

**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

IN THE MATTER OF THE FILING OF )  
ADVICE NOTICE NO. 69 BY SOCORRO )  
ELECTRIC COOPERATIVE, INC. )

SOCORRO ELECTRIC COOPERATIVE, INC., )

Applicant. )  
\_\_\_\_\_ )

Case No. 18-00383-UT

FILED IN OFFICE OF

APR - 9 2019

NM PUBLIC REGULATION COMM

RECORDS MANAGEMENT BUREAU

**CITY OF SOCORRO'S**  
**MOTION TO COMPEL DISCOVERY**

COMES NOW City of Socorro, New Mexico (the "City"), by and through its attorneys, Stelzner, Winter, Warburton, Flores, Sanchez & Dawes, P.A., and in accordance with 1.2.2.12 NMAC, moves pursuant to §1.2.2.25 (J) NMAC to compel Socorro Electric Cooperative, Inc. ("SEC") to produce answers to the City's Discovery Requests 1.02, 1.09, 2.05, and 2.06, and for a shortened response time because intervenor testimony is due May 22, 2019 and because the parties are scheduled to begin hearing on this matter on June 24, 2019. In support of this Motion, the City states:

1. On December 4, 2018, the City filed its First Set of Interrogatories and Requests for Production of Documents to Socorro Electric Coop via email. A copy of this request is attached as *Exhibit A*.

2. On January 16, 2019, the City filed its Second Set of Interrogatories and Requests for Production of Documents to Socorro Electric Coop via email. A copy of this request is attached as *Exhibit B*.

3. On March 13, 2019 the City sent SEC a letter noting that there were multiple requests where the response received was non-responsive, inadequate, deficient and /or incomplete

and gave SEC until March 20, 2019 to supplement its response. A copy of this request is attached as *Exhibit C*.

4. On March 28, 2019 SEC responded to the City's letter, addressing some of the concerns raised but not fully resolving the issues and concerns the City had with the other requests. A copy of this response is attached as *Exhibit D*. The City replied later that day noting that the response received was still insufficient and gave SEC until Monday, April 1, 2019 to clarify its response.

5. After some additional email correspondence, SEC agreed to provide workpapers in response to Request 1.02. In response, the City asked for additional clarification and it could expect the workpapers to be delivered. As of the date of this filing, no workpapers have been received and additional requests for clarification have not been responded to. A copy of this correspondence is attached as *Exhibit E*.

6. The requests with outstanding discovery responses due are detailed below:

- a. Request 1.02. SEC refused requests to provide workpapers and its Cost of Service Study ("COSS") in an executable electronic format. The City requested this on multiple occasions. See *Exhibits A and B*, Definition 16 and Requests 1.01 and 1.02. The City defined workpapers to be any models, spreadsheets, calculations, or other supporting documentation or data used to produce any of the results that have been filed. SEC contends that no workpapers exist. However, the City has reason to believe both workpapers and executable electronic version of the files provided do exist. By comparing the differences in the COSS submitted in response to request 1.01 with the version submitted in response to the Hearing Examiner's request, there are several differences

indicating that these files do exist in some executable electronic format. If SEC continues to assert that no workpapers exist, we request the Hearing Examiner compel SEC to produce a description by category and location of, all documents, electronically stored information, and tangible things that it may use to support its claim. NMRA 1-026 (B)(3).

- b. Request 1.09. SEC objected to the request for information regarding the ten largest customers of SEC, including billing determinants by month by rate schedule for the twelve months prior to the current base period. SEC has made the determination that the information is not relevant, however the determination of relevancy is not for SEC to make unilaterally. The City requires this information to understand SEC's justifications regarding the proposed rate increase and the request is narrowly tailored. The Hearing Examiner also requested this information in the Procedural Order, further evincing its relevance. See Procedural Order, Ordering paras. E.(7) and E.(10)-(23).
- c. Request 1.12. The City requested the number of employee positions, by department, authorized and the actual number of employees by month for the past five years as well as for the base period and test period. The information provided by SEC is overly generalized and does not provide enough information to justify SEC's claims. SEC has only provided annual summaries of the total number of fulltime employees, and states that responding to the request as written would be overly time consuming and burdensome. SEC is

the only party with the information accessible and has not asserted that they do not have this information.

- d. Request 2.05. The city requested a calculation/reconciliation that demonstrated that adjusted test year Debt Cost Adjustment revenues have been properly synchronized with increases or decreases in adjusted test year debt costs in accordance with 17.9.540.16 NMAC. SEC contends that the calculation is located in the middle of the page on Schedule F-9.0. Schedule F-9.0 is a spreadsheet titled "Adjusted DCA Revenue for the twelve months ending on 12/31/2017." No formulas are evident from the spreadsheet, and as stated above in Request 1.02, no workpapers or executable excel spreadsheets have been provided so we may analyze the submittal.
- e. Request 2.06. The city requested a calculation that showed the Purchased Power Expense being collected in adjusted test year base and Fuel and Purchased Power Cost Adjustment clause (may also be referred to in SCE's application as "PCA") revenues equal adjusted test year Purchased Power Expense. SEC contends that the calculation is located in the middle of the page on Schedule F-8.0. Schedule F-8.0 is a spreadsheet titled "Adjusted PCA Revenue for the twelve months ending on 12/31/2017." No formulas are evident from the spreadsheet, and as stated above in Request 1.02, no workpapers or executable excel spreadsheets have been provided so we may analyze the submittal.

7. On April 1, 2019, the Hearing Examiner issued an order requiring supplemental testimony from SEC.

8. The parties have made a good faith effort to resolve this dispute and were unable to do so.

WHEREFORE, the City respectfully requests the Hearing Examiner to enter an order compelling SEC to respond to the discovery requests noted above. The other parties' position to this Motion are as follows: New Mexico Tech supports the Motion; Don and Rita Steinnerd do not object to the Motion; Staff supports the Motion; and Donald Monette, individually, concurs the Motion.

Dated this 9<sup>th</sup> day of April, 2019.

Respectfully submitted,

STELZNER, WINTER, Warburton,  
FLORES, SANCHEZ & DAWES, P.A.  
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Albuquerque, New Mexico 87103  
(505) 938-7770  
Email: [nwinter@stelznerlaw.com](mailto:nwinter@stelznerlaw.com)  
Email: [kherrmann@stelznerlaw.com](mailto:kherrmann@stelznerlaw.com)

By:   
NANN M. WINTER  
KEITH W. HERRMANN

*Attorneys for City of Socorro, New Mexico*

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOCORRO ELECTRIC )  
COOPERATIVE FOR REVISION OF ITS )  
RETAIL ELECTRIC RATES PURSUANT TO )  
ADVICE NOTICE NO. 69 )

CASE NO. 18-00 \_\_\_\_\_ -UT

CITY OF SOCORRO, NEW MEXICO'S  
FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION  
OF DOCUMENTS TO SOCORRO ELECTRIC COOPERATIVE

TO: Socorro Electric Cooperative  
c/o Lorna Wiggins  
c/o Wiggins, Williams, Wiggins, P.C.  
1803 Rio Grande Blvd. NW  
Albuquerque, New Mexico 87104

INTRODUCTION and INSTRUCTIONS

City of Socorro, New Mexico (hereinafter "City"), requests that Socorro Electric Cooperative (hereinafter "SEC"), respond to the following interrogatories and request for production of documents, pursuant to 17.1.2.28 NMAC of the New Mexico Public Regulation Commission Utility Division Procedures and Rules 1-026 through 1-037 NMRA 1999. Responses should be signed by the person making them and should indicate the names of any other persons upon whose personal knowledge responses are based.

In answering these interrogatories and requests, furnish all information which is available to SEC, including information in the possession of its attorneys, accountants and other agents of SEC.

Each of these interrogatories is deemed to be a continuing interrogatory. You are required to file supplementary answers if you obtain further or different information between the time your answers are served and the time of hearing.

