Survey
- Environmental assessment and permitting
- Engineering & design
- Title insurance
- Land appraisals & appraisal review
- Third party inspection services



Bureau of Indian Affairs / Native American Lands & Services

G&P Land provides experienced Native American right of way agents who possess the expertise, knowledge and skills necessary to successfully work with Native American Tribes and the Bureau of Indian Affairs (BIA). G&P agents are thoroughly familiar with federal requirements under the Code of Federal Regulations (CFR), Title 25, Part 169, which addresses rights-of-way on Native American lands.

We are pleased to offer the following specialized and coordinated services to clients whose assets involve native tribes and the Bureau of Indian Affairs:

- Survey permission required for mapping activities
- Appraisal work and land evaluations required by the BIA's Office of Special Trustees
- Coordination of environmental clearances as they relate to NEPA
- Negotiations with tribes and/or individual allotment owners

Clients for which G&P Land, LLC has completed or ongoing projects:

Pipeline Clients include:

- *Access Midstream Partners, L.P.*
- *Air Products & Chemicals, Inc.*
- *Anadarko Petroleum Corporation*
- *Atlas Pipeline Midcontinent Holdings, LLC*
- *Chesapeake Energy Marketing, Inc.*
- *Chesapeake Operating, Inc.*
- *Copano Energy*
- *DCP Midstream*
- *El Paso Pipeline*
- *Enbridge Pipeline*
- *Energy Transfer Company*
- *Enterprise Products Company*
- *EPCO*
- *EQT*
- *Explorer Pipeline*
- *Florida Gas Transmission Company, L.P.*
- *Frontier Energy Services*
- *Kinder Morgan, Inc.*
- *Koch Pipeline*
- *M3 Midstream*
- *MarkWest Utica EMG, LLC*
- *Net Mexico*
- *NET Midstream*
- *NuStar Logistics, L.P.*
- *Panhandle Eastern*
- *PDC*
- *Phillips 66*
- *Plains All American Pipeline, L.P.*
- *SWEPI (Shell)*
- *Tennessee Gas*
- *Tesoro Companies, Inc.*
- *TexStar Midstream Utility, L.P.*
- *Trafigura AG*
- *Transwestern Pipeline Company*
- *Valero Energy Corporation*
- *Whiting Petroleum*
- *Willbros Engineering, Inc.*
- *Williams Pipeline*

Oil & Gas Exploration Clients include:

- *Atlas Energy*
- *EXCO Resources*
- *XTO Energy*



***Electric Utilities - High Voltage Transmission Lines, Generating Plants, and Substations -
Clients include:***

- *Continental Divide Electric Cooperative, Inc.*
- *Glorious Land Company*
- *Public Service Company of New Mexico (PNM)*
- *Salt River Project (SRP)*
- *Tri-State Generation & Transmission Association, Inc.*



Senior Management:

Craig Weaver President

Craig Weaver, President and founding member, began his career in the right of way industry in 1991 when he was hired by a nationally known right of way consulting company as a right of way agent. During his time as an agent, he represented MAPCO, Diamond Shamrock and Seminole Pipeline, developing and refining his natural skill in negotiation.

Craig left the right of way industry in 1994 and spent the next 13 years viewing right of way from the perspective of pipeline construction companies, acting as Vice President of business development for Associated Pipeline Contractors, after 4 years Craig then accepted a position with the Ozzie's group of companies, a world leader in pipeline padding techniques and horizontal directional drilling, where he held several titles, including, V.P. of Business Development, Sr. Vice President and President, after the company was sold to an investment group, Craig and 3 others purchased the assets of the directional drilling division and formed Southeast Directional Drilling, Craig's experience, leadership and business savvy resulted in the companies experiencing significant growth, with revenues increasing nearly 10-fold. During his tenure, Craig fostered and developed relationships with key pipeline companies, which he maintains to this day.

Craig's experiences from the perspective of an acquisition agent and from that of pipeline construction provide him a unique understanding of the right of way process from start to finish and a solid foundation for his current responsibilities. Craig is charged with establishing, developing and maintaining relationships with pipeline and utility entities, striving to meet their needs and exceed their expectations. Craig is known for his straightforward approach to business and is widely respected for his personal and professional integrity.

Craig is a member of the International Right of Way Association and the Houston Pipeliner's Association, Chapter 28, Phoenix, Arizona.



