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October 29, 2021

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: *El Paso Electric Company*, Docket No. ER22-___-000
Revisions to Open Access Transmission Tariff

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act ("FPA"),[1] section 35.13 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") regulations,[2] and Order No. 714,[3] El Paso Electric Company ("EPE") hereby submits for filing revisions to its Open Access Transmission Tariff ("OATT"). These revisions include a formula rate template ("Template" or "Formula Rate Template") and implementation protocols ("Protocols") (collectively, "Formula Rate") to determine and recover the costs of EPE's investment in transmission facilities. The Formula Rate will be used to develop, on a forward-looking basis, EPE's annual transmission revenue requirement ("ATRR"), from which rates for network integration transmission service, point-to-point transmission service ("PTP Service"), and Schedule 1 (Scheduling, System Control and Dispatch) service will be derived.

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1 16 U.S.C. § 824d.

2 18 C.F.R. § 35.13.

3 *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008), *final rule*, Order No. 714-A, 147 FERC ¶ 61,115 (2014).

The proposed revisions are reflected in EPE's OATT as follows: (1) Table of Contents; (2) Section 34; (3) Schedules 1, 7, and 8; and (4) Attachment H. Additionally, EPE proposes new Attachments H-1 and H-2. EPE respectfully submits that its proposed Formula Rate and the rates derived therefrom are just, reasonable, and not unduly discriminatory, as demonstrated through this transmittal letter and the attached testimonies and exhibits. EPE requests that the Commission accept this filing effective January 1, 2022, without suspension or hearing.

I. BACKGROUND

A. El Paso Electric

EPE is a vertically integrated electric utility whose primary business is serving native load in west Texas and southern New Mexico, providing retail electric service to about 446,027 customers in an area of approximately 10,000 square miles. EPE is a wholly owned subsidiary of Sun Jupiter Holdings LLC. EPE owns distribution facilities through which it provides service to its customers at retail rates, and transmission facilities over which it offers service under its OATT.

B. Summary and Purpose of Filing

EPE is submitting this filing because its existing stated transmission rates, established and approved by the Commission in 1998, fail to recover EPE's costs of providing transmission service.[4] EPE witness Mr. James A. Schichtl testifies that, at the time EPE last filed rates for transmission service with the Commission in the mid-1990s, EPE's total transmission plant account balance was $238,822,547, and that balance has

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[4] EPE's current transmission stated rates were established through a settlement accepted by letter order dated June 10, 1998, in Docket No. OA96-200.

since grown to $572,495,263.[5] As these figures demonstrate, EPE has made significant system improvements and anticipates continuing to do so in the future.[6] Moving from outdated stated rates to a forward-looking formula rate will enable EPE to recover its capital investments in the system on a timely basis, thereby avoiding regulatory lag, and will more accurately reflect EPE's costs to provide transmission service. The Commission has long encouraged the use of formula rates for these very reasons.[7]

The Formula Rate includes a cost-of-service Template and Protocols modeled after formula rate templates and protocols accepted by the Commission. The Formula Rate Template and Protocols establish a forward-looking formula rate that recovers projected transmission costs on a yearly basis, with a true-up (with interest in accordance with section 35.19a of the Commission's regulations, 18 C.F.R. § 35.19a ("FERC Interest Rate")) to ensure that only actual costs are collected. The adoption of a forward-looking formula rate will help EPE maintain transmission rates that are just and reasonable on a prospective basis.[8]

II. CONTENTS OF THIS FILING

In addition to this transmittal letter and tariff records, this filing also includes the following documents:

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5 Direct Testimony of James A. Schichtl, Exhibit No. EPE-0002, at 4:10-13 ("Schichtl Testimony").

6 Direct Testimony of Bryn T. Davis, Exhibit No. EPE-0010, at 4:8 – 5:6.

7 *Midwest Indep. Sys. Operator Corp.*, 117 FERC ¶ 61,323, at P 12 (2006); *Ne. Utils. Serv. Co.*, 105 FERC ¶ 61,089, at P 23 (2003).

8 *See* Direct Testimony of John Wolfram, Exhibit No. EPE-0004, at 6:12-19 ("Wolfram Testimony").

Attachment A	Revised OATT Sheets (Clean)
Attachment B	Revised OATT Sheets (Marked)
Exhibit No. EPE-0001	Prepared Direct Testimony of David C. Hawkins (Overview and Transmission Service Provided)
Exhibit Nos. EPE-0002 through EPE-0003	Prepared Direct Testimony and Exhibit of James A. Schichtl (Transmission Investment)
Exhibit Nos. EPE-0004 through EPE-0009 (including EPE-0006X and EPE-0008X)	Prepared Direct Testimony and Exhibits of John Wolfram (Formula Rate Template and Protocols)
Exhibit Nos. EPE-0010 through EPE-0011	Prepared Direct Testimony and Exhibit of Bryn T. Davis (Transmission Planning and New Projects)
Exhibit Nos. EPE-0012 through EPE-0015	Prepared Direct Testimony and Exhibits of Cynthia S. Prieto (Accounting and Taxes)
Exhibit Nos. EPE-0016 through EPE-0028	Prepared Direct Testimony and Exhibits of Adrien M. McKenzie (Capital Structure and Rate of Return on Equity)
Exhibit Nos. EPE-0029 through EPE-0032	Prepared Direct Testimony and Exhibits of John J. Spanos (Depreciation)
Attestation	Attestation of Cynthia S. Prieto as to Books and Records

Mr. John Wolfram's exhibits include the following functional Excel spreadsheets required to satisfy Commission regulations:

Exhibit EPE-0006X	A functional Excel version of the unpopulated Formula Rate Template (Exhibit No. EPE-0006 is a PDF of the unpopulated Formula Rate Template); and
Exhibit EPE-0008X	A functional Excel version of the populated Formula Rate Template for the first Rate Year (Exhibit No. EPE-0008 is a PDF of the populated Formula Rate Template).

III. THE FORMULA RATE AND ITS COMPONENTS

Mr. Wolfram describes the proposed Formula Rate Template and Protocols in his testimony. The proposed Formula Rate Template and Protocols are consistent with Commission-approved ratemaking methodologies and contain sufficient specificity to be administered and implemented in a non-discriminatory and transparent manner. The Formula Rate is just and reasonable and should be accepted for filing effective January 1, 2022.

A. Formula Rate Design

As Mr. Wolfram explains in his testimony, the proposed Formula Rate Template is forward-looking, and is similar to numerous other forward-looking formula rates the Commission has accepted for other transmission owners.[9]

The Template will be used to calculate EPE's ATRR. EPE will annually project (referred to in the Protocols as the "Annual Projection") its net revenue requirement by populating the applicable cost components in the Template based on EPE's projected costs for the upcoming calendar year (each calendar year is a "Rate Year"). The resulting projected net revenue requirement from the populated Template will be charged to customers in accordance with the terms and conditions of the EPE OATT throughout that Rate Year.

[9] *See, e.g.*, *LS Power Grid Cal., LLC*, 175 FERC ¶ 61,256 (2021); *NextEra Energy Transmission Midwest, LLC*, 161 FERC ¶ 61,140 (2017); *PJM Interconnection, L.L.C.*, 155 FERC ¶ 61,097 (2016), *order on reh'g & compliance*, 158 FERC ¶ 61,060 (2017); *NextEra Energy Transmission W., LLC*, 154 FERC ¶ 61,009 (2016); *PJM Interconnection, L.L.C.*, 152 FERC ¶ 61,180 (2015).

No later than June 15 following each Rate Year, EPE will calculate the difference between the actual OATT revenues recorded by EPE and EPE's actual net revenue requirement for the Rate Year calculated using the Template and EPE's actual cost inputs from the prior year's FERC Form 1 ("True-Up Amount"). EPE will then apply the True-Up Amount to the next Rate Year's projected net revenue requirement and resultant rates ("True-Up Adjustment"). The True-Up Adjustment will include the FERC Interest Rate. This overall process, which will repeat every year, is detailed in the proposed Protocols.

The projected gross revenue requirement is determined using the established cost-of-service approach of summing Operation and Maintenance expenses, Administrative and General ("A&G") expenses, depreciation and amortization expenses, taxes other than income taxes, income taxes, and return on rate base. Thereafter, the net revenue requirement is determined by adjusting the gross revenue requirement for revenue credits. In future Rate Years (but not in the initial 2022 Rate Year), the True-Up Adjustment is applied after the revenue credits to determine the "Net Revenue Requirement."