Unless otherwise indicated, the following definitions of terms shall apply herein:

1. "Agreement" means any contract, written or oral, or any non-contractual understanding.

2. "And" as well as "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of these interrogatories or requests any information which might otherwise be construed to be outside their scope.



3. "Communication" is to be construed broadly and includes but is not limited to any oral statement, dialogue, telephone conversation, colloquy, discussion, or conversation and any transfer of thought or ideas between persons electronically or by means of documents, including any transfer of data from one location to another by electronic or similar means.

4. "Correspondence" includes all letters, telegrams, notices, messages, or other written or electronic communications or memoranda, or other records of conversations, meetings, conferences or other oral communications.

5. "Date" shall mean the exact day, month and year if ascertainable, or if not the best approximation thereof in relation to other events.

6. To "describe," "detail," "describe in detail," "state" or "state in detail" shall mean to relate as completely as possible each and every act, omission, incident, event, condition, circumstance, or thing relating directly or indirectly to the subject of the description, including all pertinent dates.

7. "Document" is to be construed broadly and means any written, recorded or graphic matter however produced or reproduced, including but not limited to correspondence, telegrams, other written communications, magazine or journal articles, computer files, contracts, agreements, notes, memoranda, analyses, projections, work papers, diaries, calendars, visual or auditory recordings or reproductions, photographs, drawings, maps, logs, exhibits, pleadings, financial statements, minutes of meetings of the board of directors or of the shareholders of SEC, or any of its subsidiaries, or of any committees appointed by or reportable to them, or any other writings, including copies of any of the foregoing now in the possession, custody or control of SEC, its subsidiaries, its divisions, its merged or acquired predecessors, its present or former directors, officers, counsel, agents, employees and all persons acting on its behalf.

8. "Employee" shall include officers, employees or agents of SEC, including but not limited to independent accounting and/or consulting firms retained by SEC and shall mean any person serving in such capacity at any time during or since 1970, unless the question indicates a longer period of time, even though no longer serving in such capacity.

9. To "explain" means to make known in detail, to make clear the cause or reason of and account for each act, omission, incident, event, condition, circumstance, decision, and/or thing relating directly or indirectly to the subject of the explanation including all pertinent dates.

10. To "identify" a person means to include his or her full name, including middle name or initial, his or her employer or other organizational affiliation at the date of the relevant transaction or event and at the present, his or her title and duties in the company or other organization with which he or she was then affiliated and is now affiliated, and his or her last known business address and telephone number or if not available last known residence address and telephone number. In any other context, "identify" means to provide facts sufficient to establish the identity of the document or other thing(s) at issue, such as its origin, location, ownership, date, purpose, title, and so forth.

11. "Person" or "persons" means natural persons, groups of natural persons acting as individuals or in a collegial capacity (e.g. a committee or board of directors), corporations, partnerships, joint ventures, and any other incorporated or unincorporated business or social entity.

12. "Policy" means each rule, procedure or directive, formal or informal, written or unwritten, and each common understanding of course of conduct which was recognized as such by your present or former directors, officers, agents, employees or other persons acting or purporting to act on your behalf, which was in effect at any time during the time period relevant to the question and your response.

13. "Record" or "records" includes any regular, formal or not formal, official or not official memorandum, document or written or electronic preservation of any events, actions taken or rejected, decisions, and details thereof relating to the subject matter of the question and your response. A copy of the original "record" is preferred; stating the substance thereof will suffice where a copy cannot be made and is not available.

14. "SEC," "Company," "you" or "your" refers to Socorro Electric Cooperative, including any divisions, departments, business units, management teams, committees, subsidiaries, parent companies, affiliates, predecessors, present or former directors, officers, owners or agents of each such entity and all other persons acting or purporting to act on behalf of each such entity, as well as each joint venture or partnership in which that entity or person is a partner.

15. In the event SEC takes the position that documents or other items responsive to the requests herein are attorney-client privileged or protected attorney work product, please provide the date of the document or item, the name of the sender(s) or author(s), the name of the recipient, and a brief statement of the contents or subject matter of the document or other item.

16. To the extent that these requests seek information that is available in WordPerfect, Word, PowerPoint or Excel files, please provide, in addition to the written responses, the underlying electronic files.

Please send electronic and paper copies of the responses to:

Nann M. Winter  
Stelzner, Winter, Warburton, Flores,  
Sanchez & Dawes, P.A.  
Post Office Box 528  
Albuquerque, New Mexico 87103  
Phone: (505) 938-7770  
Fax: (505) 938-7781  
Email: [nwinter@stelznerlaw.com](mailto:nwinter@stelznerlaw.com)



**CITY OF SOCORRO, NEW MEXICO'S**  
**FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION**  
**OF DOCUMENTS TO SOCORRO ELECTRIC COOPERATIVE**

**December 4, 2018**

**General**

- 1.01 Provide the cost of service and rate design studies and models in hard copy and executable electronic Excel spreadsheet format.
- 1.02 Provide all related workpapers to the studies and models requested above.
- 1.03 Provide the three most recent income statements and balance sheets for the Coop.
- 1.04 Provide the three most recently prepared financial forecast/strategic planning documents.
- 1.05 Provide all monthly/quarterly/annual budget variance reports prepared for the period that begins twelve months prior to the base period to date. This request seeks regularly prepared reports that tabularly or narratively identifies and describes or explains variances between actual and budgeted operating results which would include, without limitation, variances in construction expenditures, plant closings, revenues, sales, and operations and maintenance expense by account and/or cost center, and Coop-specific business units or cost centers

**Revenue**

- 1.06 Five-year history of number of customers, by customer class, and usage by class, as well same information for base and test periods.
- 1.07 Five-year history of average usage per customer, by customer class, as well as average usage in the base and test periods.
- 1.08 Five-year history of average weather-normalized usage per customer, by customer class, as well as weather-normalized usage in the base period.
- 1.09 For the ten largest customers taking service during the base year provide:
  - i. Customer name and service location
  - ii. Actual billing determinants by month by rate schedule for the period beginning the twelve months prior to the current base period to date
  - iii. Actual base revenues by month for the period beginning the twelve months prior to the current base period to date
  - iv. Billing determinants and base rate revenues included in the development of the Coop's test year cost of service.

### Labor Costs

- 1.10 Total payroll costs, separately for union and non-union employees, in each of the last five years as well as the costs for the base period and test period.
- 1.11 Percentage of salary and wage increases granted in each of the last five years, as well as any increases in base period and test period, separately for union and non-union employees, noting the date(s) each increase became effective
- 1.12 Number of employee positions, by department, authorized and the actual number of employees by month for the past five years as well as for the base period and test period.
- 1.13 Amount of any expenses claimed in the filing for new employee positions since the end of the base period.
- 1.14 Provide the actual percentage of labor capitalized over each of the past five years, as well as the base period and test period capitalization percentage.
- 1.15 A description of all incentive compensation programs provided to (a) employees, (b) officers/executives, and (c) board members. For each program, provide a description of the program, actual plan document, corporate scorecard or other calculations undertaken to measure actual versus targeted metrics achieved, amounts awarded under each plan in each of the past five years, and the amounts included in the Coop's base period and test period claims.
- 1.16 Compensation, bonuses, and benefits provided to officers, executives and board members in each of the last three years as well as for the base period and test period.
- 1.17 For all non-retirement-related employee benefits provide:
  - i. Brief description of benefit offered by eligible employee group
  - ii. Expenses incurred by account for each benefit by month for the period that begins twelve months prior to the beginning of the base period to date.
  - iii. Budgeted amounts for current and next calendar year
  - iv. Discuss/ describe any significant changes occurring, or expected to occur, for any benefit offered during the period beginning twelve months prior to the base period to date, noting the effective date of the change, the expected annual cost impact to the Coop of the change, and provide any studies addressing the decision to implement each change.
- 1.18 Provide the actual number of overtime hours and overtime pay for all employees by month for the base period, the two twelve-month periods immediately preceding the base year, and all months available to date following the end of the base period. Also, provide the same information budgeted for the current calendar year, as well as the immediately-preceding and subsequent-following calendar years.

