



## Filing Receipt

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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

EL PASO ELECTRIC COMPANY'S RESPONSE TO  
COMMISSION STAFF'S SIXTEENTH REQUEST FOR INFORMATION  
QUESTION NOS. STAFF 16-1 THROUGH STAFF 16-2

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STAFF 16-1:

Please refer to Attachment DH-1 to the direct testimony of Diane Hopingardner, rows 21-22. Confirm that Mrs. Hopingardner recommended removal of Deferred federal and state income taxes from EPE' s request.

RESPONSE:

Neither confirm nor deny. Ms. Hopingardner's revenue requirement on Staff Schedule 1, which we assume is the calculation referred to in the question, allocates all federal and state income taxes to current federal and state income taxes on lines 19-20. While this is not technically correct, this method does not change the result of the calculation. However, El Paso Electric Company ("EPE") does not agree with Ms. Hopingardner's calculation of federal and state income taxes, as discussed in the rebuttal testimony of EPE witness Cynthia S. Prieto.

Preparer: Tamera Henderson

Title: Manager – Tax

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

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STAFF 16-2:

Please refer to the second errata to the direct testimony of Adrian Narvaez filed on December 15, 2021 at Attachment AN-2, rows 20-21, and the rebuttal testimony of Adrian Hernandez at bates 22. Confirm that the items referenced in Mr. Hernandez' s rebuttal testimony that were not allocated to the Texas jurisdiction were deferred federal and state income taxes, consistent with Mrs. Hopingardner' s recommendation, and not the Arizona and New Mexico State income taxes.

RESPONSE:

Deny. Ms. Hopingardner's recommended revenue requirement and Attachment AN-2 to Mr. Narvaez both exclude the Arizona and New Mexico state income taxes. Additionally, Ms. Hopingardner's recommended revenue requirement combines deferred and current income tax expense for federal and state into the current income tax lines. The calculations of both Mr. Narvaez and Ms. Hopingardner incorrectly calculate the current and deferred portions of both federal and state income taxes. For this reason, Mr. Hernandez recommended that El Paso Electric Company's cost of service model be used for these calculations.

Preparer: Tamera Henderson

Title: Manager – Tax

Sponsor: Cynthia S. Prieto  
Adrian Hernandez

Title: Vice President – Controller  
Senior Rate Analyst – Rates