Rate base is calculated as the sum of the total net plant, adjustments to rate base, land held for future use, and total working capital. Net plant, in turn, is determined as the difference between gross plant (excluding asset retirement obligation costs) and accumulated depreciation and amortization. All plant balances are calculated based on thirteen-month averages. Transmission plant is allocated using the Transmission Plant allocator. General and Intangible Plant are allocated to transmission using the Wages and

Salaries allocator. Mr. Wolfram describes the Template's adjustments to rate base in his testimony.[10]

B. Formula Rate Protocols

Mr. Wolfram also describes the Protocols for populating and updating the Template.[11] The Protocols provide transparency, are consistent with the Commission's guidance on protocols for forward-looking formula rates,[12] and will provide EPE's customers and other interested parties with sufficient information and procedural safeguards to enable the annual review of the inputs to the Template. The Protocols include, among other things, mechanisms for: (i) advance notice of EPE's implementation of its Formula Rate through notifications and open meeting requirements; (ii) information exchange to enable interested parties to obtain information and supporting materials related to EPE's posted implementation of its Formula Rate; (iii) informal and formal challenges to EPE's Formula Rate implementation; and (iv) an informational filing to the Commission pertaining to EPE's implementation of its Annual Projection and True-Up Adjustment for the preceding Rate Year. The Protocols neither limit the rights of EPE to file changes to

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10 Wolfram Testimony at 18:8 – 19:1; Exhibit No. EPE-0006 at 3.

11 Wolfram Testimony at 27:16 – 28:10.

12 *See, e.g.*, *Staff's Guidance on Formula Rate Updates*, Federal Energy Regulatory Commission (July 17, 2014), https://www.ferc.gov/sites/default/files/2020-04/staff-guidance.pdf; *Midwest Indep. Transmission Sys. Operator, Inc.*, 139 FERC ¶ 61,127 (2012), *order on investigation of formula rate protocols*, 143 FERC ¶ 61,149 (2013), *reh'g denied*, 146 FERC ¶ 61,209, *order on compliance*, 146 FERC ¶ 61,212 (2014), *order on reh'g & clarification*, 150 FERC ¶ 61,024, *order on compliance*, 150 FERC ¶ 61,025 (2015); *see also Transource Kan.*, LLC, 151 FERC ¶ 61,010 (2015), *order on reh'g & compliance*, 154 FERC ¶ 61,011 (2016), *appeal dismissed sub nom. Kan. Corp. Comm'n v. FERC*, 881 F.3d 924 (D.C. Cir. 2018), *reh'g denied en banc,* 2018 U.S. App. LEXIS 9045 (D.C. Cir. Apr. 10, 2018).

the Formula Rate pursuant to section 205 of the FPA, nor limit the rights of any party to file a complaint requesting changes to the Formula Rate pursuant to section 206 of the FPA.

C. Pensions and Benefits Other than Payroll ("PBOP")

EPE proposes to recover PBOP costs as A&G expense in the Formula Rate based on actual expense incurred. The PBOP amounts are supported by the actuarial report performed by an independent third party, attached to the Direct Testimony of Ms. Cynthia S. Prieto, Exhibit No. EPE-0013. The Formula Rate Template includes stated PBOP values, consistent with Commission policy requiring certain components of a formula rate to be stated components. The stated PBOP amounts may only be changed pursuant to a separate FPA section 205 or section 206 filing. This treatment is consistent with *Trans-Allegheny Interstate Line Co.*, 124 FERC ¶ 61,075 (2008).

D. Rolled in Treatment of Palo Verde Facilities' Costs

In addition to EPE's transmission system in its west Texas and southern New Mexico service territory, EPE is a co-owner of certain transmission facilities located in Arizona, which include three 500 kV transmission lines that extend approximately 165 miles (in total) from the Palo Verde Generating Station ("Palo Verde") to the Westwing and Kyrene switching stations, both of which are near Phoenix, Arizona (EPE refers to its share of these lines as the "Palo Verde Facilities"). Two of the three 500 kV lines extend to Westwing, and the third line extends to Kyrene. All three lines are used to transmit energy from Arizona to EPE's service territory in New Mexico and Texas.

EPE's currently effective OATT provides three separate sets of stated rates for PTP services: one for PTP services within the EPE Balancing Authority Area; one for PTP services on the Palo Verde Facilities from Palo Verde to Westwing; and one for PTP services on the Palo Verde Facilities from Palo Verde to Jojoba (another switching station located between Palo Verde and Kyrene) or Kyrene. EPE proposes to roll the costs of the Palo Verde Facilities in with the costs of the rest of EPE's transmission plant and have a single set of PTP service rates derived from the Formula Rate Template.

Rolling in the costs of the Palo Verde Facilities to develop a single set of PTP service rates accords with Commission policy and precedent on the pricing of service on integrated transmission systems, which the Commission considers as forming a single system for which all customers should bear an appropriate share of costs.[13] This policy was not fully established in the 1990s when EPE's initial OATT filing was settled, but for those utilities whose initial OATT rates were litigated rather than settled at that time, the Commission would rule in favor of a single rate.[14]

In *Buckeye*, the Commission found that as long as the transmission facilities in question meet the test established in *Mansfield Municipal Electric Department v. New England Power Co.*, Opinion No. 454, 97 FERC ¶ 61,134, at 61,613 (2001) (the "*Mansfield* test"), to establish whether transmission facilities comprise a single, integrated system, the costs of those transmission facilities should be rolled into a single system-wide rate.[15] The

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13 *See, e.g.*, *Buckeye Power, Inc. v. Am. Transmission Sys., Inc.*, Opinion No. 533, 148 FERC ¶ 61,174, at P 12 (2014) ("*Buckeye*") ("Commission policy favors a roll-in of rates on integrated transmission systems, absent special circumstances.").

14 *See Entergy Servs., Inc.*, 91 FERC ¶ 61,153, at 61,588 (2000) (summarily affirming the administrative law judge's findings that Entergy's bifurcated rate has not been shown to be just and reasonable and that a single system rolled-in rate is consistent with Commission precedent).

15 *Buckeye* at P 13.

Mansfield test establishes that transmission facilities are integrated with the larger transmission system if any one of the following are true: (1) the facilities are looped back into the transmission system, rather than being radial; (2) energy flows on the facilities in both directions, from transmission system to customers and from customers back to the transmission system; (3) the transmission provider is able to provide transmission service to itself or other transmission customers over the facilities in question; (4) the facilities provide benefits to the transmission grid in terms of capability or reliability; (5) the facilities can be relied on for coordinated operation of the grid; and (6) an outage on the facilities would affect the transmission system.[16]

The Palo Verde Facilities are integrated with the rest of EPE's transmission system. As EPE witness Mr. David C. Hawkins testifies, EPE provides open access transmission service on the Palo Verde Facilities, just as it does on the rest of its transmission system.[17] Mr. Hawkins also explains how the Palo Verde Facilities provide benefits to the rest of EPE's system, and how an outage of the Palo Verde Facilities affects the rest of EPE's system.[18] Thus, the Palo Verde Facilities meet the *Mansfield* test for integration with the rest of EPE's transmission system.[19]

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16 *Mansfield Mun. Elec. Dep't*, 97 FERC ¶ 61,134, at 61,613-14.

17 Direct Testimony of David C. Hawkins, Exhibit No. EPE-0001, at 10:24-25.

18 *Id*. at 9:22 – 10:21.

19 With the exception of EPE, the other public utility co-owners of the Palo Verde Facilities use a rolled-in rate design, i.e., each public utility co-owner rolls the costs of its share of the Palo Verde Facilities into the costs of the rest of its transmission facilities. Thus, EPE's proposal is consistent with how the other co-owners recover their respective shares of the Palo Verde Facilities' costs.