Mark Pickering
Vice President

Mark Pickering, Vice President and founding member is an experienced right of way agent and a seasoned professional with an exemplary history in sales, marketing and project management. Mark spent more than 20 years with Emerson Process Management, the world leader in industrial automation and provider of measurement and analytical devices to the pipeline industry. Mark worked closely with his clients, including Valero Refinery, Valero LP, Duke Energy, Energy Transfer Company and Lower Colorado River Authority (LCRA), as well as others, and assisted with the evaluation and specification of their system requirements. He was regularly relied upon by his clients to assist with the automation of their critical processes.

Mark's insight into the technical operations of the pipeline industry combined with his experience on the ground as a right of way agent afford him the ability to see past the surface and take into account actual systems operations. Mark's responsibilities include not only the day-to-day operation of the corporation but meeting with clients and addressing their specific project development requirements.

Mark graduated from Texas A&M in 1980 with a Bachelor of Science in Industrial Distribution. He is an active member in the International Right of Way Association, South Texas Chapter 39.



Mark Murray
Vice President

Mark Murray, Vice President, is a native of Albuquerque, New Mexico. Mark began his career in the electric utility industry with Plains Electric Cooperative Association. For the next 30 years he managed transmission, engineering and land departments for power suppliers to rural electric cooperatives in New Mexico, Nebraska, Wyoming and Colorado. When Plains Electric merged with Tri-State Generation & Transmission Association, Mark managed Tri-State's Land Department from their Denver headquarters.

Throughout his career, he successfully negotiated easements for power lines, generation facilities and telecommunication projects across private, tribal and public lands in seven western states. Most recently, he was the Federal Land Manager for Los Angeles-based Southern California Edison. From 2011-2013, Mark was the Department of the Interior Salazar's appointee to the BLM's Desert Advisory Council.

Mark has 30 years of tenured experience in management, executive leadership and organizational skills and has a proven record of success in business functions including Indian rights of way negotiations, personnel communications, business practices, strategic planning, quality management and community relations. Collaboration with the Indian Tribes and Bureau of Indian Affairs requires knowledge and proven experience that Mark gained both in the industry and as owner of a small consultancy.

Mark holds a Master of Science in Industrial Engineering from New Mexico State University, a Master of Arts in Computer Information Systems from Webster University and a Bachelor of Arts in Business Administration from the College of Santa Fe. He is a registered land surveyor in the State of New Mexico, a member of the International Right of Way Association and is deeply involved in the Western Utility group, serving as its chairman from 2006 to 2012.



Troy D. Bergeron
Vice President - Projects

Troy Bergeron, Vice President of Projects, joined G&P Land in January, 2011. Troy began his career in 1995 and has provided land services to numerous clients from the Pipeline, Oil and Gas Exploration, Telecommunications and Public Sectors. Troy comes to us from one of North America's premier natural gas infrastructure companies where he was a Right of Way Project Manager for their Engineering and Construction Group with management responsibility for the South Region and Storage Team. Troy's career began in Louisiana where he successfully accomplished projects for numerous E & P companies as an Abstractor and Landman. He has also done title and leasing in Alabama, Florida, Mississippi and Texas. He has performed contract work across the nation on interstate and intrastate pipelines-FERC regulated and State regulated; Transmission pipelines; Midstream pipelines; Gathering systems; Fiber Optic systems; Wireless Towers and Water and Sewer Lines. Troy's project management abilities from project inception to final cleanup make him especially qualified to handle any client's specific needs.

As an advocate for the right of way profession, Troy has hosted "lunch and learn" sessions for executives, engineers, construction managers, risk analysts and other professionals. He also is an experienced, enthusiastic and effective training facilitator of land professionals.

Troy served our nation proudly receiving an honorable discharge as a non-commissioned officer of the United States Air Force. Troy attended Southeastern Louisiana University where he worked towards his Business Management Degree. He is an active member of Chapter 8 of the International Right of Way Association and the Pipeliner's Association of Houston. Troy regularly attends the quarterly meeting of the International Pipeline Committee. He is a former member of the Baton Rouge Association of Petroleum Landmen.



Michael McMullen
Business Development Manager, Gulf Coast

Mike's career in right of way began in 2000, after serving as an Air Traffic Controller for seventeen years, first with the U.S. Army and subsequently with the Federal Aviation Administration at Dallas Love Field. He was also the sole owner and operator of a successful private business enterprise.

