

NEW MEXICO  
PUBLIC REGULATION  
COMMISSION  
FILED

2016 JAN 29 AM 8 27

5207 Ralls Road  
Las Cruces, NM 88012  
25 January 2016

NM Public Regulation Commission  
Records Bureau  
PO Box 1269  
Santa Fe, NM 87504

16-00017-UT

Sirs:

Enclosed are 6 copies (all with original signatures) of a formal complaint against El Paso Electric Co., and my check for the \$25 filing fee.

Please return a stamped copy of the complaint to me in the enclosed addressed, stamped, envelope.

Thank you,



Allen Downs

# NEW MEXICO PUBLIC REGULATION COMMISSION

NEW MEXICO  
PUBLIC REGULATION  
COMMISSION  
FILED

## COMMISSIONERS

DISTRICT 1 KAREN L. MONTROYA, CHAIR  
DISTRICT 2 PATRICK H. LYONS  
DISTRICT 3 VALERIE ESPINOZA  
DISTRICT 4 LYNDA LOVEJOY, VICECHAIR  
DISTRICT 5 SANDY JONES



JAN 28 AM 8 27  
P.O. Box 1269  
1120 Paseo de Peralta  
Santa Fe, NM 87504-1269

**CHIEF OF STAFF**  
S. Vincent Martinez

## Formal Complaint Form

16-00017-UT

The New Mexico Public Regulation Commission (NMPRC) attempts to resolve complaints against industries regulated by the NMPRC at the informal level with our Consumer Relations Division. If a consumer is not satisfied with the outcome, they are welcome to file a formal complaint that may be heard by the NMPRC Commissioners at a formal open meeting.

### Step 1: Complaint Information

Your name (complainant) as it appears on the bill: Allen H Downs

Address as it appears on the bill: 5207 Ralls Road, Las Cruces, NM 88012

Phone number (include area code): 575 915-6969 Email Address: ecomaxac@lifeisgood2.com

Company (respondent) you are complaining against: El Paso Electric Co.

Company mailing address and phone number: PO Box 982, El Paso, TX 79960 915 543-5711

A clear and concise statement of the relief sought (What do you think the company should do to make this situation right?):

I request that El Paso Electric be barred from abandoning the generation unit located in  
the Rio Grande Power Plant in Sunland Park, New Mexico, and known as Rio Grande 6,  
unless and until they obtain the permission and approval of the Commission as required  
by the Public Utilities Act, Section 62-9-5

1 888 4 ASK PRC  
www.nmprc.state.nm.us

**PRC**  
Working for You!

A concise and explicit statement of the facts which the complainant alleges shows a violation:  
(Please use additional sheets if necessary. Attach any relevant documentation such as a copy of the bill(s) in dispute, cancelled check, documentation which will support your position):

---

Please see the attached sheets

---

---

---

---

---

A statement of any laws, rules, orders, tariffs, certificates of public convenience and necessity, or operating authorities alleged to have been violated;

Public Utilities Act, Section 62-9-5 which states, in part:

---

No utility shall abandon all or any portion of its facilities subject to the jurisdiction of the commission, or any service rendered by means of such facilities, without first obtaining the permission and approval of the commission.

---

**Step 2: Affirmation**

Please sign the below statement:

"The factual allegations in the complaint are true and correct to the best of my knowledge and belief"

Date: 25 January 2016

Signature: Allen H. Downer

**Step 3: Filing Fee**

Please prepare a check or money order payable to the State of New Mexico in the amount of \$25 to pay the formal complaint filing fee.

**Step 4: Filing**

Mail your original document along with your filing fee to:

New Mexico Public Regulation Commission

Records Bureau

PO Box 1269

Santa Fe, NM 87504

1 888 4 ASK PRC

www.nmprc.state.nm.us

**PRC**

Working for You!

NEW MEXICO  
PUBLIC REGULATION  
COMMISSION  
FILED

2016 JAN 29 AM 8 28

16-00017-UT

**FORMAL COMPLAINT REQUESTING )  
THAT EL PASO ELECTRIC BE REQUIRED )  
TO COMPLY WITH PUA 62-9-5 )  
CONCERNING ABANDONMENT OF )  
RIO GRANDE UNIT 6 )  
)  
)  
**ALLEN DOWNS, RESIDENTIAL CUSTOMER )  
OF EL PASO ELECTRIC IN NEW MEXICO, )  
Complainant )****

---

**25 January 2016**

I request that El Paso Electric be barred from abandoning the generation unit located in the Rio Grande Power Plant in Sunland Park, New Mexico, and known as Rio Grande 6, unless and until they obtain the permission and approval of the Commission as required by the Public Utilities Act, Section 62-9-5 which states, in part:

*No utility shall abandon all or any portion of its facilities subject to the jurisdiction of the commission, or any service rendered by means of such facilities, without first obtaining the permission and approval of the commission.*

EPE has filed documents with the Commission in several cases which show EPE's intent to "retire" or abandon Rio Grande 6 (capacity, 45MW) in December 2014 or in December 2015<sup>1</sup>.