E. Rate Year 2022 Implementation of the Formula Rate

EPE requests an effective date of January 1, 2022, so that it may implement the Formula Rate with calendar year 2022 as its first Rate Year. Mr. Wolfram is sponsoring a fully populated Formula Rate Template, Exhibit Nos. EPE-0008 and EPE-0008X (a working Excel file), that develops EPE's projected ATRR for 2022. This filing provides transparency with regard to EPE's 2022 projected ATRR comparable to that provided by the Protocols and demonstrates that EPE has properly implemented its proposed Formula Rate Template for Rate Year 2022. EPE also notes that the projected net revenue requirement for Rate Year 2022 will be subject to the true-up procedures set forth in the Protocols, including applying the FERC Interest Rate to any over or under-recovery.

IV. COST OF CAPITAL AND RATE OF RETURN ON EQUITY

EPE requests a base rate of return on equity ("ROE") of 10.38%. The attached Direct Testimony of Mr. Adrien M. McKenzie, CFA, supports this request, as well as the derivation of EPE's overall cost of capital, including the capital structure and ROE, to be applied in EPE's Formula Rate Template.[20] The ROE will be a stated value in the Formula Rate Template.

Mr. McKenzie explains the independent analyses that he performed to determine that this value is a just and reasonable ROE for EPE.[21] Consistent with the Commission's current ROE methodology,[22] his analyses include applications of the two-step Discounted

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[20] Direct Testimony of Adrien M. McKenzie, CFA, Exhibit No. EPE-0016 ("McKenzie Testimony").

[21] McKenzie Testimony at 21:11 – 26:13.

[22] *Ass'n of Bus. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 569-A, 171 FERC ¶ 61,154, *order addressing arguments raised on*

Cash Flow model, the Capital Asset Pricing Model, and the Risk Premium method.[23] Mr. McKenzie refers to his analysis as the "Three-Model Approach."[24] The McKenzie Testimony recommends supplementing the Three-Model Approach to include the results of the Expected Earnings approach, which Mr. McKenzie collectively refers to as the "Four-Model Approach."[25] Mr. McKenzie also presents alternative benchmarks that should be considered as additional reference points in evaluating a just and reasonable ROE.[26]

Mr. McKenzie describes EPE's capital structure of 47.97% long-term debt and 52.03% common equity, and explains why it is appropriate to use the Company's actual capitalization to develop in the Template the weighted cost of capital on which the company's transmission service rates will be based.[27] Mr. McKenzie testifies that this capitalization, which represents EPE's actual capital structure at December 31, 2020, is consistent with industry benchmarks and should be approved.[28] Like other elements of the ATRR, the cost of capital will be adjusted annually to reflect changes in EPE's capital structure and weighted average cost of debt.

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reh'g, & setting aside prior order, in part, Opinion No. 569-B, 173 FERC ¶ 61,159 (2020).

23 McKenzie Testimony at 24:6 – 50:2.

24 *Id*. at 1:18 – 2:3.

25 *Id*. at 50:4 – 69:19.

26 *Id*. at 70:2 – 84:20.

27 *Id*. at 85:18 – 86:6.

28 *Id*. at 88:19-25.

V. TAX CUTS AND JOBS ACT OF 2017 ("TCJA") AND ORDER NO. 864

The TCJA reduced the federal corporate income tax rate from a maximum of 35% under the graduated rate structure, to a flat 21% rate, effective January 1, 2018. This change resulted in excess Accumulated Deferred Income Tax ("ADIT") balances for EPE and many other public utilities subject to the Commission's jurisdiction. At the time the TCJA was enacted, EPE had stated rates and therefore was subject to a Commission order to show cause why its transmission rates should not be revised to reflect the reduced federal income tax rate.[29] EPE demonstrated that since its transmission rates were adopted in 1998, EPE has experienced a significant increase in its transmission plant, such that even after reflecting the tax rate reduction resulting from the TCJA, a reduction in EPE's transmission rates was not justified.[30] The Commission found that no revisions were needed to EPE's stated transmission rates, and terminated the show cause proceeding by order issued November 15, 2018, in Docket No. EL18-95-000.[31]

Now that EPE is filing a formula transmission rate, it must comply with *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Order

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29 *Alcoa Power Generating Inc.--Long Sault Division*, 162 FERC ¶ 61,224 (2018) ("Stated Rate Order to Show Cause"). The Commission found that EPE's stated transmission rates appear to be unjust, unreasonable, and unduly discriminatory or preferential, or otherwise unlawful. As such, the Commission directed EPE to either: (1) propose revisions to its stated transmission rate under its tariff on file with the Commission to reflect the reduced tax rate and describe the methodology used for making those revisions; or (2) show cause why it should not be required to do so. Stated Rate Order to Show Cause at PP 2-3.

30 Response of El Paso Electric Company to the Commission's Order to Show Cause, Docket No. RL18-95-000, at 2-3 (May 14, 2018).

31 *El Paso Elec. Co.*, 165 FERC ¶ 61,126 (2018).

No. 864, 169 FERC ¶ 61,139 (2019), *order on reh'g & clarification*, Order No. 864-A, 171 FERC ¶ 61,033 (2020). Although EPE demonstrates in this filing that its proposed Formula Rate Template will, once effective, comply with Order No. 864, EPE also will submit within the next ten to fifteen days a separate filing under FPA section 206 to demonstrate its compliance with Order No. 864. EPE will propose making the ADIT worksheets and related components of this Formula Rate filing subject to the outcome of the Order No. 864 compliance filing, and will make any necessary revisions to its Formula Rate resulting from the Commission's review of the Order No. 864 compliance filing.

EPE witness Ms. Prieto explains that, consistent with Order No. 864, EPE has included in its Formula Rate Template the following components: (1) a mechanism to decrease or increase the income tax allowance by any amortized excess or deficient ADIT, respectively; (2) a mechanism to deduct any excess ADIT from, or add any deficient ADIT to, its rate base; and (3) permanent worksheets that will annually track information related to excess or deficient ADIT.[32] The permanent worksheets are also discussed in the Wolfram Testimony, Exhibit No. EPE-0004, and in the Formula Rate Template, Exhibit No. EPE-0006, Actual Attachment H, page 5, Note W.

To address the amortization of the excess ADIT related to the TCJA and excess/deficient ADIT related to other rate changes on an on-going basis, the Formula Rate Template reflects the ADIT adjustment to the income tax allowance on line 24 (under Income Taxes) on Projected Attachment H, page 3.[33] The ADIT calculations on

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[32] Direct Testimony of Cynthia S. Prieto, Exhibit No. EPE-0012, at 9:22 – 10:3 ("Prieto Testimony").

[33] Exhibit No. EPE-0006 at 36.

Worksheets P6-1 and P6-2 support the ADIT adjustment on line 24. These calculations are further supported by Exhibit No. EPE-0015, EDIT Worksheets. By adding line 24 and the related worksheets to the Formula Rate Template, EPE has adopted the general approach that the Commission accepted in 2018 to resolve this same issue for International Transmission Company (d/b/a ITC Transmission), Michigan Electric Transmission Company, LLC, and ITC Midwest LLC in Docket No. ER16-208-000, and for Ameren Services Company in Docket No. ER17-2323-000.[34] The approach is also consistent with the principles set forth by the Commission in Order No. 864.

Decreases in income tax rates such as the TCJA also require reducing the net temporary income tax savings, recorded as ADIT. This results in a regulatory liability, which is subtracted from rate base. Until the net excess ADIT regulatory liability is refunded to customers via amortization reducing deferred income tax expense, excess ADIT will be reflected as a reduction to rate base. The adjustment to rate base for excess ADIT is included in Projected Attachment H, page 2, line 13, and is supported by Worksheets P6-1 and P6-2.[35]

EPE's proposed Formula Rate Template also includes the permanent worksheet to track information concerning excess/deficient ADIT on an annual basis, as required by Order No. 864, but the information is spread across more than one worksheet. Ms. Prieto and Mr. Wolfram identify in their testimonies the Formula Rate Template worksheets that provide additional detail on the breakdown of excess/deficient ADIT included in Accounts

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[34] Prieto Testimony at 10:16 – 22.

[35] *See* Exhibit No. EPE-0006 at 35, 52-54.