### **Other Expenses**

- 1.19 Provide, for each of the past five years as well as for the base period and test period, a) the amount of bad debts written-off, b) the amount of bad debts written off that were subsequently recovered, c) the amount of any additions to a bad debt reserve, if applicable, and d) the total revenues from utility sales.
- 1.20 Provide a copy of all contracts with consultants, attorneys or other third parties for rate case services claimed in this filing.
- 1.21 Provide a detailed accounting of outside services expense for the base period and test period, showing the amounts paid by vendor and a description of the nature of the services provided.
- 1.22 Provide the amount of expenses for travel, memberships and dues included in the base period and test period, indicating the organization(s) paid, the employees who participate (union, management, directors, board members, etc.).
- 1.23 Provide the Coop's operation and maintenance expenses by account for the three most recent calendar years preceding and overlapping the base year, and by month for the period beginning with the first month of the base period to date.
- 1.24 Provide the Coop's one-year-forward-looking operations and maintenance expense budget by account, as such budgets were prepared immediately preceding each of the three most recent historic calendar years, as well as all subsequently-prepared one-year budgets that are currently available.
- 1.25 Please provide the following regarding all of the Coop's electric operations amortization expense recorded during the historic base year:
  - a. Description of amortized item or event.
  - b. Date amortization was initiated.
  - c. Date amortization expired or date amortization is anticipated to expire
  - d. Amount charged by month by expense account for the period beginning with the first month of the base period to date.

### **Capital Costs**

- 1.26 For each of the past five years, provide: a) the capital budget as approved by the Board, and b) the actual capital expenditures.
- 1.27 For each of the past five years, provide: a) actual plant-in-service additions and b) actual retirements.

- 1.28 Provide the AFUDC rate utilized by the Coop in each month over the past three years, as well as the AFUDC rate in the base period and test period.
- 1.29 Identify any plant held for future use included in the Coop's rate base claim. For each such plant asset, please include a) the date that the asset was acquired, b) a description of the asset and its eventual use, c) the date by which the asset is expected to be put into service, and d) a description of any current activities relating to preparing the asset to enter utility service.
- 1.30 Provide a ten-year history of gains and losses of asset dispositions and state how such gains/losses are reflected for ratemaking purposes.

Respectfully Submitted,

STELZNER, WINTER, Warburton,  
Flores, Sanchez & Dawes, P.A.

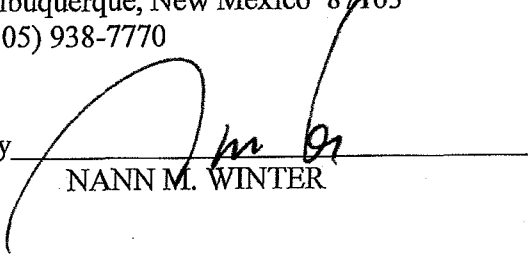
*Attorneys for Plaintiff*

Post Office Box 528

Albuquerque, New Mexico 87103

(505) 938-7770

By

  
NANN M. WINTER

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BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF SOCORRO ELECTRIC )  
COOPERATIVE FOR REVISION OF ITS )  
RETAIL ELECTRIC RATES PURSUANT TO )  
ADVICE NOTICE NO. 69 )

CASE NO. 18-00383-UT

FILED IN OFFICE OF

JAN - 7 2019

CERTIFICATE OF SERVICE

NM PUBLIC REGULATION COMM

RECORDS MANAGEMENT BUREAU

I HEREBY CERTIFY that a true and correct copy of the City of Socorro, New Mexico

First Set of Interrogatories and Requests for Production of Documents to Socorro Electric

Cooperative were served via email on December 4, 2018, to the following persons listed below:

Lorna Wiggins	<a href="mailto:lwiggins@wwwlaw.us">lwiggins@wwwlaw.us</a>
Mayor Ravi Bhasker	<a href="mailto:RBhasker@socorronm.gov">RBhasker@socorronm.gov</a>
Donald Monette	<a href="mailto:dmonette@socorronm.gov">dmonette@socorronm.gov</a>
Polo Pineda	<a href="mailto:ppineda@socorronm.gov">ppineda@socorronm.gov</a>
Bradford Borman	<a href="mailto:bradford.borman@state.nm.us">bradford.borman@state.nm.us</a>

DATED this 4<sup>th</sup> day of December, 2018.

Respectfully Submitted,

STELZNER, WINTER, Warburton,  
FLORES, SANCHEZ & DAWES, P.A.  
*Attorneys for the City of Socorro*  
Post Office Box 528  
Albuquerque, New Mexico 87103  
(505) 938-7770

By

  
NANN M. WINTER

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE FILING OF  
ADVICE NOTICE NO. 69 BY SOCORRO  
ELECTRIC COOPERATIVE, INC.

CASE NO. 18-00383-UT

SOCORRO ELECTRIC COOPERATIVE, INC.,

Applicant.

CITY OF SOCORRO, NEW MEXICO'S  
SECOND SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION  
OF DOCUMENTS TO SOCORRO ELECTRIC COOPERATIVE

TO: Socorro Electric Cooperative  
c/o Lorna Wiggins  
Wiggins, Williams, Wiggins, P.C.  
1803 Rio Grande Blvd. NW  
Albuquerque, New Mexico 87104

INTRODUCTION AND INSTRUCTIONS

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In answering these interrogatories and requests, furnish all information which is available to SEC, including information in the possession of its attorneys, accountants and other agents of SEC.

Each of these interrogatories is deemed to be a continuing interrogatory. You are required to file supplementary answers if you obtain further or different information between the time your answers are served and the time of hearing.

Unless otherwise indicated, the following definitions of terms shall apply herein:

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2. "And" as well as "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of these interrogatories or requests any information which might otherwise be construed to be outside their scope.

EXHIBIT

**B**

3. "Communication" is to be construed broadly and includes but is not limited to any oral statement, dialogue, telephone conversation, colloquy, discussion, or conversation and any transfer of thought or ideas between persons electronically or by means of documents, including any transfer of data from one location to another by electronic or similar means.

4. "Correspondence" includes all letters, telegrams, notices, messages, or other written or electronic communications or memoranda, or other records of conversations, meetings, conferences or other oral communications.

5. "Date" shall mean the exact day, month and year if ascertainable, or if not the best approximation thereof in relation to other events.

6. To "describe," "detail," "describe in detail," "state" or "state in detail" shall mean to relate as completely as possible each and every act, omission, incident, event, condition, circumstance, or thing relating directly or indirectly to the subject of the description, including all pertinent dates.

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8. "Employee" shall include officers, employees or agents of SEC, including but not limited to independent accounting and/or consulting firms retained by SEC and shall mean any person serving in such capacity at any time during or since 1970, unless the question indicates a longer period of time, even though no longer serving in such capacity.

9. To "explain" means to make known in detail, to make clear the cause or reason of and account for each act, omission, incident, event, condition, circumstance, decision, and/or thing relating directly or indirectly to the subject of the explanation including all pertinent dates.

10. To "identify" a person means to include his or her full name, including middle name or initial, his or her employer or other organizational affiliation at the date of the relevant transaction or event and at the present, his or her title and duties in the company or other organization with which he or she was then affiliated and is now affiliated, and his or her last known business address and telephone number or if not available last known residence address and telephone number. In any other context, "identify" means to provide facts sufficient to establish the identity of the document or other thing(s) at issue, such as its origin, location, ownership, date, purpose, title, and so forth.

11. "Person" or "persons" means natural persons, groups of natural persons acting as individuals or in a collegial capacity (e.g. a committee or board of directors), corporations, partnerships, joint ventures, and any other incorporated or unincorporated business or social entity.