---

<sup>1</sup>Montana 1&2 CCN (12-00137-UT) Loads & Resources LMS100 Scenario" (page 7 of exhibit RA-1)  
Loads & Resources CC Scenario (page 8 of exhibit RA-1)  
Loads & Resources Scenario 06-24-2011\_1" (exhibit RA-2)  
Montana 3&4 CCN (13-00297-UT) Loads & Resources Scenario 06-24-2011\_1 (page 9 of exhibit RA-6)  
EPE's Unit's Capacity and Retirements (table 1 page 4 of exhibit RA-3)  
Four Corners Abandonment (15-00109-UT), Loads & Resources 2015-2024 Base Case (exhibit RA-2)  
Ft Bliss Solar (15-00099-UT), Loads & Resources 2015-2024 – Sensitivity L&R with Ft Bliss Solar (DCH-1)  
2015 IRP (15-00241-UT) EPE Owned Existing Generation Stations and Fuel Types" (page 20, table 4)  
Rate case (15-00127-UT) Loads & Resources (exhibit DCH-3)

In his rebuttal testimony, Andres Ramirez (page 7 lines 16 – 20) says EPE plans to retire Rio Grande 6 in December, 2015

EPE has not requested permission or approval from the Commission to abandon Rio Grande 6.

By removing Rio Grande 6 from the list of EPE Owned Existing Generation Stations and removing its output from recent versions of EPE's loads & resources document, EPE effectively abandons it for planning purposes and incorrectly shows a greater need for new generation than actually exists. Purchasing new generation unnecessarily or prematurely results in extra costs for EPE's ratepayers.

It is not clear that abandoning Rio Grande 6 now is the best option. Burns & McDonnell Engineering Co. conducted a study of Rio Grande units 6 and 7 for EPE in December 2012. The study's report compared the costs of continued operation of Rio Grande 6 & 7 against a new LMS100 and a new combined cycle gas turbine and concluded in part, "If EPE only needs the existing units [Rio Grande 6 & 7] for capacity obligations and would only operate the existing units at lower capacity factors, the existing units may provide the most economic benefit to EPE."<sup>2</sup> EPE has represented the capacity factor of Rio Grande 6 to be 0.05% or less.<sup>3</sup>

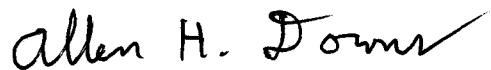
---

<sup>2</sup> Rio Grande Units 6 and 7 Condition Assessment Report, December 2012, page 10-5 section 10.3

<sup>3</sup> 2012 IRP, Attachment A "Existing Units Operating Characteristics"

EPE should be required to comply with PUA 62-9-5 to give the Commission an opportunity to examine the facts and determine if Rio Grande 6 should be abandoned, should remain in service for use during peak periods or as part of EPE's 15% planning reserve, or if some other course of action would be in the best interests of EPE's New Mexico ratepayers.

The factual allegations in this complaint are true and correct to the best of my knowledge and belief.

A handwritten signature in cursive script that reads "Allen H. Downs". The signature is written in black ink and is positioned above the typed name and contact information.

Allen H Downs  
5207 Ralls Rd  
Las Cruces, NM 88012  
575-915-6969  
ecomaxac@lifeisgood2.com

## **The following information supports the complaint**

**In 2012 Rio Grande 6 (RG6) was an “Existing Unit” with a capacity factor of 0.05% or less, to be abandoned by the end of 2014.**

In EPE’s 2012 IRP EPE includes a table entitled “EPE Existing Generation Stations and Fuel Types” (2012 IRP, page 17, Table 3) which lists, for Rio Grande, units 6, 7 and 8 with a nominal capacity of 229MW. (Rio Grande 9 was not yet operational). It also includes an undated Load and Resources Document (2012 IRP, page 40, table 12) showing a decrease of 45MW in Rio Grande generation at the end of 2014 which can be assumed to result from the planned abandonment of Rio Grande 6. In this table Rio Grande 9 is included under “NEW BUILD” and not under “RIOGRANDE”. Attachment A “Existing Units Operating Characteristics”, includes Rio Grande 6 (with a capacity factor of 0.05% or less) until 2014. So at the time the 2012 IRP was filed, EPE considered Rio Grande 6 to be an “Existing Unit” with a capacity of 45MW, to be operated at a very low capacity factor.