182.3 and 254.3 for the test year ended December 31, 2020, and are configured to accommodate specific excess deferred tax items recorded in Accounts 182.3 and 254 as reported in the FERC Form 1 in future years, including any items recorded due to subsequent changes in federal or state income tax law.[36] Ms. Prieto also describes the worksheets that provide details of excess/deficient ADIT contained in each account, including how the worksheets are organized and the adjustments reflected in them.[37]

VI. DEPRECIATION RATES

The Direct Testimony of Mr. John J. Spanos, Gannett Fleming Valuation and Rate Consultants, LLC ("Gannett Fleming"), Exhibit No. EPE-0029, describes the Depreciation Study prepared for EPE by Gannett Fleming for the year ending December 31, 2019 ("Depreciation Study"). EPE proposes to utilize in the Template the calculated annual depreciation accrual rates for transmission plant by account at December 31, 2019, that are recommended in, and supported by, the Depreciation Study, Exhibit No. EPE-0031. The proposed depreciation rates appropriately reflect the rates at which EPE's transmission assets should be depreciated over their useful lives, and are based on the most commonly used methods and procedures for determining depreciation rates.

VII. REVENUE AND RATE CHANGE IMPACTS

To illustrate the impact of the Formula Rate, EPE has calculated its projected transmission revenue requirement for Rate Year 2022 using the Formula Rate Template, and compared the resulting rates to its currently effective stated OATT rates.

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36 Prieto Testimony at 11:11 – 12:9; Wolfram Testimony at 22:21 – 23:2.

37 Prieto Testimony at 7:20 – 8:9.

Exhibit No. EPE-0009 shows EPE's currently effective stated ATRR and stated PTP service rates, the proposed rates under the Formula Rate for Rate Year 2022, and the dollar and percentage increase from stated rates to the Formula Rate.

Given the increase in EPE's transmission plant noted in the Schichtl Testimony and the length of time since EPE's currently effective transmission service rates were established, the indicated rate increase under the Formula Rate for the first Rate Year, 2022, is both foreseeable and justified.

VIII. PROPOSED EFFECTIVE DATE AND REQUEST FOR WAIVERS

EPE respectfully requests that the Commission accept the Template and Protocols with an effective date of January 1, 2022. In the event the Commission decides to suspend EPE's proposed rates and set this matter for hearing, EPE respectfully requests that the Commission impose no more than a nominal suspension of this filing. Because EPE's rates are based on projected costs that will be trued up to actual costs, with interest, the Formula Rate will not result in unjust and unreasonable or substantially excessive rates under the Commission's *West Texas* policy.[38]

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[38] *W. Tex. Utils. Co.*, 18 FERC ¶ 61,189, at 61,375 (1982). *See, e.g.*, *PJM Interconnection, L.L.C.*, 149 FERC ¶ 61,292, at P 26 (2014) (noting that only a nominal suspension was warranted for a "change from a historic rate formula to a forward-looking one"); *Allegheny Power Sys. Operating Cos.*, 111 FERC ¶ 61,308, at P 51 (2005) (accepting a proposed transmission formula rate with only a nominal suspension because "the Commission has, in fact, urged transmission owners to move from stated rates to formula rates"), *order on reh'g & clarification*, 115 FERC ¶ 61,156 (2006), *opinion & order on initial decision sub nom. PJM Interconnection, L.L.C.*, Opinion No. 494, 119 FERC ¶ 61,063 (2007), *order on reh'g*, Opinion No. 494-A, 122 FERC ¶ 61,082, *reh'g denied*, 124 FERC ¶ 61,033 (2008), *reh'g denied*, 127 FERC ¶ 61,092 (2009), *aff'd in relevant part sub nom. Ill. Com. Comm'n v. FERC*, 576 F.3d 470 (7th Cir. 2009), *reh'g denied en banc,* 2009 U.S. App. LEXIS 24192 (7th Cir. Oct. 20, 2009).

In transmission formula rate filings, the Commission routinely allows waivers of the requirements of section 35.13 of the Commission's regulations, 18 C.F.R. § 35.13.[39] This is because the statements required by that section typically are not needed where the proposed rates are formulary and will be based on actual costs, as reflected in the applicant's audited books and records.

Accordingly, EPE respectfully requests waiver of the requirements of section 35.13 to the extent such requirements are not satisfied by the testimony and exhibits submitted by EPE. In addition, EPE requests waiver of any other applicable requirement of 18 C.F.R. part 35 for which waiver is not specifically requested for the Commission to accept EPE's Formula Rate with an effective date of January 1, 2022.

IX. INFORMATION REQUIRED BY SECTION 35.13 OF THE COMMISSION'S REGULATIONS

1. List of Documents Submitted, Section 35.13(b)(1)

See supra Section II.

2. Requested Effective Date, Section 35.13(b)(2)

EPE requests an effective date of January 1, 2022, for its Formula Rate. *See supra* Section VIII.

3. Names and Addresses of Persons to Whom a Copy of this Filing Has Been Provided, Section 35.13(b)(3)

See infra Section X.

39 *See, e.g.*, *Nw. Corp.*, 152 FERC ¶ 61,250, at P 46 (2015); *Nev. Power Co.*, 151 FERC ¶ 61,131, at P 87 (2015); *Xcel Energy Transmission Dev. Co.*, 149 FERC ¶ 61,181, at P 54 (2014); *PacifiCorp*, 147 FERC ¶ 61,227, at P 83 (2014); *Empire Dist. Elec. Co.*, 140 FERC ¶ 61,087, at P 49 (2012); *S. Cal. Edison Co.*, 136 FERC ¶ 61,074, at P 29 (2011).

4. Brief Description of the Rate Change, Section 35.13(b)(4)

See supra Sections I.B and III through VI.

5. Statement of Reasons for the Rate Change, Section 35.13(b)(5)

See supra Sections I.B and III.D.

6. Showing Regarding Requisite Agreement to the Rate Change, Section 35.13(b)(6)

No requisite agreement from any entity is required for the OATT changes EPE proposes in this filing.

7. Statement about Expenses or Costs Included, Section 35.13(b)(7)

EPE represents that there are no expenses or costs included in this filing that have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

8. Information Relating to the Effect of the Rate Change, Section 35.13(c)

Information required by section 35.13(c) relating to revenues under the proposed Formula Rate is included in Exhibit No. EPE-0009. There are no specifically assignable facilities that have been or will be installed or modified to make the change from stated transmission service rates to the Formula Rate proposed in this filing.

9. Attestation - Section 35.13(d)(6)

EPE is providing with this filing the attestation of Ms. Prieto, as required by 18 C.F.R. § 35.13(d)(6).

10. Testimony and Exhibits

To provide support for the Formula Rate proposed herein, EPE submits the testimony and exhibits of seven witnesses, as listed in Section II and described in this transmittal letter. In accordance with 18 C.F.R. § 35.13(e)(2), the materials submitted in Exhibit Nos. EPE-0001 through EPE-0032 are intended to serve as EPE's pre-filed written direct testimony to the extent this matter is set for hearing.

X. COMMUNICATIONS AND SERVICE

EPE requests that all communications regarding this filing be directed to the following individuals and that their names be entered on the official service list maintained by the Secretary[40] for this proceeding:

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EPE has emailed links to locations on its OASIS and company website where a copy of this filing may be found to each of its OATT transmission service customers. To the extent that customers have not provided EPE a contact email, EPE has sent notice by U.S. mail of this filing and links to locations on its OASIS and company website where a copy of this filing may be found.

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40 To the extent necessary, EPE requests waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3), to permit all of the persons listed to be placed on the official service list for this proceeding.

EPE has also mailed or emailed links to locations on its OASIS and company website where a copy of this filing may be found to the Public Utility Commission of Texas and the New Mexico Public Regulation Commission.

XI. CONCLUSION

For the reasons set forth above, EPE respectfully requests that the Commission accept the Formula Rate and the OATT revisions proposed in this filing, without hearing, modification, condition, or suspension, with an effective date of January 1, 2022.

Respectfully submitted,

/s/ Wendy B. Warren

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Attorneys for El Paso Electric Company

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	)))	**Docket No. ER22- -000**

ATTESTATION

City of El Paso)
State of Texas)

Cynthia S. Prieto attests that she is the Controller for El Paso Electric Company and that, to the best of her knowledge, information and belief, the cost of service materials and supporting data submitted as part of this filing are true, accurate, and current representations of El Paso Electric Company's books, budgets or other corporate documents.

