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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 SUPPLEMENTAL RESPONSE TO
COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
QUESTION NOS. STAFF 3-1 THROUGH STAFF 3-9

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STAFF 3-3:

For each new substation or high voltage switching stations for which EPE is seeking rate recovery, please complete the following table for the completed station costs:

Project Portion	Cost	FERC Accounts
Design, Planning, Engineering	\$	
Land, Land rights, and other common costs (if T and D)	\$	
Labor	\$	
Total Components	\$	
Transformers (total units and cost per unit)	\$	
Control House and Communications	\$	
Bus and Breakers, and Switches	\$	
Total	\$	n/a

SUPPLEMENTAL RESPONSE:

The following projects are new substations El Paso Electric Company is requesting rate recovery.

- DT359 - NUWAY NEW DISTRIBUTION SUBSTATION
- DT371 - EXECUTIVE (CE-1) NEW SUBSTATION
- DT186 - LEO SUBSTATION 115 KV CONVERSION & GETAWAY UPGRADE

DT186 LEO SUBSTATION 115 KV CONVERSION & GETAWAY UPGRADE

Project Portion	Cost	FERC Accounts
Design, Planning, Engineering ¹	\$ 1,347,461	362
Land, Land rights, and other common costs (if T and D) ²	\$ -	
Labor ³	\$ 3,167,467	362/361
Total Components ⁴	\$ 4,514,929	n/a
Transformers (total units and cost per unit) ⁵	QTY 1 \$ 384,304	362
Control House and Communications ⁶	\$ 1,605,046	362
Bus and Breakers, and Switches ⁷	\$ 1,150,674	362
Other ⁸	\$ 873,114	362/361
Total	\$ 8,528,067	n/a

DT371 EXECUTIVE (CE-1) NEW SUBSTATION

Project Portion	Cost	FERC Accounts
Design, Planning, Engineering ¹	\$ 1,251,606	362/361
Land, Land rights, and other common costs (if T and D) ²	\$ 780,014	360
Labor ³	\$ 3,853,688	362/361
Total Components ⁴	\$ 5,885,308	n/a
Transformers (total units and cost per unit) ⁵	Qty 2 at \$739,565 each \$ 1,479,130	362
Control House and Communications ⁶	\$ 3,057,603	362
Bus and Breakers, and Switches ⁷	\$ 1,154,667	362
Other ⁸	\$ 770,944	362/361
Total	\$ 12,347,653	n/a

DT359 - NUWAY NEW DISTRIBUTION SUBSTATION

Project Portion	Cost	FERC Accounts
Design, Planning, Engineering ¹	\$ 1,610,613	362/361
Land, Land rights, and other common costs (if T and D) ²	\$ 722,453	360
Labor ³	\$ 6,031,052	362/361
Total Components ⁴	\$ 8,364,119	n/a
Transformers (total units and cost per unit) ⁵	Two @ \$734,976 each \$ 1,469,952	362
Control House and Communications ⁶	\$ 4,000,097	362
Bus and Breakers, and Switches ⁷	\$ 1,453,618	362
Other ⁸	\$ 1,183,355	362/361
Total	\$ 16,471,140	n/a

- 1 Includes all external consulting and engineering costs not included elsewhere, as well as internal engineering costs and related overheads.
- 2 Includes total in the projects land or right of way work orders. This includes all related internal labor, consultants, and all other land purchase costs and allocations.
- 3 Includes internal direct labor and related allocations and subcontractor costs, not included elsewhere
- 4 Total of 1-3
- 5 Includes cost of transformers charged to this project, plus applicable taxes and freight costs
- 6 Includes all materials not categorized as transformer, Bus, Breakers, or Switches in items 5 and 6
- 7 Includes cost of steel bus package, circuit breakers, and switches used in the 69kv or 115kv ring bus, plus applicable taxes and freight costs
- 8 Includes all other costs not included elsewhere (e.g., capitalized interest, equipment rentals, site security, etc.)

Preparer: Darcy Welch

Title: Supervisor – T&D Financial Analysis &
Planning

Sponsor: R. Clay Doyle

Title: Vice President – Transmission and
Distribution

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STAFF 3-5:

For each new substation or high voltage switching stations for which EPE is seeking rate recovery, please provide the following information:

- a. Whether the station was included as part of a project discussed in Staff 3-1 or Staff 3-2, above.
- b. The first MCPR on which the project was reported (control number, item number, or project number).
- c. The final MCPR on which the project was reported (control number, item number, or project number).
- d. The initial estimated project cost from internal utility project approval, the percent of contingency cost included in the estimate, the final project cost, and the percent difference from the estimated cost.
- e. A breakdown of the total project costs, by FERC account (and subaccount), booked to each account that were associated with the project.