12. "Policy" means each rule, procedure or directive, formal or informal, written or unwritten, and each common understanding of course of conduct which was recognized as such by your present or former directors, officers, agents, employees or other persons acting or purporting to act on your behalf, which was in effect at any time during the time period relevant to the question and your response.

13. "Record" or "records" includes any regular, formal or not formal, official or not official memorandum, document or written or electronic preservation of any events, actions taken or rejected, decisions, and details thereof relating to the subject matter of the question and your response. A copy of the original "record" is preferred; stating the substance thereof will suffice where a copy cannot be made and is not available.

14. "SEC," "Company," "you" or "your" refers to Socorro Electric Cooperative, including any divisions, departments, business units, management teams, committees, subsidiaries, parent companies, affiliates, predecessors, present or former directors, officers, owners or agents of each such entity and all other persons acting or purporting to act on behalf of each such entity, as well as each joint venture or partnership in which that entity or person is a partner.

15. In the event SEC takes the position that documents or other items responsive to the requests herein are attorney-client privileged or protected attorney work product, please provide the date of the document or item, the name of the sender(s) or author(s), the name of the recipient, and a brief statement of the contents or subject matter of the document or other item.

16. To the extent that these requests seek information that is available in WordPerfect, Word, PowerPoint or Excel files, please provide, in addition to the written responses, the underlying electronic files.

Please send electronic and paper copies of the responses to:

Nann M. Winter  
Stelzner, Winter, Warburton, Flores,  
Sanchez & Dawes, P.A.  
Post Office Box 528  
Albuquerque, New Mexico 87103  
Phone: (505) 938-7770  
Fax: (505) 938-7781  
Email: [nwinter@stelznerlaw.com](mailto:nwinter@stelznerlaw.com)



**CITY OF SOCORRO, NEW MEXICO'S**  
**SECOND SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION**  
**OF DOCUMENTS TO SOCORRO ELECTRIC COOPERATIVE**

**January 16, 2019**

- 2.01 Please provide the adjusted test year class cost of service and rate design studies that were employed in the development of Socorro Electric Cooperative's ("SCE") existing or currently effective rates. With this request we are seeking the class cost of service schedules and studies that would be identical or similar to the schedules/studies that have been provided in response to the City of Socorro, New Mexico's Data Request No. 1.01 in this docket, that were employed in the development of SCE rates in SCE's last base rate proceeding.
- 2.02 Reference Schedule I-1.0 of SCE's adjusted test year cost of service (provided in response to the City of Socorro, New Mexico's Data Request No. 1.01). For each allocation factor set forth on Schedule I-1.0, please provide:
- a. A brief description of the determinants employed, or as applicable the development of determinants employed, in the calculation of each factor.
  - b. To the extent that any factor was developed with determinants that did not consist of 2017 test year actual determinants, please discuss and describe each calculation undertaken to derive "adjusted test year" determinants employed in the calculation of "adjusted test year" allocation factors, stating the purpose or need to adjust test year actual determinants.
- 2.03 Has SCE modified the conceptual development of any class cost of service allocation factors employed in this application from that which SCE adopted in the development of the class cost of service allocation factors that it employed in its most recently filed base rate application? If yes, please:
- a. List and describe each change that was adopted in this current rate application by allocation factor line item.
  - b. State the reasons, bases and support for the change in the development of each class cost of service allocation factor.
  - c. Provide the 2017 adjusted test year allocation factor calculated by employing the methodology adopted in SCE's most recent base rate application.

- 2.04 Reference Class Cost of Service Schedule A-6.0 and SCE's response to the City of Socorro, New Mexico's Data Request No. 1.19. Please answer/provide the following regarding the noted schedules:
- a. Please provide all calculations, analyses and support for the "Adjusted Test Year" Bad Debt Expense amount of \$58,915.62 as reflected on Class Cost of Service Schedule A-6.0.
  - b. Reference the response to 1.19.
    - i. Define/describe the "allowance account" as that term is used in the noted schedule.
    - ii. Define/describe what constitutes a "90-day balance" as that term is used in the noted schedule.
    - iii. Provide the calculation of a "90-day balance" at December 31, 2016, December 31, 2017, and December 31, 2018, discussing and describing all inputs employed in such calculations.
    - iv. Please provide any calculations or analyses undertaken to estimate when the "allowance account" will likely fall "below the greater than 90-day balance."
- 2.05 Please provide a calculation/reconciliation that demonstrates that adjusted test year Debt Cost Adjustment revenues have been properly synchronized with increases or decreases in adjusted test year debt costs in accordance with 17.9.540.16 NMAC.
- 2.06 Please provide a calculation that demonstrates that Purchased Power Expense being collected in adjusted test year base and Fuel and Purchased Power Cost Adjustment clause (may also be referred to in SCE's application as "PCA") revenues equal adjusted test year Purchased Power Expense.
- 2.07 Reference Class Cost of Service Schedule A-7.0 and SCE's response to the City of Socorro, New Mexico's Data Request No. 1.11. Please answer/provide the following:
- a. Provide all calculations, input assumptions and other support for the amount of Adjusted Test Year Payroll, Employee Bonuses, and Overtime Wages as reflected on Schedule A-7.0.
  - b. Please specifically state any assumptions regarding wage increases being granted, current authority for any wage increases that were assumed, as well as the timing of each increase that may have been reflected in calculations being provided in response to subpart (a) of this request.
- 2.08 Reference Class Cost of Service Schedule Nos.A-8.1 through A-8.5.
- a. Please provide all support for each monthly insurance premium rate reflected for each noted employee benefit.
  - b. Please provide the test year actual recorded amount of insurance cost for each employee benefit - before capitalization to construction projects or other balance sheet functions.

2.09 Reference Class Cost of Service Schedule A-8.6. Please:

- a. State the basis and provide support for the 7.0% 401K Plan contribution rate assumed.
- b. Provide the actual annual contribution percentage rate for the Company's 401K Plan for years 2017 and 2018.

2.10 Reference Class Cost of Service Schedule A-8.7. Please:

- a. State the basis and provide support for the 17.710% Defined Benefit Pension Plan contribution rate assumed.
- b. Provide the actual annual contribution percentage rate for the Company's Defined Benefit Pension Plan for years 2017 and 2018.

2.11 Reference Class Cost of Service Schedule A-15.0. Please:

- a. Describe the "Loss on Meters" reflected on the noted schedule. When was the loss incurred? What events/conditions caused the loss on meters? What is the total amount and timing of each meter loss recorded?
- b. Note any NMPRC dockets and/or orders that may have addressed the accounting and ratemaking actually being undertaken, or proposed to be undertaken, regarding the noted "Loss on Meters."
- c. State when amortization first occurred, and provide the basis for the monthly amortization expense recorded during the historic 2017 test year.

2.12 Reference Class Cost of Service Schedule B-1.0 where in Construction Work in Progress ("CWIP") is reflected in rate base.

- a. Please state whether, and pursuant to what formula and authority, Interest During Construction is capitalized on CWIP projects.
- b. Assuming Interest During Construction is capitalized on CWIP projects, please state why CWIP has been included in rate base? Has capitalized interest been reflected in the development of adjusted test year operating income? If so, where and in what amount.
- c. Please state whether, and when most recently, SCE has previously received authority to include CWIP in rate base development when establishing retail rates.

2.13 Reference Class Cost of Service Schedule B-2.0 wherein the Company's development of Cash Working Capital is reflected:

- a. Please discuss conceptually the basis for developing SCE's Cash Working Capital allowance request.
- b. Provide all calculations and input assumptions underlying each element of the Company's adjusted test year Cash Working Capital allowance request.