Cynthia Prieto

Cynthia S. Prieto

SUBSCRIBED AND SWORN to before me

on this 29th day of October 2021

Linda Pleasant
Notary Public

My commission expires:

LINDA PLEASANT
Notary Public, State of Texas
Comm. Expires 06-20-2022
Notary ID 13161350-1

EL PASO ELECTRIC COMPANY

OPEN ACCESS TRANSMISSION TARIFF

FERC ELECTRIC TARIFF

VOLUME NO. 1

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III. NETWORK INTEGRATION TRANSMISSION SERVICE

34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge specified in Attachment H-1, tab "Projected Attachment H," line 12 multiplied by the Network Customer's Monthly Network Load.

34.2 Determination of Network Customer's Monthly Network Load:

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load:

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates described further below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer will be allowed to use dynamic scheduling when it is feasible and reliable. Dynamic scheduling involves the arrangement for moving load or generation served within one Control Area such that the load or generation is recognized in the real-time control and dispatch of another Control Area. If a Transmission Customer requests that the Transmission Provider perform dynamic scheduling, the Transmission Provider will provide this service at negotiated rates, terms and conditions. Such negotiated rates, terms and conditions will be subject to Commission approval.

The Transmission Customer must secure adequate transmission arrangements to support this service.

Transmission Customers Obligated to Acquire Scheduling, System Control and Dispatch Service:

All Transmission Customers purchasing Long-Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire Scheduling, System Control and Dispatch Service from the Transmission Provider.

Charge for Scheduling, System Control and Dispatch Service:

All Transmission Customers required to acquire Scheduling, System Control and Dispatch Service shall pay a charge invoiced monthly for Scheduling, System Control and Dispatch Service equal to the amount set forth below. The rates on which such charges are determined shall be calculated on an annual basis using an annual Schedule 1 revenue requirement identified in Attachment H-1, tab "Schedule 1," line 22. Annual updates to the Schedule 1 rates shall follow the procedures set forth in Attachment H-2.

1) For Yearly Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 28 multiplied by either: (a) the amount of Reserved Capacity per year for Point-to-Point Transmission Service or (b) the Monthly Network Load calculated pursuant to Section 34.2 of the Tariff for Network Integration Transmission Service.

2) For Monthly Service, the demand charge identified in Attachment H-1, tab

"Schedule 1," line 29 multiplied by the amount of Reserved Capacity per month.

3) For Weekly Service, the demand charge identified in Attachment H-1, tab "Projected Schedule 1," line 30 multiplied by the amount of Reserved Capacity per week.

4) For Daily On-Peak Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 31 multiplied by the amount of Reserved Capacity per day during on-peak periods.

5) For Daily Off-Peak Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 32 multiplied by the amount of Reserved Capacity per day during off-peak periods.

6) For Hourly On-Peak Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 33 multiplied by the amount of Reserved Capacity per hour during on-peak periods.

7) For Hourly Off-Peak Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 34 multiplied by the amount of Reserved Capacity per hour during off-peak periods.

The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily Rate pursuant to this Schedule 1 times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the Weekly Rate pursuant to this Schedule 1 times the highest amount in megawatts of Reserved Capacity in any hour during such week.

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

A.

The following rates apply to Firm Point-To-Point Transmission Service between any Point of Receipt and any Point of Delivery on the Transmission System. In addition, the terms and conditions set forth in Section B of this Schedule 7 apply to services in this Section A.

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1) Yearly delivery: the Annual Demand Charge multiplied by the amount of Reserved Capacity per year. The Annual Demand Charge for a calendar year is identified in Attachment H-1, tab “Projected Attachment H,” line 11.

2) Monthly delivery: the demand charge identified in Attachment H-1, tab “Projected Attachment H,” line 12 multiplied by the amount of Reserved Capacity per month.

3) Weekly delivery: the demand charge identified in Attachment H-1, tab “Projected Attachment H,” line 13 multiplied by the amount of Reserved Capacity per week.

4) Daily delivery: On-peak, the demand charge identified in Attachment H-1, tab “Projected Attachment H,” line 14 multiplied by the amount of Reserved Capacity per day during on-peak periods. Off-peak, the demand charge identified in Attachment H-1, tab “Projected Attachment H,” line 15 multiplied by the amount

of Reserved Capacity per day during off-peak periods. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section A(3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) Hourly delivery: On-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 16 multiplied by the Reserved Capacity per hour during on-peak periods. Off-peak, the demand charge in Attachment H-1, tab "Projected Attachment H," line 17 multiplied by the Reserved Capacity per hour during off-peak periods. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section A(4) times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

B. Terms and Conditions Applicable to Section A of this Schedule 7

1) Ancillary Services: If applicable, provided pursuant to Schedules 1 through 6 and 9 of this Tariff.

2) Direct Assignment Facilities Charges: If applicable.

3) Real Power Losses: Provided pursuant to Schedule 10 of this Tariff.

4) Peak/Off-Peak Periods: For hourly service, the on-peak period extends from hour ending (HE) 0700 through HE 2200, Daylight Saving Time, at the location where service is provided, at such times when Daylight Saving Time is the prevailing time, and extends from HE 0800 through HE 2300, Standard Time, at the location where service is provided, at such times when Standard Time is the prevailing

time, in each case Monday through Saturday, exclusive of NERC holidays. All other hours are off-peak periods for the purpose of determining hourly service rates. For daily service, on-peak periods are Monday through Saturday, exclusive of NERC holidays. Off-peak daily rates apply on Sundays and NERC holidays.

5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

The following rates apply to Non-Firm Point-To-Point Transmission Service between any Point of Receipt and any Point of Delivery on the Transmission System.

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service at the sum of the applicable charges set forth below:

1) Monthly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 12 multiplied by the amount of Reserved Capacity per month.

2) Weekly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 13 multiplied by the amount of Reserved Capacity per week.

3) Daily delivery: On-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 14 multiplied by the amount of Reserved Capacity per day during on-peak periods. Off-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 15 multiplied by the amount of Reserved Capacity per day during off-peak periods. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section A(2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

4) Hourly delivery: On-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 16 multiplied by the amount of Reserved Capacity per hour during on-peak periods. Off-peak, the demand charge identified in

Attachment H-1, tab "Projected Attachment H," line 17 multiplied by the amount of Reserved Capacity per hour during off-peak periods. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section A(3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section A(2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

A. Terms and Conditions Applicable to Section A of this Schedule 8

1) Ancillary Services: If applicable, provided pursuant to Schedules 1 through 6 and 9 of this Tariff.

2) Direct Assignment Facilities Charges: If applicable.

3) Real Power Losses: Provided pursuant to Schedule 10 of this Tariff.

4) Peak/Off-Peak Periods: For hourly service, the on-peak period extends from hour ending (HE) 0700 through HE 2200, Daylight Saving Time, at the location where service is provided, at such times when Daylight Saving Time is the prevailing time, and extends from HE 0800 through HE 2300, Standard Time, at the location where service is provided, at such times when Standard Time is the prevailing time, in each case Monday through Saturday, exclusive of NERC holidays. All other hours are off-peak periods for the purpose of determining hourly service rates. For daily service, on-peak periods are Monday through Saturday, exclusive of NERC holidays. Off-peak daily rates apply on Sundays and NERC holidays.

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6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

ATTACHMENT H

Annual Transmission Revenue Requirement and Formula Rate Template and Protocols

1. This Attachment H contains the Formula Rate Template and Protocols pursuant to which rates for Network Integration Transmission Service and Point-to-Point Transmission Services are developed and identified. The Template is found in Attachment H-1. The Annual Transmission Revenue Requirement is identified in Attachment H-1, tab “Projected Attachment H,” page 1.

2. The formula rates are subject to true-up and adjusted prospectively in the manner set forth in the Formula Rate Implementation Protocols. The Protocols are found in Attachment H-2.

Attachment H-1

El Paso Electric Company ("EPE")

Transmission Formula Rate Template

Table of Contents

Overview

The formula is calculated in two steps. The first step is to fill out the A tabs, and the Actual Attachment H tab with data from the previous year's Form 1 information. This information is used to update the formulas in the Actual Net Rev Req tab to calculate the Actual Revenue Requirement (Actual ATRR) for the previous year.

The TU (True-up) tab uses the revenue requirement from the Actual Attachment H tab and compares it to the revenue requirement from the Projected Attachment H tab that customers were billed for the same period. Interest is added to the difference and the amount is added to the Projected Attachment H tab via the True Up Adjustment line.