Mike has worked for various clients, serving initially as Encroachment Manager for the largest intrastate pipeline company in Texas. He was then promoted and, working closely with management, project consultants and field personnel, was tasked with organizing and maintaining multiple projects relating to encroachment, right of way issues and construction coordination. His integrity, professional work ethic, talent for organization and communication eventually paved the way for him to serve as Right of Way Supervisor and Project Manager for other clients on various pipeline projects in the Gulf Coast areas of Louisiana and Texas.

Mike is especially talented in project management including route selection, all non-environmental permitting, budget forecasting, oversight of all right of way activities, the accurate preparation and submittal of reports and project oversight as related to construction and landowner relations. Mike's insistence that open lines of communication with clients, agencies, entities and right of way personnel (numbering as many as 35) are critical to the success of any project is the foundation of his successful business relationships.

Mike received his formal education at Embry Riddle Aeronautical University. He is a member of the International Right of Way Association and the Houston Pipeliners.



Jason R. Hill
Client Coordinator

Jason is a successful right of way agent, supervisor and project manager. His career in the right of way industry began in 1995 working on the operations side for a major oil producer. His initial assignment involved supervising a staff of 10 full time employees in the transportation of crude oil, and chemicals from a large refinery to various locations across the United States. In 2000, Jason accepted a position as a field right of way agent. He quickly became a skilled negotiator, title and permit agent and moved into project management.

Jason has worked in Texas, New Mexico and Colorado and in the Southeast states. He has worked successfully with the Bureau of Indian Affairs, the Bureau of Land Management and the Department of the Interior.

Though he has worked on telecommunication projects, Jason's experience is predominately with FERC regulated large diameter oil and gas transmission lines and he is well-versed and experienced with the requirements of the Federal Energy Regulatory Committee. His management skills range from oversight of a field office to agent supervision and overall project management. Jason is also experienced with budget preparation, route selection, survey permission, route change requests, agent staffing and logistical placement, schedule monitoring, document preparations, plat review, title decisions, court mediations, permitting and damage claims assessment. Jason has also served as expert witness in state eminent domain proceedings. Jason graduated from Texas Tech University (1994) with a BA in Public Relations and Communication.



Melissa Watkins
Hiring Manager / Staffing Coordinator

Melissa began her career in the right of way industry in 1997, working as IT Administrator and supporting computer users company-wide. Her natural ability to interact and communicate with others resulted in a transfer to Personnel where she continues to serve today.

Melissa is a highly focused professional who has repeatedly shown great versatility in maintaining effective communication with clients, working effectively with field personnel, administering contracts, tracking project costs and assuring the smooth flow of general project activities. Her ability to establish and maintain relationships and successfully communicate with people from diverse backgrounds is a valuable asset. Her responsibilities also include identifying and recruiting field personnel, on-site establishment of remote project field offices, including locating and leasing appropriate space and ensuring that they are properly furnished and equipped.

Melissa also serves as the primary corporate office liaison with both clients and project supervisory personnel. Working in continuous contact with the principals in charge of client accounts and projects, Melissa is the lynchpin of field operations as well as the first point of contact for personnel working in the field.

Melissa received Bachelor degrees from the University of New Mexico (1975) and Central Washington University (1980). She is a member of the International Right of Way Association, South Texas Chapter 39.

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 SEVENTEENTH REQUEST FOR INFORMATION
QUESTION NOS. CEP 17-1 THROUGH CEP 17-23

CEP 17-20:

Reference the Rebuttal Testimony of Larry J. Hancock at 5-6, and the Isleta Right of Way Renewal, does Mr. Hancock agree that a single upfront payment has more value to shareholders than annual payments?

- a. If Mr. Hancock agrees, please provide a calculation of the comparison of value to shareholders between a single upfront payment and annual payments.
- b. If Mr. Hancock does not agree, please explain why he does not agree.

RESPONSE:

- a. No. The question assumes EPE had a choice in payment. The negotiations with the Isleta Pueblo did not include an annual payment option. Had annual payments been an option, they would have resulted in a higher total payment, reflecting the time value of money. As a result, customers would neither benefit from annual payments nor be harmed by an upfront payment. Further, to the extent, EPE earns a return on its investment in the Isleta right of way, EPE is earning no higher return on that investment, than it would if the same capital were invested in another capital investment. EPE disagrees that shareholders had any incentive to make an upfront payment rather than annual payments.