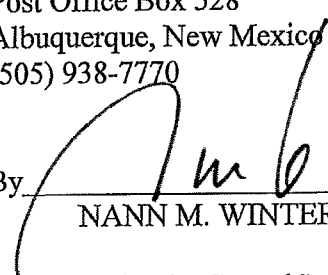
- c. Provide any NMPRC support or authority for such Cash Working Capital development.
- 2.14 Reference Class Cost of Service Schedule D-6.0. For each FFB debt issuance listed that bears an interest rate above today's current long-term debt rate for comparably maturing and comparably rated securities, please:
- a. State and discuss any ability, and all limitations to refinancing.
  - b. If refinancing is permitted, please state and describe the terms and conditions for such refinancing.
  - c. Please provide any refinancing studies undertaken by, or on behalf of SCE, within the past two years.
- 2.15 Included within SCE's response to the City of Socorro, New Mexico's Data Request No. 1.01 is a Ten-Year Financial Forecast. Included within the Ten-Year Financial Forecast is a schedule entitled *FINANCIAL FORECAST (2018 – 2027; BASE CASE: 40% Equity – 2.50 TIER; Determination of Load* that reflects significant shifts in total annual 2017 and 2018 sales to every listed rate class.
- a. Please discuss and describe events, conditions, and migrations that explain the significant shifts summarized on the noted schedule.
  - b. Please note any NMPRC dockets or orders that address, or in any manner facilitate, the significant shifts currently forecasted.
  - c. Please discuss and describe how the shifts were estimated.
  - d. Please provide an estimate of the net change in total retail revenues anticipated to be experienced as a result of shifting or migrating of customers.
  - e. Please provide an explanation of what assumptions were employed to estimate customers who might request and obtain a different classification of service between 2017 and 2018.
  - f. Please provide 2018 actual loads by rate class shown on the noted schedule.
- 2.16 Reference "Part D. Notes to Financial Statements" included within the calendar year 2017 RUS Form 7 provided in response to the City of Socorro, New Mexico's Data Request No. 1.03. The note states in relevant part that the "Cooperative participates in a Deferred compensation/investment with Homestead funds which is accounted for in special funds and is carried at fair market value."
- a. Provide any plan document that underlies this deferred compensation/investment program.
  - b. State the individuals and positions at SCE that participate in the program, and the criteria for participation in the program as maybe applicable.
  - c. Provide the adjusted test year expense impact of the noted deferred compensation/investment program, as well as actual recorded expense amounts for calendar years 2016, 2017 and 2017.
  - d. To the extent this compensation/investment program is driven by, or influenced by, stated SCE financial or operating targets, please list each target in place for

2017 and 2018, and provide calculations or scorecards created in the development of awards for calendar years 2017 and 2018.

Respectfully Submitted,

STELZNER, WINTER, Warburton,  
FLORES, SANCHEZ & DAWES, P.A.  
Post Office Box 528  
Albuquerque, New Mexico 87103  
(505) 938-7770

By



NANN M. WINTER

*Attorneys for the City of Socorro*

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**BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION**

**IN THE MATTER OF THE FILING OF  
ADVICE NOTICE NO. 69 BY SOCORRO  
ELECTRIC COOPERATIVE, INC.**

**SOCORRO ELECTRIC COOPERATIVE, INC.,**

**Applicant.**

**CASE NO. 18-00383-UT**

**FILED IN OFFICE OF**

**JAN 16 2019**

**NM PUBLIC REGULATION COMM  
RECORDS MANAGEMENT BUREAU**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the City of Socorro, New Mexico's  
Second Set of Interrogatories and Requests for Production of Documents to Socorro  
Electric Cooperative were served via email on January 16, 2019, to the following persons listed  
below:

Lorna Wiggins	lwiggins@wwwlaw.us
Mayor Ravi Bhasker	RBhasker@socorronm.gov
Donald Monette	dmonette@socorronm.gov
Polo Pineda	ppineda@socorronm.gov
Bradford Borman	bradford.borman@state.nm.us
Milo Chavez	milo.chavez@state.nm.us
Judith Amer	Judith.amer@state.nm.us
Leopoldo Pineda, Jr.	pineda@pineda.net
Rudy L. Chavez	elchavez67@gmail.com
Carl Lukesh	jlukesh@socorronm.gov
Stephanie Saavedra	ssavedra@socorronm.gov
Arthur Gonzales	agonzles@co.socorro.nm.us
Abran Baca Jr.	bongobaca@yahoo.com
Isacc Angel	isaccangel78@yahoo.com
Deanne Aragon	daragon1722@gmail.com
Catherine Stewart Roache	csr1938@sdc.org
Nancy Feraldi	nferaldi@gmail.com
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Violet Alvarado	itsmevioleta@yahoo.com
Theresa Rivera	theresarosales22@gmail.com

James Rivera  
Zachery Anaya  
Maribel Tarango  
Valen Alonzo  
Jim Quaranta  
Anton Salome  
Sammy Vivian  
Demecio Silva  
Enrique Trujillo  
Jerry Griego  
Tony Montoya  
David Gutierrez  
Sean Standiford  
Don Steinnerd  
Celina Baca  
Matias Robert Serna

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tbmontoya@gmail.com  
dgutierrezsr85@gmail.com  
sean.standiford@gmail.com  
reenerd@q.com  
celinabaca6@gmail.com  
767serna@gmail.com

DATED this 16<sup>th</sup> day of January, 2019.

STELZNER, WINTER, Warburton,  
FLORES, SANCHEZ & DAWES, P.A.  
Post Office Box 528  
Albuquerque, New Mexico 87103  
(505) 938-7770

By 

NANN M. WINTER

*Attorneys for the City of Socorro*

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**Stelzner, Winter, Warburton  
Flores, Sanchez & Dawes, P.A.**

March 13, 2019

Jaime L. Dawes  
Juan L. Flores  
Rebekah A. Gallegos  
Keith W. Herrmann  
Sara N. Sanchez  
Robert P. Warburton  
Nann M. Winter

**VIA EMAIL: lwiggins@wwwlaw.us**

*Of Counsel:*  
Luis G. Stelzner

Lorna M. Wiggins  
Wiggins, Williams & Wiggins  
1803 Rio Grande NW  
Albuquerque, New Mexico 87104

Re: Socorro Electric Cooperative's Discovery Responses/Objections

Dear Ms. Wiggins:

We are in receipt of Socorro Electric Cooperative's ("SEC") Objections and Responses to the to the City of Socorro, New Mexico's ("City") First and Second Sets of Interrogatories and Requests for Production of Documents, sent on January 3, 2019 and January 30, 2019, respectively. However, it appears that various Interrogatory and Request for Production responses provided by SEC were unresponsive, inadequate, deficient and/or incomplete. In accordance with 1.2.2.25(I) NMAC and Rule 1-037 NMRA we request that SEC supplement its responses to the items detailed below so that the parties may avoid the time, expense, and delay associated with seeking intervention from the Hearing Examiner.

Request 1.02. The response received is inadequate. The response provided by SEC simply refers to the Cost of Service and Rate Study prepared by Guernsey Engineers Architects Consultants, but that document does not contain any "workpapers" as that term is generally understood by those in the industry. Additionally, pages 393-403 have been redacted allegedly due to sensitive member data. However, an understanding of the member data in arriving at the rate studies' conclusions is necessary for understanding those conclusions and was required by the Hearing Examiner in the Procedural Order. See Procedural Order, Ordering paras. E.(7), and E.(10)-(23).

Requests 1.06 and 1.07. The response received is incomplete. The response states that Part O of RUS Form 7 in the annual PRC reports for 2013-2017 is included. However, the only Form 7's produced are for 2015-2017. Please supplement your responses with the Form 7 for the years 2013 and 2014.

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www.stelznerlaw.com





Request 1.09. We do not agree with SEC's conclusion that this request calls for information and documents that are not relevant to the issues in this matter and not likely to lead to the discovery of admissible evidence. The request was reasonably calculated to lead to the discovery of admissible evidence and this information is required to specifically address requests by the hearing examiner in the procedural order. See Procedural Order, Ordering paras. E.(7), and E.(10)-(23). Please provide a response to the request as written. Given the sensitive matter of the information the City is agreeable to the entry of a protective order in the docket.