The projected O&M and plant balances are calculated on the P Tabs. These sheets feed into the Projected Attachment H tab for determining the Projected Annual Transmission Revenue Requirement. The EPE tariff rates are calculated based on the EPE Revenue Requirements and the specific point-to-point charges are shown on the same tab.

Cells highlighted in yellow are data input cells, however, some cells may reference the results from other worksheets in the formula. Such cell references may change from year to year requiring manual adjustment of the reference or the direct entry of the proper value.

Cells highlighted in green signify that the data is sourced from other worksheets in the formula and that the reference is static.

		Credits data
A4-Rate Base	Worksheet A4	Actual Rate Base data
A5-Depr	Worksheet A5	Depreciation Rates
A6-Divisor	Worksheet A6	Actual Transmission Load Data for Calculating Rate Divisors
A7-IncentPlant	Worksheet A7	Actual Incentive Plant
A8-1 EDIT	Worksheet A8-1	Actual Excess / Deficient Deferred Income Tax calculation
A8-2 EDIT Details	Worksheet A8-2	Actual Excess / Deficient Deferred Income Tax data
A9- Cost of Capital	Worksheet A9	Actual Cost of Capital Calculations
TU-TrueUp	Worksheet TU	True-up Adjustment and Interest Calculation
Proj Att-H	Projected Attachment H	Projected Annual Transmission Revenue Requirements for next calendar year
P1-Trans Plant	Worksheet P1	Projected transmission plant for next calendar year
P2-O&M	Worksheet P2	Projected O&M expenses for next calendar year
P3-Divisor	Worksheet P3	Projected transmission load for next calendar year
P4-IncentPlant	Worksheet P4	Projected Incentive Plant
P5-1 ADIT	Worksheet P5-1	Projected Accumulated Deferred Income Tax Calculation
P5-2 ADIT ITC Details	Worksheet P5-2	Projected Accumulated Deferred Income Tax & Investment Tax Credits data
P6-1 EDIT	Worksheet P6-1	Projected Excess / Deficient Deferred Income Tax calculation
P6-2 EDIT Details	Worksheet P6-2	Projected Excess / Deficient Deferred Income Tax data
P7-Adj to Rate Base	Worksheet P7	Projected Adjustments to Rate Base
Schedule 1	Schedule 1	Ancillary Services, Schedule No. 1 - Scheduling System Control and Dispatch Service

El Paso Electric Company
Rate Formula Template

Actuals - For the 12 months ended 12/31/yyyy

Formula Rate - Non-Levelized | Utilizing FERC Form 1 Data

Line No.			Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)					$ -
	REVENUE CREDITS	(Note S)	Total	Allocator		
2	Account No. 454	(Worksheet A1, Page 1, Line 17, Col. (f)	-	TP	0.00000	-
3	Account No. 456.1	(Worksheet A1, Page 2, Line 15, Col. (h)	-	TP	0.00000	-
4	Held for Future Use		-	TP	0.00000	-
5	Held for Future Use		-	TP	0.00000	-
6	TOTAL REVENUE CREDITS (sum lines 2-5)					-
7	NET REVENUE REQUIREMENT	(Line 1 minus Line 6)				$ -
	DIVISOR					
8	Divisor (kW)	(Worksheet A6, Line 14) x 1000				-
9						
10	RATES					
11	Annual		$ -	/kW-year		
12	Monthly	12 months/year	$ -	/kW-month		
13	Weekly	52 weeks/year	$ -	/kW-week		
14	Daily On-Peak	6 days/week	$ -	/kW-day		

15	Daily Off-Peak	7 days/week	$ -	/kW-day
16	Hourly On-Peak	16 hours/day	$ -	/MW-hour
17	Hourly Off-Peak	24 hours/day	$ -	/MW-hour

El Paso Electric Company
Rate Formula Template

Formula Rate - Non-Levelized

Utilizing FERC Form 1 Data

Actuals - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) **Form No. 1 Page, Line, Col.**	(3) **Company Total**	**Allocator**	(4)	(5) **Transmission** (Col 3 times Col 4)
	RATE BASE: (Note A, V)					
	GROSS PLANT IN SERVICE (Note A)					
1	Production	Worksheet A4, Page 1, (Line 14 - 28) , Col. (b)	-	NA		-
2	Transmission	Worksheet A4, Page 1, (Line 14 - 28), Col. (c)	-	TP	0.00000	-
3	Distribution	Worksheet A4, Page 1, (Line 14 - 28), Col. (d)	-	NA		-
4	General & Intangible	Worksheet A4, Page 1, (Line 14 - 28), Cols. (e) + (f)	-	W/S	0.00000	-
5	Common	Worksheet A4, Page 1, (Line 14 - 28), Col. (h)	-	CE	0.00000	-
6	TOTAL GROSS PLANT	(Sum of Lines 1 through 5)	-	GP=	0.00000	-
	ACCUMULATED DEPRECIATION (Note A)					
7	Production	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (b)	-	NA		-
8	Transmission	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (c)	-	TP	0.00000	-
9	Distribution	Worksheet A4, Page 2, (Line		NA		

		14 + 28 - 42), Col. (d)	-			-
10	General & Intangible	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col.s (e) + (f)	-	W/S	0.00000	-
11	Common	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (h)	-	CE	0.00000	-
12	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 7 through 11)	-			-
	NET PLANT IN SERVICE					
13	Production	(Line 1 - Line 7)	-			-
14	Transmission	(Line 2 - Line 8)	-			-
15	Distribution	(Line 3 - Line 9)	-			-
16	General & Intangible	(Line 4 - Line 10)	-			-
17	Common	(Line 5 - Line 11)	-			-
18	TOTAL NET PLANT	(Sum of Lines 13 through 17)	-	NP=	0.00000	-
19	CWIP Approved by FERC Order	Worksheet A4, Page 3, Line 14, Col. (d) (Note Q)	-	DA	1.00000	-
	ADJUSTMENTS TO RATE BASE					
20	Accumulated Deferred Income Taxes (Accounts 190, 281-283)	Worksheet A3-1, Page 3, Line 82, Col. (n) (Note F)	-	DA	1.00000	-
21	Accumulated Deferred Investment Tax Credit (Account 255)	Worksheet A3-2, Page 4, Line 138, Col. (g)	-	DA	1.00000	-
22	Excess / Deficient Deferred Income Taxes	Worksheet A8-1, Line 27, Col. (n)	-	DA	1.00000	-
23	Unamortized Regulatory Asset	Worksheet A4, Page 3, Line 14, Col. (b) (Notes P & U)	-	DA	1.00000	-
24	Unamortized Abandoned Plant	Worksheet A4, Page 3, Line 14, Col. (c) (Notes T, N & U)	-	DA	1.00000	-
25	Unfunded Reserves	Worksheet A4, Page 4, Line 10, Col. (d) (Note R)	-	DA	1.00000	-
25a	Hold Harmless Adjustment	Company Records (Note V)	-	DA	1.00000	-

26	TOTAL ADJUSTMENTS	(Sum of Lines 20 through 25a)	-			-
27	LAND HELD FOR FUTURE USE	Worksheet A4, Page 3, Line 14, Col. (e) (Note G)	-	TP	0.00000	-
	WORKING CAPITAL	(Note H)				
28	Cash Working Capital	1/8*(Page 3, Line 7)	-			-
29	Materials & Supplies	Worksheet A4, Page 3, Line 28, Col. (e)	-	TP	0.00000	-
30	Prepayments (Account 165)	Worksheet A4, Page 3, Line 28, Col. (f)	-	GP	0.00000	-
31	TOTAL WORKING CAPITAL	(Sum of Lines 28 through 30)	-			-
32	RATE BASE	(Sum Lines 18, 19, 26, 27, & 31)	-			-

