

WESTERN AREA POWER ADMINISTRATION'S
SECOND SET OF DATA REQUESTS
TO
PUBLIC SERVICE COMPANY OF NEW MEXICO

Western 2-1

Please refer to PNM Exhibit Western 1-3 and Protocol 5 eiii Spreadsheet.

- a) Please provide Project or Work Order Nos., similar to the one provided in PNM Exhibit Western 1-3, for the transmission projects listed in Protocol 5 eiii Spreadsheet.

- b) The following projects listed in Protocol 5eiii are not listed in PNM Exhibit Western 1-3:
 - 1. Tres Amigos Interconnection
 - 2. San Juan Shunt Reactor Circ Breaker
 - 3. College Station Tap & Breaker
 - 4. 345 kV Structure Replacement

Please provide the estimated costs of the above listed projects which were included in the first work orders.

- c) The following projects listed in listed in PNM Exhibit Western 1-3 but are not listed in Protocol 5eiii.
 - 1. La Luz 40 MW Interconnection
 - 2. Los Morros 115 kV

Please provide the costs of the above facilities and explain how these costs were treated in computing the ATRR.

Western 2-2

Please refer to the response to Western 1-3 (b). Please provide PNM's load growth incorporated into PNM's 10 year planning assessment.

Western 2-3

Please refer to the response to Western 1-4 (b). Please list the facilities for which the lease expenses are included in the Formula. Also, please provide the amounts related to these listed facilities.

Western 2-4

Please refer to the response to Western 1-7.

- a) The first part of the response states that new depreciation rates were used on transmission assets for the months of January through December in Run 1. The response further states that the actual depreciation expenses are used for the other assets.
 - i) Run 1 includes actual transmission facilities for the Year 2016. Please explain the reasons for applying the new depreciation rates which became effective on October 1, 2016 for the transmission plant balances for the months of January – September 2016.
 - ii) Please explain the reason for not applying the new depreciation rates to the other plant for the months of January – September 2016.
- b) The second part of the response states, “The Depreciation expense in Run 2 is updated for actual depreciation expense on transmission assets, which reflects new depreciations rates effective October 1, 2016.”
 - i) Is it correct that Run 2 includes actual transmission plant for the Year 2015? If so, please explain the reasons for applying new depreciation rates which became effective on October 1, 2016 to the facilities installed in 2015.
 - ii) The second part of the response also states that the actual depreciation expenses were used for the non-transmission plant. Please explain the reasons for not applying new rates to these facilities.

Western 2-5

- a) In Attachment H-1, PNM allocated ADIT based on the Net Plant Ratios which indicates a relationship between Plant and ADIT. If there is no direct correlation between Plant and ADIT, please explain the reason for allocating ADIT based on Net Plant Ratio.
- b) Please refer to the response to Western 1-9. Data Request Western 1-9 pointed out that the plant balances related to “Settled Adjustment” facilities remained the same during 2015 and 2016; thus there were no plant additions referred to in the response to Western 1-9. Also, please explain the reasons for the increase in ADIT.
- c) Please provide work papers computing the ADIT associated with Settled Adjustment Facilities for the Year 2016

Western 2-6

Please refer to the response to Western 1-11.

- a) Please provide work papers computing the ADIT associated with Corporate G&I Plant for the Year 2016.
- b) Please list any other plant for which the ADIT decreased while the plant balance increased.

Western 2-7

Please refer to the response to Western 1-14.

- a) Please explain the reasons for allocating all the NOL Valuation Allowance to retail while all of Account 190 ADIT related to NOL was not allocated to retail jurisdiction.
- b) Please explain the reasons for not allocating all of NOL Valuation Alliance to retail in 2014 and 2015.

Western 2-8

Please refer to the response to Western 1-18 (a). Please indicate whether In-Service data of all the facilities listed in Protocol 5 eiii are the same as the dates when these costs were included in the ATRR and started earning a return. If not, please explain the reasons for these dates not the same.

Western 2-9

Please refer to the response to Western 1-20 (b)(i).

- a) Please explain the purpose/function of the Tres Amigas Interconnection Project.
- b) Dos Interconnection mean generator interconnection? If not, what does it mean?
- c) For whom was this interconnection installed?
- d) Please explain the reasons for not collecting the full cost as CIAC.

Western 2-10

Please refer to PNM Exhibit Western 1-16 and Schedule 17 of Runs 1 and 2.

- a) Under the Column titled Schedule 17, Run 1 Unadjusted Loads, the "total" load is shown to be 31,089.2 MW, whereas in PNM Exhibit Western 1-16 Run 2, the total Unadjusted Load is equal to 31,893 MW. Please reconcile the amounts.
- b) Under the Column titled Schedule 17, Run 2 Unadjusted Loads, the "total" load is shown to be 28782.4 MW, whereas in PNM Exhibit Western 1-16 Run 2, the total Unadjusted Load is equal to 29,891 MW. Please reconcile the amounts.
- c) PNM Exhibit Western 1-16 shows the Firm Network Service for Others for Run 1 equal to 5,927 MW whereas Schedule 17 of Run 1 shows the load to be 5,426.7 MW. Please reconcile the amounts.
- d) In Schedule 17 of Runs 1 and 2, the Total Unadjusted Transmission Demand includes the Wholesale Transmission Loads with transmission losses calculated at 2.94% and 3.50% respectively whereas no loss factor is applied to the Retail Native Loads in Cell No. 11. Please explain the reasons for not applying the loss factor to the Retail Native Loads.
- d) Schedule 17 of Run 1 uses a loss factor of 2.94% which became effective on June 1, 2017 whereas the loads used in Schedule 17 are for the Year 2016. Please explain the reasons for not using the 2016 loss factor of 3.50%.
- e) Please explain the reasons for not including the "Other Service" loads in Schedule 17 of Runs 1 and 2.
- f) Note 6 of PNM Western Exhibit 1-16 states that NEC and the City of Aztec loads are excluded as the contracts were terminated. Does it mean that PNM does not transmit any power on behalf of these two entities?
- g) Please provide the date(s) when the two above referenced contracts were terminated.