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

APPLICATION OF EL PASO ELECTRIC COMPANY TO CHANGE RATES	§ § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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**OFFICE OF PUBLIC UTILITY COUNSEL’S
RESPONSE TO FREEPORT-MCMORAN, INC.’S
SECOND REQUEST FOR INFORMATION**

The Office of Public Utility Counsel (“OPUC”) submits this response to Freeport-McMoRan, Inc.’s (“FMI”) Second Request for Information that was received on December 14, 2021. Pursuant to State Office of Administrative Hearings Order No. 2, OPUC’s response is timely filed within 5 working days of receipt of FMI’s discovery request. OPUC stipulates that all parties may treat this response as if it were filed under oath.

Dated: December 21, 2021

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OPUC's Response to Freeport-McMoRan Inc.'s
Second Request for Information

FMI 2-1:

Referring to OPUC's response to FMI 1-5, would the allocation factors derived from each class's share of average demand be identical to the allocation factors derived from each class's share loss-adjusted energy (*i.e.*, an energy allocator)? Please provide a detailed explanation of your response.

RESPONSE:

The percentage allocation for each customer class's share of average demand for a given period would be identical to the percentage allocation derived from each class's share of loss-adjusted energy for the same period.

Prepared by: Evan D. Evans

Sponsored by: Evan D. Evans

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FMI 2-2:

If a cost is allocated on the basis of each class's share loss-adjusted energy, would that allocation reflect each class's usage throughout the year? If the response is no, explain why.

RESPONSE:

No. If a cost is allocated on the basis of each class's share of annual loss-adjusted energy, it would reflect each class's total usage for the year. Annual loss-adjusted energy for a period reflects the total energy for the year, but it does not measure each class's energy usage in every hour or segment of time and variations between segments of time throughout a year.

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FMI 2-3:

Does Mr. Evans contend that average demand is not an energy allocator? Please explain why or why not.

RESPONSE:

Yes. By definition, an average demand allocator is a demand allocator. Average demand is typically stated in kilowatts (kW) or megawatts (MW). In contrast energy and energy allocators are typically stated in kilowatt-hours (kWh) or megawatt-hours (MWh). Although the percentage allocation to each class using an annual average demand allocator and an annual energy allocator for the same utility and the same year will be equal, an average demand allocator is a demand allocator and costs that are allocated using an average demand allocator are classified as demand costs in a cost allocation study. If the cost analyst intends for a cost to be classified as an energy-related cost, the analyst should allocate the cost on an energy allocator.

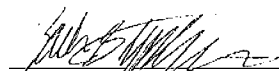
Prepared by: Evan D. Evans

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December 21, 2021

Respectfully submitted,

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ATTORNEYS FOR THE
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CERTIFICATE OF SERVICE
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I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 21st day of December 2021 by facsimile, electronic mail, and/or first class, U.S. Mail.


Zachary Stephenson