In addition, EPE's standard payment practice for its transmission right-of-way agreements is to make lump-sum, upfront payments. In fact, out of EPE's eighty-five active transmission right-of-way agreements, only three are paid annually. This is also the standard practice in the utility industry.

See Attachment 1 for the most recent listing of EPE's transmission right-of-way agreements.

- b. See response to part a.

Preparer: Larry J. Hancock

Title: Manager – Plant Accounting

Sponsor: R. Clay Doyle

Title: Vice President – Transmission and
Distribution

Larry J. Hancock

Manager – Plant Accounting

El Paso Electric Company
Transmission ROW Agreements
As of November 30, 2021

AGENCY		Annual	Five Years	Ten Years	To Term	Total
Arizona State Land Department					1	1
BNSF Railway Company					2	2
Bureau of Land Management		3	3	6	23	35
Department of Army - Ft. Bliss Military Reservation					17	17
Department of Army - White Sands Missile Military Reservation					2	2
Elephant Butte Irrigation District					1	1
EPWID No.1					2	2
Pueblo of Isleta					1	1
State of New Mexico					6	6
Texas Parks & Wildlife Department					2	2
TXGLO					9	9
U.S. Department of Agriculture Forest Service					2	2
University of Texas System Board of Regents					5	5
Total		3	3	6	73	85

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 SEVENTEENTH REQUEST FOR INFORMATION
QUESTION NOS. CEP 17-1 THROUGH CEP 17-23

CEP 17-21:

Reference the Rebuttal Testimony of Larry J. Hancock at page 5-6, is it Mr. Hancock's position that a single lump sum payment has a greater benefit to ratepayers than annual payments? If the answer is yes, please explain and quantify the greater value to ratepayers.

RESPONSE:

No. Please refer to the response to CEP 17- 20.

Preparer: Larry Hancock

Title: Manager – Plant Accounting

Sponsor: Larry Hancock

Title: Manager – Plant Accounting

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 SEVENTEENTH REQUEST FOR INFORMATION
QUESTION NOS. CEP 17-1 THROUGH CEP 17-23

CEP 17-22:

In reference to the rebuttal testimony of George Novela at page 10 of 18, lines 28 - 31 provide the following information:

- a. All documents and calculations supporting the statement "This would significantly increase Texas eligible fuel costs as the cost of power purchased from New Mexico directly assigned solar resources is significantly higher than EPE's average fuel costs."
- b. Provide the calculated amount of increase in fuel costs to Texas.
- c. What are the "benefits" Mr. Novela is referring in the statement: "You cannot allocate the benefits of the directly assigned solar resources without allocating the associated costs."
- d. Quantify the dollar amount of benefits and list all non-quantifiable benefits. Provide all supporting calculations and work papers.
- e. Would Texas customers have benefited during Winter Storm Uri using Mr. Novela's definition of benefits if solar resources had been allocated to Texas?

RESPONSE:

- a. EPE has not performed any analysis to determine the increase in fuel cost resulting from treating the NM dedicated solar resources as system resources. However, it stands to reason that by changing the treatment of solar resources to system resources, Texas would be sharing costs that have remained exclusive to New Mexico. Given that the cost of power purchased from the dedicated solar resource is higher than the average fuel cost, the eligible fuel costs would increase for Texas. Please see CEP 17-22 Attachment 1 for the Texas average fuel cost and the price per MWh for the NM dedicated PPAs.

- b. Please see response to subpart a above.
- c. Mr. Novela was referring to the benefit in the reduction to the New Mexico jurisdictional allocation factor that results from the adjustment to energy and demand made for solar dedicated resources.
- d. No analysis has been done to quantify the dollar amount of the benefits as a result of the reduction to the New Mexico jurisdictional allocator.
- e. Please see response to subpart c above.