El Paso Electric Company

Rate Formula Template Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M					
1	Transmission	321.112.b	-	TE	0.00000	-
2	Less Account 561.1-561.8	Worksheet A2, Line 23	-	TE	0.00000	-
2a	Less Account 565	321.96.b	-	TE	0.00000	-
3	A&G	323.197.b	-	W/S	0.00000	-
4	Less EPRI/Reg. Comm. Exp./Non-safety Ad. (Note I)	Worksheet A2, Line 6	-	W/S	0.00000	-
4a	Less Property Insurance Acct 924	323.185.b	-	W/S	0.00000	-
4b	Plus Property Insurance Acct 924	323.185.b	-	GP	0.00000	-
4c	Plus Transmission Related Reg. Comm. Exp. (Note G)	Worksheet A2, Line 12	-	TE	0.00000	-
4d	Plus: Fixed PBOP expense	Company Records (Note J & B)	-	W/S	0.00000	-
4e	Less: Actual PBOP expense	Company Records (Note J & B)	-	W/S	0.00000	-
5	Common	356.1	-	CE	0.00000	-
6	Hold Harmless Expense Adjustment	Company Records (Note V)	-	DA	1.00000	-
7	TOTAL O&M (sum lines 1, 3, 4b, 4c,4d, 5, 6 less lines 2, 2a, 4, 4a, 4e)		-			-
	DEPRECIATION AND AMORTIZATION EXPENSE					

	(Note A)					
8	Transmission	336.7.f - 336.7.c	-	TP	0.00000	-
9	General & Intangible	336.10.f & 336.1.f - 336.10.c & 336.1.c	-	W/S	0.00000	-
10	Common	336.11.f - 336.11.c	-	CE	0.00000	-
11a	Amortization of Regulatory Asset	Company Records (Note P)	-	DA	1.0000	-
11b	Amortization of Abandoned Plant	Company Records (Note N)	-	DA	1.0000	-
12	TOTAL DEPRECIATION & AMORTIZATION	(Sum of Lines 8 through 11)	-			-
	TAXES OTHER THAN INCOME TAXES (Note D)					
	LABOR RELATED					
13	Payroll	263.i	-	W/S	0.00000	-
14	Highway and vehicle	263.i	-	W/S	0.00000	-
15	PLANT RELATED					
16	Property	263.i	-	NP	0.00000	-
17	Gross Receipts	263.i	-	NA	0.00000	-
18	Other	263.i	-	GP	0.00000	-
19	reserved		-			
20	TOTAL OTHER TAXES	(Sum of Lines 13 through 19)	-			-
	INCOME TAXES	(Note K)				
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		0.000%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.000%			
	and FIT, SIT & p are as given in Note K.					
23	Income Tax Gross Up Rate: 1 / (1 - T) = (from line 21)		-			
24	Excess / Deficient Deferred Income Taxes Amortization	Worksheet A8.2, Line 62, Col. (c) (Note W)	-			
24a	Excess / Deficient Deferred	(Line 23 times Line 24)		DA		

	Income Tax Adjustment		-		1.00000	-
25	Permanent Differences	Company Records (Note X)	-			
25a	Permanent Differences Tax Adjustment	(Line 21 times 23 times Line 25)	-	NP	-	-
26	Income Tax on Equity and Incentive Return	(Line 22 times Line 28)	-			-
27	Total Income Taxes	(Sum of Lines 24a, 25a, 25c, 26)	-			-
	RETURN					
28	Rate Base * Rate of Return plus Incentive Return	(Page 2, Line 32, Col. (3) x Page 4, Line 31, Col. (5)) + Page 4, Line 32	-			-
29	REV. REQUIREMENT	(Sum of Lines 7, 12, 20, 27, 28)	-			-

Line No.	(1)	(2)	(3)	(4)	(5)
		SUPPORTING CALCULATIONS AND NOTES			
	TRANSMISSION PLANT INCLUDED IN RATES				
1	Total transmission plant	(Page 2, Line 2, Col. 3)			-
2	Less transmission plant excluded from Wholesale Rates	Company Records (Note L)			-
3	Less transmission plant included in OATT Ancillary Services	Company Records (Note M)			-
4	Transmission plant included in Wholesale Rates	(Line 1 less Lines 2 & 3)			-
5	Percentage of transmission plant included in Wholesale Rates	(Line 4 divided by Line 1)		TP=	0.00000
	TRANSMISSION EXPENSES				
6	Total transmission expenses	(Page 3, Line 1, Col. 3)			-
7	Less transmission expenses included in OATT Ancillary Services	Company Records (Note E)			-

8	Included transmission expenses	(Line 6 less Line 7)						-		
9	% of transmission expenses after adjustment	(Line 8 divided by Line 6)						0.00000		
10	% of transmission plant included in wholesale Rates	(Line 5)					TP	0.00000		
11	% of transmission expenses included in wholesale Rates	(Line 9 times Line 10)					TE=	0.00000		
	WAGES & SALARY ALLOCATOR (W&S)									
		Form 1 Reference	$	TP	Allocation					
12	Production	354.20.b	-	0.00	0					
13	Transmission	354.21.b	-	0.00	0					
14	Distribution	354.23.b	-	0.00	0			W&S Allocator		
15	Other	354.24, 25, 26.b	-	0.00	0			($ / Allocation)		
16	Total	(Sum of Lies 12-15)	-		0	=		0.00000	=	WS
	COMMON PLANT ALLOCATOR (CE)		**$**		% Electric			W&S Allocator		
17	Electric	200.3.c	-		(line 17 / line 20)			(line 16)		CE
18	Gas	201.3.d	-		0.00000	*		0.00000	=	0.00000
19	Other	201.3.e	-							
20	Total	(Sum of Lines 17-19)	-							
	RETURN (R)							$		
21	Long Term Interest	117, Col. c, Lines 62+63+64-65-66+67						-		
22	Preferred Dividends	118.29.c (positive number)						-		
	<u>Development of Common Stock:</u>									
23	Proprietary Capital	Worksheet A9 Line 14, Col. (e)						-		

24	Less Preferred Stock	Worksheet A9 Line 14, Col. (b) (enter negative)				-	
25	Less Other Comprehensive Income	Worksheet A9 Line 14, Col. (d) (enter negative)				-	
26	Less Account 216.1	Worksheet A9 Line 14, Col. (c) (enter negative)				-	
27	Common Stock	(Sum of Lines 23-26)				-	
			$	%	Cost (Notes C & O)	Weighted	
28	Long Term Debt	Worksheet A9 Line 28, Col. (k)	-	0.00%	-	-	=WCLTD
29	Preferred Stock	112.3.c	-	0.00%	-	-	
30	Common Stock	Line 27	-	0.00%	0.1038	-	
31	Total	(Sum of Lines 28-30)	-			-	=R
32	Incentive Return	Worksheet A7, Col. (e)				$ -	

El Paso Electric Company
Rate Formula Template

Actuals - For the 12 months ended 12/31/yyyy

Formula Rate - Non-Levelized   Utilizing FERC Form 1 Data

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note Letter	
A	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.
B	Workpapers for this calculation will be included in supporting documentation.
C	Debt cost rate = long-term interest (line 21) / long term debt (line 28). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 29).
D	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded.
E	Removes dollar amount of transmission expenses included in the OATT ancillary services rates. FERC 561 accounts are not included in this line as they are separately removed from O&M.
F	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules A8-1 and A8-2 and presented in Att-H separately from ADIT.
G	Identified in Form 1 as being only transmission related.
H	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at Page 3, Line 7, Column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111 Line 57 in the Form 1.
I	EPRI expenses listed in Form 1 at 352.f, all Regulatory Commission Expenses itemized at 350.d, and non-safety-related advertising included in Account 930.1.
J	Depreciation rates and Post-Employment Benefits Other than Pensions (PBOP) are fixed amounts that can be changed only through a Section 205 filing. The fixed PBOP expense will be used in lieu of the actual PBOP expense incurred in the year absent an appropriate filing with FERC. The Company reviews internal records and identifies the PBOP expenses to be removed from A&G.
K	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". Since the utility is taxed in more than one state it shall attach a work paper showing the name of each state and how the blended or composite SIT was developed.

Inputs Required:	FIT =	0.000%	(Federal Income Tax Rate)
	SIT=	0.000%	(Composite State Income Tax Rate)
	p =	0.000%	(Percent of federal income tax deductible for state purposes)

L	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).

M Removes dollar amount of generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.

N Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Utility must submit a Section 205 filing to recover the cost of abandoned plant.

O No change in ROE may be made absent a filing with FERC.

P Recovery of any regulatory assets requires authorization from the Commission.

Q AFUDC ceases when CWIP is included in rate base. No CWIP will be included in rate base on line 19 absent FERC authorization.