Request 1.10. The information provided is incomplete. The provided Schedule C-6.0 is only for one year, and it is not apparent which year it refers to. Additionally, the Form 990's which have salary and wage information are not separated by union and non-union employees as requested. Please supplement your response with the requested information.

Request 1.11. The information provided is non-responsive. Please supplement the response to address the request for the percentage of salary and wage increases granted in each of the last five years, as well as any increases in base period and test period, separately for union and non-union employees, noting the date(s) each increase became effective. If SEC does not possess this information, please state so.

Request 1.12. The information provided is non-responsive. The breakdowns in Schedule C-6.0 are neither by department, nor by month, and only apply to total annual full-time employees. Please supplement the response to provide the requested information. If SEC does not possess this information, please state so.

Request 1.18. The information provided is non-responsive. The breakdowns in Schedule C-6.0 are not by month. Please supplement the response to provide the requested information.

Request 1.22. The information provided is incomplete. The information provided was for the year 2017, however we specifically requested the information for the base period, which was identified as 2016. Please supplement the request with the information for the base year of 2016.

Request 1.25. The information provided is incomplete. The information provided does not address sub-requests b-d regarding the amortization expense recorded during the historic base year, specifically the date amortization was initiated, the date amortization expired, or date amortization is anticipated to expire, and the amount charged by month by expense account for the period beginning with the first month of the base period to date. Please supplement the response to provide the requested information.

Request 1.26. The information provided is incomplete. Please confirm that the numbers provided in the spreadsheet are in fact the budget numbers that are approved by the Board.

Lorna M. Wiggins  
March 13, 2019  
Page 3

Request 2.04(a). The information provided is non-responsive. Schedule C-5.0 does not indicate what Bad Debt Ratio should be applied against what amount of revenue resulting in the \$58,915.62 amount identified as the Bad Debt Expense. Please provide the requested calculations and analysis.

Request 2.05. The information provided is non-responsive. Schedule F-9.0 is the resulting Adjusted DCA Revenue for the 12 months ending on 12/31/17 but no calculation is provided. Please provide the requested calculation/reconciliation.

Request 2.06. The information provided is non-responsive. Schedule F-8.0 is the resulting Adjusted PCA Revenue for the 12 months ending on 12/31/17 but no calculation is provided. Please provide the requested calculation.

Request 2.11(a), (b) and (c). The information provided is non-responsive. Regardless of whether this information was included inadvertently, this information is required to understand the justification behind this application for a rate increase and to specifically address requests by the hearing examiner in the procedural order. *See* Procedural Order paras. E.(1), and E.(3).

We remind you that SEC is obligated by the Commission and the New Mexico Rules of Civil Procedure to provide full and complete answers to the City's discovery as identified herein. 1.2.2.25 NMAC. As such, the City requests that SEC provide full and complete answers and responsive documents by March 20, 2019. If SEC fails to timely respond, the City of Socorro will have no choice but to file a motion to compel discovery with the Commission.

Sincerely,

STELZNER, WINTER, Warburton,  
Flores, Sanchez & Dawes, P.A.



BY: KEITH W. HERRMANN  
NANN M. WINTER

KWH/NMW/jg

WIGGINS, WILLIAMS & WIGGINS

A PROFESSIONAL CORPORATION

LAWYERS

TELEPHONE (505) 764-8400  
FACSIMILE (505) 764-8585

1803 RIO GRANDE, NW  
ALBUQUERQUE, NEW MEXICO 87104

MAILING ADDRESS:  
P.O. BOX 1308  
ALBUQUERQUE, NM 87103-1308

March 28, 2019

**VIA EMAIL AND USPS**

Nann M. Winter, Esq.  
Stelzner, Winter, Warburton,  
Flores, Sanchez, Dawes P.A.  
302 8th Street NW, Suite 200  
Albuquerque, New Mexico 87102

Advice Notice No. 69 - Rate Filing  
The Socorro Electric Cooperative, Inc.

Dear Ms. Winter:

The Socorro Electric Cooperative (SEC) provides the following response to the concerns that you raised in your letter of March 13, 2019 regarding SEC's responses to the City of Socorro's first and second discovery requests.

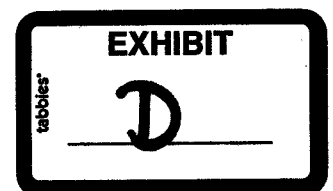
Request 1.02. We disagree that SEC's response is inadequate. The COSS printout from Guernsey Engineers Architects Consultants contains all of the work papers, as that term is generally used, and SEC has no other work papers related to the COSS. If you have specific examples of what "work papers" you believe are missing, please let us know. Otherwise, we consider this a complete response.

In addition, we note that SEC disagrees that you need additional information from pages 393-403; however, SEC will agree to produce the usage data that was redacted from those pages.

Requests 1.06 and 1.07. Contrary to your assertions, SEC's responses are not incomplete. SEC notes that the 2013 and 2014 Form 7s were included, as a part of the PRC Annual Reports for those years, with its January 3, 2019 production in the subfolder "PRC Annual Reports."

Request 1.09. SEC stands by its objection and notes that 2016 data is irrelevant to the COSS because all adjustments were made to the test year of 2017 and all usage data contained in the COSS was 2017 data.

Request 1.10. SEC disagrees that the information provided in response to this request was incomplete. We note that data for 2012-2017 is contained on C-6.0. We further note that the



IBEW became the collective bargaining representative for certain SEC covered employees in 2018 and that the CBA with the IBEW was entered into in 2019.

Request 1.11. We disagree that the information provided in response to this request is nonresponsive. The spreadsheet identified as 1.11 in the "03-Labor Costs" folder that SEC produced on January 3, 2019 is for the last five years and shows the effective date(s). As stated above, certain SEC employees organized in 2018 and there was no CBA until 2019.

Request 1.12. SEC believes that the information produced in response to this request is responsive and that sufficient data has been produced in the COSS. SEC has no other responsive reports reflecting the number of employees by department and to create such a report would be overly time consuming and burdensome. Please note that SEC included all labor expenses in the COSS and that SEC had no part time employees in the test year of 2017.

Request 1.18. SEC believes that the information provided in response to this request is responsive. SEC does not have the data referenced by month and notes that SEC did a test year summary for the COSS.

Request 1.22. SEC notes that the year 2016 is irrelevant; it was not used in the COSS. As noted above, 2017 is the test year and, thus, the relevant year for the COSS. Nevertheless, SEC will supplement its response and produce information for 2016.

Request 1.25. SEC provides the following information to supplement its response to request 1.25:

**Depreciation Expense Transmission (403.40)**

- a) Transmission plant is all poles, fixtures, wire, substation equipment, etc. which operates at transmission voltages. It is depreciated on a composite basis using the straight-line method at 2.75% per year in accordance with RUS guidelines.
- b) Began depreciating at or near SEC's establishment.
- c) SEC does not have an expected end date. As old equipment is retired and replaced, the basis amount will be updated to reflect the new additions and continue depreciation.
- d) See included 1.25d Excel spreadsheet. In December 2016 (column 1612) a reclass entry was made to reduce the expense recognized in Depreciation Expense Transmission and reclass it to the line item for "Amort of TEP investment" which is shown as a line item in the 1.25d spreadsheet. This was a one-time entry and was the result of discovering an intangible investment in a TEP substation that should have been classified as an intangible instead of Transmission Plant.

See "FJCA" labeled pdfs for individual month calculations.