Preparer: Enedina Soto

Title: Manager – Load Research & Data
Analytics

Sponsor: George Novela
Jennifer Borden
David Hawkins

Title: Director – Economic & Rate Research
Director – Regulatory Accounting
Vice President – Strategy & Sustainability
Management

Texas Average Fuel Costs

Month	Texas KWH Sales	Texas F&PP Costs	Average Fuel & PP Costs \$/MWH
January 2020	517,800,186	\$ 4,211,125	\$ 8.13
February	467,609,908	4,035,818	8.63
March	455,395,721	1,961,236	4.31
April	428,971,538	2,753,599	6.42
May	504,288,384	7,462,640	14.80
June	658,672,459	8,942,582	13.58
July	794,298,426	11,308,468	14.24
August	788,095,059	15,359,199	19.49
September	761,204,313	3,092,275	4.06
October	561,540,137	5,394,369	9.61
November	467,718,225	8,155,879	17.44
December	469,942,236	8,878,896	18.89
	<u>6,875,536,592</u>	<u>\$ 81,556,086</u>	<u>\$ 11.86</u>

Cost per MWh for NM Dedicated PPAs

PPA	\$/Mwh
NRG Roadrunner	\$ 127.45
Hatch	\$ 119.00
SunEdison*	\$ 104.89

*average of both facilities

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 SEVENTEENTH REQUEST FOR INFORMATION
QUESTION NOS. CEP 17-1 THROUGH CEP 17-23

CEP 17-23:

Reference the Rebuttal Testimony of Manuel Carrasco, Exhibit MC-2R, please provide the underlying revenue amounts for the percentage calculations for each class (Lines 1 through 17 for each party other than EPE.

RESPONSE:

Percentage amounts for each class were taken directly from the following intervenor testimony. Please reference the testimony below for the underlying revenue amounts, if any:

- FMI: Exhibit JP-9, Direct Testimony of FMI witness Pollock
- OPUC: None provided
- TIEC: Exhibit KCH-10, Direct Testimony of TIEC witness Higgins
- UTEP: Table KP-9, Direct Testimony of UTEP witness Pevoto
- CEP: Schedule CJ-5, Direct Testimony of CEP witness Johnson
- RATE41 Group: Table 1, Direct Testimony of RATE41 witness Daniel
- VS: None provided
- Walmart: None provided
- Staff: Rate design workpaper of Staff witness Narvaez

Preparer: Manuel Carrasco

Title: Manager – Rate Research

Sponsor: Manuel Carrasco

Title: Manager – Rate Research

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

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

§
§
§

**BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS**

**CONFIDENTIALITY STATEMENT UNDER
SECTION 4 OF THE PROTECTIVE ORDER**

The undersigned attorney for El Paso Electric Company (“EPE”) submits this statement under the section 4 of the Protective Order entered in this case. Materials provided in CEP 17-16, Attachment 1-CONFIDENTIAL, CEP 17-17, Attachment 1-CONFIDENTIAL, and CEP 17-19 Subpart (e.), Attachment 3-CONFIDENTIAL, which are being provided in EPE’s response to City of El Paso’s 17th Request for Information to EPE, are exempt from public disclosure pursuant to sections 552.101 and 552.110 of the Public Information Act¹ and section 418.181 of the Texas Government Code.

Some of the information contained in the documents identified above concerns business operations that are commercially sensitive and not otherwise readily available to the public and that if released could cause substantial competitive harm to EPE or the owner of the confidential information. Additionally, some of the information in the documents identified above is subject to confidentiality provisions that require EPE to prevent the public release of the information contained therein. Finally, other information in the documents identified above concerns highly sensitive, confidential critical infrastructure that EPE is required to keep confidential and the public release of which could jeopardize the security of EPE's system.

The undersigned counsel for EPE has reviewed the information described above sufficiently to state in good faith that the information is exempt from disclosure under the Public Information Act and Texas Government Code and merits the confidential protected materials designation given to it.

¹ Tex. Gov't Code Ann. § 552.110.

Respectfully submitted,

Bret J. Slocum
State Bar No. 18508200
bslocum@dwmrlaw.com
Casey Bell
State Bar No. 24012271
cbell@dwmrlaw.com
Everett Britt
State Bar No. 24001789
ebritt@dwmrlaw.com
Duggins Wren Mann & Romero, LLP
P.O. Box 1149
Austin, Texas 78767
(512) 744-9300
(512) 744-9399 (fax)


A handwritten signature in black ink, appearing to read 'CWA B M' with a long horizontal stroke extending to the right.

Everett Britt

**ATTORNEYS FOR EL PASO ELECTRIC
COMPANY**

CERTIFICATE OF SERVICE

I certify that a true and correct copy of this document was served by email on all parties of record on December 8, 2021.

A handwritten signature in black ink, appearing to read 'CWA B M' with a long horizontal stroke extending to the right.

Everett Britt

The following files are not convertible:

CEP 17-20_Attachment 1.xlsx

CEP 17-22_Attachment 1.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.