SUPPLEMENTAL RESPONSE:

- a. No new substation for which El Paso Electric Company ("EPE") is seeking rate recovery are included as part of a project discussed in EPE's response to Staff 3-1 or 3-2.
- b. The new substations listed in Staff 3-3 Supplemental were not required to be reported on any Monthly Project Construction Report ("MCPR").
- c. The new substations listed in Staff 3-3 Supplemental were not required to be reported on any MCPR.

- d. These projects have no identifiable contingencies included in their budget estimates. Internal cost estimates are uploaded into Power Plan cost repository on a semi-annual basis. Two budget versions have been provided. The “Scope Zero” budget version is considered the first time a system need was identified, and the scope is still being defined based on overall system needs. The “Pre Construction” budget is when most contract services have been bid but before any major internal construction efforts have started. The approximate dates each budget version was developed is provided for each project below. Further details on scope changes and budget assumptions will be provided in response to CEP 8-3.

DT359 - NUWAY SUBSTATION

Scope Zero Budget estimated May 2013

Pre Construction Budget estimated November 2018

	SCOPE ZERO BUDGET	PRE CONSTRUCTION START BUDGET	COST INCLUDED IN RATE CASE REQUEST	VARIANCE TO SCOPE ZERO		VARIANCE TO PRE CONSTRUCTION	
MATERIALS	1,717,058	5,869,059	6,918,482	5,201,424	303%	1,049,423	18%
INTERNAL LABOR & RELATED COSTS	340,938	1,150,671	1,907,195	1,566,257	459%	756,524	40%
CONTRACTED SERVICES/OTHER	2,003,059	5,010,514	5,340,267	3,337,208	167%	329,753	6%
COMPANY LEVEL ALLOCATIONS	108,065	909,580	2,305,196	2,197,130	2033%	1,395,616	61%
	\$ 4,169,120	\$ 12,939,825	\$ 16,471,140	\$ 12,302,020	295%	\$ 3,531,315	21%

DT371 – CE-1 TEMP AND EXECUTIVE SUBSTATION

Scope Zero Budget estimated May 2014

Pre Construction Budget estimated May 2019

	SCOPE ZERO BUDGET	PRE CONSTRUCTION START BUDGET	COST INCLUDED IN RATE CASE REQUEST	VARIANCE TO SCOPE ZERO BUDGET		VARIANCE TO PRE CONSTRUCTION BUDGET	
MATERIALS	3,836,072	5,051,193	5,236,521	1,400,449	37%	185,328	4%
INTERNAL LABOR & RELATED COSTS	662,326	1,383,023	1,484,725	822,399	124%	101,702	7%
CONTRACTED SERVICES/OTHER	2,734,301	3,839,787	4,079,160	1,344,859	49%	239,374	6%
COMPANY LEVEL ALLOCATIONS	549,775	911,950	1,548,507	998,732	182%	636,557	41%
	\$ 7,782,474	\$ 11,185,952	\$ 12,348,913	\$ 4,566,440	59%	\$ 1,162,961	9%

DT186 – LEO EAST 115KV SUBSTATION CONVERSION

Scope Zero Budget estimated May 2009

Pre Construction Budget estimated May 2015

	SCOPE ZERO BUDGET	PRE CONSTRUCTION START BUDGET	COST INCLUDED IN RATE CASE REQUEST	VARIANCE TO SCOPE ZERO BUDGET		VARIANCE TO PRE CONSTRUCTION BUDGET	
MATERIALS	2,147,426	2,933,674	3,139,560	992,134	46%	205,886	7%
INTERNAL LABOR & RELATED COSTS	1,041,813	1,077,970	1,479,905	438,093	42%	401,935	27%
CONTRACTED SERVICES/OTHER	1,580,789	1,773,554	2,078,088	497,299	31%	304,533	15%
COMPANY LEVEL ALLOCATIONS	454,011	680,502	1,830,514	1,376,503	303%	1,150,012	63%
	\$ 5,224,039	\$ 6,465,701	\$ 8,528,067	\$ 3,304,028	63%	\$ 2,062,366	24%

e. Rate Base Additions for all projects by FERC account were provided in OPUC 2-1 Attachment 1. Per this attachment, the project costs are classified as follows

Project	360	361	362	Total
DT359	\$ 722,453	\$ 1,026,058	\$ 14,722,628	\$ 16,471,140
DT371	\$ 780,014	\$ 3,707,313	\$ 7,860,326	\$ 12,347,653
DT186		\$ 1,163,372	\$ 7,364,696	\$ 8,528,067

Preparer: Darcy Welch

Title: Supervisor T&D Financial Analysis & Planning

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Title: Vice President – Transmission and Distribution