**Depreciation Expense Distribution (403.50)**

- a) Distribution plant is all poles, fixtures, wire, substation equipment, etc. which operates at distribution voltages. It is depreciated on a composite basis using the straight-line method in accordance with RUS guidelines, with rates as follows:

Description	Account	Rate
Station Equipment	362.00	2.90%
Poles, Towers & Fixtures	364.00	3.10%
Overhead Conductors & Devices	365.00	2.40%
Underground Conduit	366.00	1.90%
URD Conductors & Devices	367.00	2.50%
Line Transformers	368.00	2.80%
Services	369.00	3.19%
Meters*	370.00	6.70%
Installation on Customer Premise	371.00	4.10%
Street Lighting & Signal Systems	373.00	4.00%

\*As of 2/28/19 meters are depreciating at 6.70%. See COSS schedule A-10 for detail of subaccounts for TWACS metering equipment that is depreciated at 10% in anticipation of increasing the depreciation rate as new TWACS metering equipment is placed into service.

- b) Began depreciating at or near Cooperative's establishment.  
 c) SEC does not have an expected end date. As old equipment is retired and replaced the basis amount will be updated to reflect the new additions and continue depreciation.  
 d) See included 1.25d excel spreadsheet. In December 2016 (column 1612) an adjustment was made to reduce depreciation for plant which had not been retired in the accounting software, but was physically retired. This was one time entry.  
 See "FJCA" labeled pdfs for individual month calculations.

**Depreciation Expense General Plant (403.60)**

- a) General plant is depreciated on an individual record unit basis, in accordance with RUS guidelines with rates as follows:

Description	Account	Rate
Structures and Improvements	390.00	3.00%
Office Furniture and Fixtures	391.00	6.00%
Computer Equipment	391.01	14.28%
Transportation Equipment	392.00	20.00%
Store Equipment	393.00	6.00%
Tools, Shop, and Garage Equipment	394.00	20.00%
Laboratory Equipment	395.00	6.00%
Communication Equipment	397.00	12.00%
Mapping & Miscellaneous Equipment	398.00	6.00%
Meters-Self Contained Software	370.10	20.00%

- b) Assets are tracked individually and depreciation begins when purchased.
- c) Depreciation continues until each record unit is fully depreciated or is retired.
- d) See included 1.25d excel spreadsheet. In December 2016 (column 1612) and February 2017 (column 1702) adjustments were made to correct the depreciation on structures and improvements due to incorrect percentage used in the calculation. Once the percentage was corrected the amount going forward per month as calculated by the software was reduced.

See "FJCA" and "FDCA" labeled pdfs for individual month calculations.

Note: The monthly general plant calculation (see attached "FDCA" labeled pdfs) contains the calculation for depreciation on vehicles. This amount is not included in the amount expensed in 403.60 as it is spread based on vehicle usage in 184.10 in accordance with RUS guidelines.

**Amort of TEP investment (404.00)**

- a) The TEP investment is the investment made by SEC into the TEP (Tucson Electric Power) substation to provide access to tie the SEC transmission line into the TEP substation. It is depreciated on an individual record unit basis at 2.75% per year in accordance with the RUS guidelines on Transmission Plant.
- b) This item was placed in service in 12/31/12 and started depreciating in Transmission Plant 403.40 on 1/1/13 and continued depreciating in that account until December 2016. It was then reclassified to 404.00 and has depreciated in that account Since January 2017.
- c) This item will continue to depreciate until March 2049.
- d) See included 1.25d excel spreadsheet. In December 2016 (column 1612) a reclass entry was made to reduce the expense recognized in Depreciation Expense Transmission and reclass it to the account for "Amort of TEP investment" which is shown as a line item in the 1.25d spreadsheet. This was a one-time entry and was the result of discovering an intangible investment in a TEP substation that should have been classified as an intangible instead of Transmission Plant.

See "FJCA" labeled pdfs for individual month calculations.

Request 1.26. SEC confirms that the numbers reported in the information provided came from SEC Board of Trustees approved budgets

Request 2.04(a). We note that the Bad Debt Ratio on Schedule C-5.0 is the average ratio applied to the adjusted test year revenues.

Request 2.05. SEC notes that the calculation to which you refer is contained in the middle of the page on Schedule F-9.0. If you want some other calculation, please let us know what you are requesting with sufficient specificity so that we can respond.

Nann M. Winter, Esq.  
March 28, 2019  
Page 5

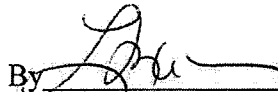
Request 2.06. SEC notes that the calculation to which you refer is contained in the middle of the page on Schedule F-8.0. If you want some other calculation, please let us know what you are requesting in detail so we can respond.

Request 2.11(a), (b) and (c). As noted in its discovery responses, SEC inadvertently produced the information in A-15.0, which was not included as a test year adjustment to operating expenses as the loss is not continuing in nature beyond 2019. The loss was removed from the Adjusted Test Year Non-Operating Margins; thereby increasing Non-Operating Margins.

Since SEC has fully addressed the City's concerns, we do not believe a motion to compel is appropriate.

Very truly yours,

WIGGINS, WILLIAMS & WIGGINS  
A Professional Corporation

By   
Lorna M. Wiggins

LMW:me

Enclosures

---

**From:** Keith Herrmann  
**Sent:** Tuesday, April 02, 2019 3:50 PM  
**To:** Christie Griego  
**Cc:** Jody Garcia; Nann Winter; Lorna Wiggins  
**Subject:** RE: Case No. 18-00383-UT; SEC's discovery responses/objections

Thank you. We look forward to your response. After having some more time to review SEC's response we feel that production of work papers and spreadsheets would also satisfy our request with respect to Requests 2.05 and 2.06, where calculations were requested but not received. We still have some other comments that we would like addressed in your response as well.

First, your response to Request 1.09 is still unresponsive. The City's request is narrowly tailored to seek information regarding the proposed rate increase as requested by the Hearing Examiner in the Procedural Order. Is this still information you are unwilling to produce and have you considered our offer of a protective order?

Second, in Request 1.12 the City requested the number of employee positions, by department, authorized and the actual number of employees by month for the past five years as well as for the base period and test period. SEC has only provided annual summaries of the total number of fulltime employees. The information provided is overly generalized and does not provide enough information to justify SEC's claims. SEC is the only party with the information accessible and there is no less burdensome way to obtain that information.

Regards

Keith Herrmann  
Stelzner, Winter, Warburton, Flores, Sanchez & Dawes, P.A.  
302 8th Street NW, Suite 200  
Albuquerque, New Mexico 87102  
Phone: (505) 938-7770  
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---

**From:** Christie Griego <cgriego@wwwlaw.us>  
**Sent:** Monday, April 1, 2019 4:01 PM  
**To:** Keith Herrmann <KHerrmann@stelznerlaw.com>  
**Cc:** Jody Garcia <JGarcia@stelznerlaw.com>; Nann Winter <NWinter@stelznerlaw.com>; Lorna Wiggins <lwiggins@wwwlaw.us>  
**Subject:** RE: Case No. 18-00383-UT; SEC's discovery responses/objections

SEC expects to be able to respond by midweek. Thank you.





## ***Christie Griego***

Paralegal

Wiggins, Williams & Wiggins

A Professional Corporation

1803 Rio Grande NW (87104)

P. O. Box 1308

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Phone: (505) 764-8400

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**From:** Keith Herrmann [<mailto:KHerrmann@stelznerlaw.com>]

**Sent:** Thursday, March 28, 2019 4:50 PM

**To:** Lorna Wiggins

**Cc:** Christie Griego; Jody Garcia; Nann Winter

**Subject:** RE: Case No. 18-00383-UT; SEC's discovery responses/objections

Thank you for your response Ms. Wiggins.

Regarding your response to Request 1.02 we consider the definition of workpapers to be any models, spreadsheets, calculations, or other supporting documentation or data used to produce any of the results that have been filed. We requested this in both hard and electronic formats. See discovery request definition 16 and request 1.01 and 1.02. Considering the differences in the cost of service and rate design studies submitted to us in response to request 1.01 and the hearing examiner last week, it is evident that these files do exist in some executable electronic format. We remind you that you are under an obligation to supplement your discovery request and we are permitted to obtain a copy of, or a description by category and location of, all documents, electronically stored information, and tangible things that a party may use to support its claim.

