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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 THIRD SUPPLEMENTAL
RESPONSE TO COMMISSION STAFF'S SIXTH REQUEST FOR
INFORMATION QUESTION NOS. STAFF 6-1 THROUGH STAFF
6-24

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STAFF 6-1:

Rate Case Expenses

Please provide the following information regarding all requested rate case expenses for El Paso Electric Company (EPE) through July 31, 2021. If provided previously, please provide a cross-reference identifying the specific RFI response or other Commission filing that contains this information. Please update each of the requested schedules monthly for additional rate case expenses incurred.

Please provide for EPE:

- a) a summary schedule of total rate case expenses by vendor within each discipline (legal, engineering, accounting, etc.) with subtotals for each month: estimated expenses, expenses incurred and paid to date, expenses incurred and not paid to date, remaining estimated expenditures, and specific areas of work by vendor;
- b) an explanation of the basis for any estimated rate case expenses requested and when the estimated expenses are expected to be incurred; and,
- c) assurance that the total amounts provided in response to item (a) equal your total requested rate case expenses.

THIRD SUPPLEMENTAL RESPONSE:

- a) Please refer to Staff 6-1 3rd Supplemental, Attachment 1, for the summary schedule of total rate case expenses and specific areas of work by vendor in Docket No. 52195 through December 31, 2021. Pursuant to agreement, expenses for Docket No. 51780 (EPE's request for a waiver of Schedule S audit) have been excluded.

- b) EPE estimates total rate case expenses that would occur for the duration of the case, and the estimates were not broken down to specific time periods for when they would be incurred. The rate case expenses were estimated based on prior case costs and utilizing increases based on inflation or vendor hourly rate increases.
- c) The total amounts provided in response to item (a) equal the total requested rate case expenses shown in Schedule G-14.1.

Preparer: Alejandra Montalvo

Title: Staff Accountant – Regulatory Accounting

Sponsor: James Schichtl

Title: Vice President – Regulatory and
Governmental Affairs

(a)	(b)	(c)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(l)	(m)	(n)	(o)	(p)
Discipline	Vendor Name	Estimated Expenses	202103	202104	202105	202106	202107	202108	202109	202110	202111	202112	Expenses paid to date through Dec. 31, 2021	Expenses incurred and not paid to date	Remaining estimated expenses
Expenses paid through December 31, 2021															
NON-PAYROLL EMPLOYEE EXPENSES		\$ 66,550.00											\$ 647.68		\$ 65,902.32
	House Of Pizza Downtown (21 people)					253.38							253.38		
	Healthy Bite (3 people)					31.80							31.80		
	Subway (10 people)					80.41							80.41		
	Taco Cabana (10 people)					30.29							30.29		
	Rockstar Burger Bar (17 people)					251.80							251.80		
OFFICE SUPPLIES		\$ 2,000.00											\$ 1,023.50		\$ 976.50
	Olmsted-Kirk Paper Co. 1	2,000.00			1,023.50								1,023.50		976.50
SUBCONTRACTOR CHARGES		\$ 5,000.00											\$ 2,273.28		\$ 2,726.72
	Spectrum Technologies	5,000.00			1,136.64	1,136.64							2,273.28		2,726.72
OUTSIDE SVCS-CONSULTING		\$ 795,000.00											\$ 327,726.63		\$ 467,273.37
	Concentric Energy Advisors, Inc	435,000.00	8,898.75	49,565.00		38,421.25	6,536.25	11,420.00		6,052.50		92,461.25	213,355.00		221,645.00
	DGC Consulting	185,000.00	1,031.25	15,262.50	16,018.75	17,086.25	206.25	4,812.50		5,981.25		13,200.00	73,598.75		111,401.25
	Gannett Fleming Valuation LLC	40,000.00		1,040.00		2,360.00	5,570.00	560.00	6,050.00		3,710.00	6,030.00	25,320.00		14,680.00
	Management Applications Consulting Inc	25,000.00									1,207.50	4,974.38	6,181.88		18,818.12
	TLG Services, Inc	10,000.00				3,496.00							3,496.00		6,504.00
	Wilson Consulting Group	100,000.00			3,781.25							1,993.75	5,775.00		94,225.00
DEFERRED LEGAL EXPENSES		\$ 2,500,000.00											\$ 1,073,701.01		\$ 1,426,298.99
	Duggins Wren Mann & Romero, LLP	2,500,000.00	86,218.50	136,876.50	124,803.00		133,644.75	125,480.42	76,952.00	92,828.16		314,359.68	1,091,163.01		1,408,836.99
	Docket No. 51780 Expenses		(2,646.00)	(1,188.00)	(10,910.00)		(2,718.00)						(17,462.00)		(17,462.00)
ADVERTISING		\$ 15,000.00											\$ 21,737.52		\$ (6,737.52)
	El Diario de El Paso	5,000.00						7,680.00					7,680.00		(2,680.00)
	Hudspeth County Herald	5,000.00						2,400.00					2,400.00		2,600.00
	El Paso Times	5,000.00							2,857.68	8,799.84			11,657.52		(6,657.52)
Total		\$ 3,383,550.00	\$ 93,502.50	\$ 201,556.00	\$ 135,853.14	\$ 63,147.82	\$ 143,239.25	\$ 152,352.92	\$ 83,002.00	\$ 104,861.91			\$ 1,427,109.62	\$ -	\$ 3,842,991.48