**Montana 1 & 2 were justified in part on the abandonment of RG6 at the end of 2014**

In EPE’s Montana 1&2 CCN case (12-00137-UT) filed 2 May 2012 , the included loads & resources documents (Page 7 of exhibit RA-1) headed “Loads & Resources LMS100 Scenario”, (Page 8 of exhibit RA-1) headed “Loads & Resources CC Scenario” and (exhibit RA-2) headed “Loads & Resources Scenario 06-24-2011\_1” all show a decrease of 45MW in Rio Grande generation at the end of 2014 which can be assumed to result from the planned abandonment of Rio Grande 6. In exhibit RA-3 page 7 section 2.2, EPE says, “Also, pursuant to EPE’s current load and resources planning document, approximately 45MW of generation is scheduled to be retired at the Rio Grande Generating Station by 2015”.

**A study was conducted with the premise that RG6 would be abandoned at the end of 2014**

A “Rio Grande Units 6 and 7 Condition Assessment Report” was prepared by Burns & McDonnell Engineering Co. for EPE in December 2012, “...to assess whether Rio Grande Unit 6 and 7 could operate reliably until their scheduled retirement dates (December 2014 and December 2020, respectively).” The report, which can be found on EPE’s website in the “Public Advisory Group” section, compared the costs of the current units against an LMS100 and a combined cycle gas turbine and concluded (page 10-5 section 10.3), “If EPE only needs the existing units [Rio Grande 6 & 7] for capacity obligations and would only operate the existing units at lower capacity factors, the existing units may provide the most economic benefit to EPE.”

**Montana 3 & 4 were justified in part on the abandonment of RG6 at the end of 2014**

In EPE's Montana 3&4 CCN case (13-00297-UT) filed 6 September 2013, the included loads & resources document (Page 9 of exhibit RA-6) headed "Loads & Resources Scenario 06-24-2011\_1" shows a decrease of 45MW in Rio Grande generation at the end of 2014 which can be assumed to result from the planned abandonment of Rio Grande 6. Table 1 "EPE's Unit's Capacity and Retirements" on page 4 of exhibit RA-3 and shows Rio Grande with a net capacity of 229MW consisting of RG6 – 45MW, RG7 – 46MW and RG8 - 138MW.

**Four Corners case shows RG6 abandoned at the end of 2014**

In Four Corners Abandonment case 15-00109-UT, EPE includes a document entitled "Loads & Resources 2015-2024 Base Case" and dated March 1, 2015, as exhibit RA-2 which shows a Rio Grande resource of 275MW in 2015 through 2020. This is apparently the total capacity of Rio Grande units 7 thru 9 ( $46+138+87=271$ ) with an unexplained 4MW difference. The exhibit also contains a note "Unit Retirements – Rio Grande 6 (45MW) – December 2014"

**Ft Bliss Solar case shows RG6 abandoned at the end of 2014**

In Ft Bliss Solar case 15-00099-UT, EPE includes a document entitled "Loads & Resources 2015-2024 – Sensitivity L&R with Ft Bliss Solar" and dated March 10, 2015, as exhibit DCH-1 which shows a Rio Grande resource of 275MW in 2015 through 2020 which is the approximate capacity of units 7, 8, & 9. The exhibit also contains a note "Unit Retirements – Rio Grande 7 (46MW) – December 2020". There is no note concerning abandonment of Rio Grande 6.

**The 2015 IRP does not include RG6 as an "Existing Unit"**

In 2015 IRP case 15-00241-UT, EPE includes a table entitled "EPE Owned Existing Generation Stations and Fuel Types" (page 20, table 4) which lists, for Rio Grande, units 7, 8 and 9 with a nominal capacity of 276MW. Rio Grande 6 is not included as an "EPE Owned Existing Generation Station...". Attachment A "Existing Units Operating Characteristics", also does not include Rio Grande 6.

**The currently ongoing rate case shows RG6 abandoned at the end of 2014, modified in rebuttal testimony to the end of 2015**

In the EPE rate case (15-00127-UT) filed 11 May 2015, a Loads & Resources document dated 14 May 2014 is included as exhibit DCH-3 which contains an almost illegible note that appears to indicate the retirement of Rio Grande 6 in December 2014. In his rebuttal testimony in that case, Andres Ramirez (page 7 lines 16 – 20) says EPE plans to retire Rio Grande 6 in December, 2015.

**A search of the Public Regulation Commission infoshare2000 website did not produce a filing by El Paso Electric requesting permission to abandon Rio Grande 6.**