Please clarify this response by close of business Monday.

Thank you

Keith Herrmann

Stelzner, Winter, Warburton, Flores, Sanchez & Dawes, P.A.

302 8th Street NW, Suite 200

Albuquerque, New Mexico 87102

Phone: (505) 938-7770

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**From:** Christie Griego <[cgriego@wwwlaw.us](mailto:cgriego@wwwlaw.us)>  
**Sent:** Thursday, March 28, 2019 11:59 AM  
**To:** Nann Winter <[NWinter@stelznerlaw.com](mailto:NWinter@stelznerlaw.com)>; Keith Herrmann <[KHerrmann@stelznerlaw.com](mailto:KHerrmann@stelznerlaw.com)>; Jody Garcia <[JGarcia@stelznerlaw.com](mailto:JGarcia@stelznerlaw.com)>  
**Cc:** Lorna Wiggins <[lwiggins@wwwlaw.us](mailto:lwiggins@wwwlaw.us)>  
**Subject:** RE: Case No. 18-00383-UT; SEC's discovery responses/objections

Please see the attached correspondence and enclosures. Thank you.

***Christie Griego***

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**From:** Jody Garcia [<mailto:JGarcia@stelznerlaw.com>]  
**Sent:** Wednesday, March 13, 2019 4:17 PM  
**To:** Lorna Wiggins  
**Cc:** Christie Griego; Nann Winter; Keith Herrmann  
**Subject:** Case No. 18-00383-UT; SEC's discovery responses/objections

Ms. Wiggins, please see the attached letter regarding SEC's discovery responses/objections.

Thank you,  
Jody

Jody Garcia, Legal Assistant to Juan L. Flores, Nann M. Winter and Jaime L. Dawes  
**Stelzner, Winter, Warburton, Flores, Sanchez & Dawes, P.A.**  
302 8th Street NW, Suite 200  
Albuquerque, New Mexico 87102  
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Fax: (505) 938-7781  
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immediately notify the sender by telephone at 505-938-7770 and return the original message to the sender and Stelzner, Winter, Warburton, Flores, Sanchez & Dawes, P.A.

---

**From:** Keith Herrmann  
**Sent:** Friday, April 05, 2019 10:13 AM  
**To:** Nann Winter; Lorna Wiggins  
**Cc:** Christie Griego  
**Subject:** RE: SEC Discovery Responses

Ms. Wiggins:

Thank you for your reply. In response to the referenced Financials workbook. Is that something that has already been provided or are you planning on including it in the submittal ordered by the hearing examiner due today? Also, when can we expect the Excel workpapers?

Thank you  
Keith

---

**From:** Nann Winter  
**Sent:** Thursday, April 4, 2019 9:07 PM  
**To:** Lorna Wiggins <[lwiggins@wwwlaw.us](mailto:lwiggins@wwwlaw.us)>; Keith Herrmann <[KHerrmann@stelznerlaw.com](mailto:KHerrmann@stelznerlaw.com)>  
**Cc:** Christie Griego <[cgriego@wwwlaw.us](mailto:cgriego@wwwlaw.us)>  
**Subject:** RE: SEC Discovery Responses

Lorna, I have copied Keith here.

**Nann Winter**  
**Stelzner, Winter, Warburton, Flores, Sanchez & Dawes, P.A.**  
302 8th Street NW, Suite 200  
Albuquerque, New Mexico 87102  
(505) 938-7770 phone  
(505) 938-7781 fax  
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**From:** Lorna Wiggins [<mailto:lwiggins@wwwlaw.us>]  
**Sent:** Thursday, April 04, 2019 6:31 PM  
**To:** Nann Winter <[NWinter@stelznerlaw.com](mailto:NWinter@stelznerlaw.com)>  
**Cc:** Christie Griego <[cgriego@wwwlaw.us](mailto:cgriego@wwwlaw.us)>  
**Subject:** SEC Discovery Responses

Nann, for some reason I am unable to pull up Mr. Herrmann's email, but wanted to get this to you all today. Thank you. SEC has reviewed your recent emails regarding SEC's discovery

responses and has the following response. Regarding 1.02, SEC will provide the related Excel workpapers for developing the data that was used by Mr. Proctor in his cost allocation work. Please understand that the cost allocation software program Mr. Proctor used in his work is proprietary and is not a part of the workpapers.

As to 1.09 regarding SEC's 10 largest customers, we note SEC has provided the complete COSS study and a summary of large power data. Member specific data is not required for your review of the COSS. The development of the COSS Adjusted TY billing units and revenue were done on the basis of Rate Code; not size of customer nor key account basis.

As to 1.12, we again point out that this level of detail is not required to develop the adjusted test year payroll and it was not developed in such a fashion. The City does not need such information to determine the reasonableness of the payroll adjustment. We direct you to the XLS files that SEC is providing to staff, specifically, the Financials workbook and suggest you review the "WK\_Payroll" tab. This is a list of SEC employees and their wage rate. This is all that is necessary for the City to review the reasonableness of SEC's Adjusted Test Year Payroll.

Lorna M. Wiggins

Wiggins, Williams & Wiggins

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BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE FILING OF  
ADVICE NOTICE NO. 69 BY SOCORRO  
ELECTRIC COOPERATIVE, INC.

SOCORRO ELECTRIC COOPERATIVE, INC.,  
  
Applicant.

Case No. 18-00383-UT

FILED IN OFFICE OF

APR - 9 2019

NM PUBLIC REGULATION COMM  
RECORDS MANAGEMENT BUREAU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the City of Socorro's Motion to

Compel Discovery was served via email on April 9, 2019, to the following persons listed below:

Mayor Ravi Bhasker	RBhasker@socorronm.gov	Theresa Rivera	Theresarosales22@gmail.com
Donald Monette	dmonette@socorronm.gov	James Rivera	trivera@co.socorro.nm.us
Donald Monette	Donald@themonettes.com	Zachery Anaya	zanaya68@gmail.com
Ed Reyes	Edwin.reyes.jr@comcast.net	Maribel Tarango	southernmari2010@yahoo.com
Larry Blank	lb@tahoeconomics.com	Valen Alonzo	valonzo@socorronm.gov
Polo Pineda	ppineda@socorronm.gov	Jim Quaranta	Elkmanjimaz@gmail.com
Leopoldo Pineda, Jr.	pineda@pinedas.net	Anton Salome	asalome@socorronm.gov
Rudy L. Chavez	elchavez67@gmail.com	Sammy Vivian	sammyvirg@live.com
Carl Lukesh	jlukesh@socorronm.gov	Demecio Silva	openseasongohunt@yahoo.com
Stephanie Saavedra	ssaavedra@socorronm.gov	Enrique Trujillo	ultimate_dragon2004@yahoo.com
Arthur P. Gonzales	agonzaes@co.socorro.nm.us	Jerry Griego	dusty418@msn.com
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Patricia G. Williams	pwilliams@wwwlaw.us	Beverly Eschberger	Beverly.Eschberger@state.nm.us
Lorna Wiggins	lwiggins@wwwlaw.us	Carolyn Glick	Carolyn.Glick@state.nm.us
Mark K. Adams	mkadams@rodey.com		

DATED this 9<sup>th</sup> day of April, 2019.

Respectfully submitted,

STELZNER, WINTER, Warburton,  
Flores, Sanchez & Dawes, P.A.

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Albuquerque, New Mexico 87103

(505) 938-7770

Email: [nwinter@stelznerlaw.com](mailto:nwinter@stelznerlaw.com)

Email: [kherrmann@stelznerlaw.com](mailto:kherrmann@stelznerlaw.com)

By:   
NANN M. WINTER  
KEITH W. HERRMANN

*Attorneys for the City of Socorro*

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