Amounts may not add or tie to other schedules due to rounding.

Concentric Energy Advisors Inc	Mr. Daniel Dane prepared a lead-lag study to determine the appropriate amount of cash working capital to be included in cost of service. His testimony and this study was included as part of EPE's filing. Mr. Dane also responded to discovery. Jennifer Nelson provided support for EPE's required rate of return on equity and addressed the Company's requested capital structure and overall rate of return. She provided testimony and responded to discovery in the rate case. Concentric also provided a review of rate case schedules prior to filing.
DGC Consulting	Mr. David Carpenter provided support to EPE witnesses regarding financial, tax and other accounting issues prior to and during the case. He also assisted with testimony and discovery.
Duggins Wren Mann & Romero LLP	DWMR provides legal services including paralegal services and other support services. DWMR invoices also include expenses such as telephone, copying, travel, lodging, etc.
Gannett Fleming Valuation and	Mr. John Spanos supported the 2020 depreciation study conducted under his direction and supervision for El Paso Electric Company. Mr. Spanos provided testimony and responded to discovery that he used the straight line remaining life method of depreciation with the average service life procedure in performing the 2020 study. His testimony details the processes by which he determined service lives, net salvage percentages, and estimated annual depreciation accrual rates.
Non-Payroll Employee Expenses	Non payroll employee expenses related to Docket No. 52195 including air fare, car rentals, taxi, hotels, meals, supplies and miscellaneous expenses.
Olmsted-Kirk Paper Co.	Olmsted-Kirk Paper Co. provides paper to EPE.
Spectrum Technologies	Spectrum Technologies provide printer support. These charges are for 24 hour support during production of the rate case.
TLG Services Inc	Mr. Roderick Knight presented the results of the 2017 decommissioning cost update prepared for the Palo Verde Nuclear Generating Station located in Tonopah, Arizona ("Palo Verde") by TLG. Mr. Knight provided testimony and responded to discovery during this case.
Wilson Consulting Group	Mr. Scott Wilson provided support to EPE witnesses regarding financial and other accounting issues prior to and during the case. He also assisted with testimony and discovery.
El Diario de El Paso	El Diario de El Paso is a newspaper having general circulation in a county containing territory affected by the proposed rate change for providing the public notice in accordance with PURA § 36.103, 16 Tex. Admin. Code ("TAC") § 22.51(a).
Hudspeth County Herald	Hudspeth County Herald is a newspaper having general circulation in a county containing territory affected by the proposed rate change for providing the public notice in accordance with PURA § 36.103, 16 Tex. Admin. Code ("TAC") § 22.51(a).
El Paso Times	El Paso Times is a newspaper having general circulation in a county containing territory affected by the proposed rate change for providing the public notice in accordance with PURA § 36.103, 16 Tex. Admin. Code ("TAC") § 22.51(a).
Management Applications Consulting Inc	Management Applications Consulting Inc. provided EPE's current line loss study, support for the line loss study during discovery, and rebuttal testimony during this case.

The following files are not convertible:

STAFF 06-01-3rd_Supplemental_Attachment
01.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.