R The Formula Rate shall include a credit to rate base for all unfunded reserves within accounts 228.2, 242, and 253 (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Reserves can be created by capital contributions from customers, by debiting the reserve and crediting a liability, or a combination of customer capital contribution and offsetting liability. Only the portion of a reserve that was created by customer contributions should be a reduction to rate base. Amounts will be calculated on 13-month average balances. See Worksheet A4, Note G.

S The revenues credited shall include only the amounts received directly for service under this tariff reflecting EPE's integrated transmission facilities provided that revenue credits shall not include revenues associated with transmission service for which loads are included in the rate divisor on Actual Attachment H, page 1, line 8. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) that are not recovered under this Rate Formula Template.

T Page 2 Line 24 includes any unamortized balances related to the recovery of abandoned plant costs approved by FERC under a separate docket. Page 3, Line 11b includes the Amortization expense of abandonment costs. These are shown in the workpapers required pursuant to the Annual Rate Calculation and True-up Procedures.

U Calculate using 13 month average balance, reconciling to FERC Form No. 1 by Page, Line, and Column as shown in Worksheet A4 for inputs on page 2 of 5 above.

V If applicable, a separate workpaper will be provided and posted with other supporting documentation.

W Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense by the amount of the excess or deficiency multiplied by (1/1-T).

X Includes the annual income tax cost or benefits due to permanent differences between expenses or revenues recognized for ratemaking purposes and for income tax purposes and depreciation of amounts capitalized to plant for book purposes related to the accrual of the Allowance for Other Funds Used During Construction. T multiplied by the amount of permanent differences and depreciation expense associated with Allowance for Other Funds Used During Construction will increase or decrease tax expense by the amount of the expense or benefit included on line 25 multiplied by (1/1-T).

El Paso Electric Company
Worksheet A1
Revenue Credits
Actuals - For the 12 months ended 12/31/yyyy

ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)

Line #	Description		Total	Explanation (Note A)	Allocation	Allocation Factor	Total Revenue Credit
	(a)		(b)	(c)	(d)	(e)	(f)
1						0.000%	$0
2	Reserved					0.000%	$0
3	Reserved					0.000%	$0
4	Reserved					0.000%	$0
5	Reserved					0.000%	$0
6	Reserved					0.000%	$0
7	Reserved					0.000%	$0
8	Reserved					0.000%	$0
9	Reserved					0.000%	$0
10	Reserved					0.000%	$0
11	Reserved					0.000%	$0
12	Reserved					0.000%	$0
13	Reserved					0.000%	$0
14	Reserved					0.000%	$0
15	Reserved					0.000%	$0
16	Reserved					0.000%	$0
17	Total 454	300.19.b	$ -				$ -

ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note B)

Line #	Type	Description	Service Type	PTP Trans Sched 7 & 8	Network Transm Sched 9	Ancillary Services	Other	Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13		Total		0	0	0	0	0	
								300.22.b	
14	**Summarized by Type:**								
15	Credit			0	0	0	0	0	
16	Divisor			0	0	0	0	0	
17	Ancillary			0	0	0	0	0	
18	Other			0	0	0	0	0	
19	Total			0	0	0	0	0	300.22.B
20									
21	Revenue Types:								
22	Ancillary	Ancillary services includes regulation & frequency, control & dispatch, voltage control, reactive, spinning reserve, and scheduling; no revenue credit.							
23	Divisor	Load associated with these revenues are included in the formula divisor; no revenue credit.							
24	Credit	Revenue credit because the load is not included in divisor.							

Notes

A Each FERC 0454 item is categorized into 1 of 5 categories. The selected category will determine the Allocator applied to the FERC 0454 balance.

1) Prod: The FERC 0454 balance is 100% related to production of electricity and the NA Allocator is applied.

2) Retail: The FERC 0454 balance is 100% related to retail operations and the NA Allocator is applied.

3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related FERC 0454 for which the NA Allocator is applied.

4) Trans: The FERC 0454 balance is 100% related to transmission operations and the DA Allocator is applied.

5) Labor: The FERC 0454 balance is labor or general and intangible plant related, and the W/S Allocator is applied.

B PTP Revenue credits from Line 15, Column (h) populate Actual Attachment H, page 1, line 3.

El Paso Electric Company
Worksheet A2
Actual Operation and Maintenance Expenses
Actuals - For the 12 months ended 12/31/yyyy

Line No.	(a) Item	(b) Form No. 1 Page, Line, Col.	(c) Company Total
1	EPRI Annual Membership Dues	353.x.f (Note C)	$ -
2	Regulatory Commission Expenses	350.46.d	$ -
3	Account No. 930.1	323.191.b	$ -
4	Less: Safety Related Advertising	Company Records (Note A)	$ -
5	Account No. 930.1 less Safety Related Advertising	Line 3 - Line 4	$ -
6	EPRI & Reg. Comm. Exp. & Non-safety Ad.	Sum of Lines 1, 2, & 5	$ -
7			
8	**Transmission Related Regulatory Expense**	(Note B)	
9			
10	Reserved for use in the event of transmission rate filings	Company Records	$ -
11	Transmission Related Reg. Comm. Exp.	350.x.d	$ -
12	Transmission Related Regulatory Expense	Sum of Lines 10-11	$ -
13			
14	**Actual Ancillary Expenses**		
15	561.1 Load Dispatch-Reliability	321.85.b	$ -
16	561.2 Load Dispatch-Monitor and Operate Transmission System	321.86.b	$ -
17	561.3 Load Dispatch-Transmission Service and Scheduling	321.87.b	$ -
18	561.4 Scheduling, System Control and Dispatch Services	321.88.b	$ -

19	561.5 Reliability, Planning and Standards Development	321.89.b	$ -
20	561.6 Transmission Service Studies	321.90.b	$ -
21	561.7 Generation Interconnection Studies	321.91.b	$ -
22	561.8 Reliability, Planning and Standards Development	321.92.b	$ -
23	Total Ancillary Expenses	Sum of Lines 15-22	$ -

Notes

A For FERC account no. 930.1, the Company reviews all entries and identifies those that are safety related advertising.

B Limited to Transmission-related regulatory expenses itemized from total amounts on FERC Form No. 1 page 350-351.

C Limited to amounts in O&M accounts that are included in the formula rate.

El Paso Electric Company
Worksheet A3-1
Accumulated Deferred Income Taxes
Actuals - For the 12 months ended 12/31/yyyy

	Proration Used for Projected Revenue Requirement Calculation								**Proration Used for True-up Revenue Requirement Calculation**					
1	**Account 190**								**Account 190**					
2	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
3	**(a)** Month	**(b)** Days in the Month	**(c)** Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	**(d)** Total Days in Future Portion of Test Period (Line 18, Col B)	**(e)** Proration Amount (Lines 6 to 17, Col c / Col d)	**(f)** Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	**(g)** Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	**(h)** Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	**(i)** Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	**(j)** Difference between projected monthly and actual monthly activity (See Note 1.)	**(k)** Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	**(l)** Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	**(m)** Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	**(n)** Balance reflecting proration or averaging (See Note 5.)
4														
5	December 31st balance Prorated Items (Worksheet P5-1.5.h)							-	December 31st balance Prorated Items (Worksheet A3-2.61.f)					-
	January				91.78									

6		31	335	365	%	-	-	-	-	-	-	-	-	-
7	February	28	307	365	84.11 %	-	-	-	-	-	-	-	-	-
8	March	31	276	365	75.62 %	-	-	-	-	-	-	-	-	-
9	April	30	246	365	67.40 %	-	-	-	-	-	-	-	-	-
10	May	31	215	365	58.90 %	-	-	-	-	-	-	-	-	-
11	June	30	185	365	50.68 %	-	-	-	-	-	-	-	-	-
12	July	31	154	365	42.19 %	-	-	-	-	-	-	-	-	-
13	August	31	123	365	33.70 %	-	-	-	-	-	-	-	-	-
14	September	30	93	365	25.48 %	-	-	-	-	-	-	-	-	-
15	October	31	62	365	16.99 %	-	-	-	-	-	-	-	-	-
16	November	30	32	365	8.77 %	-	-	-	-	-	-	-	-	-
17	December	31	1	365	0.27 %	-	-	-	-	-	-	-	-	-
18	Total (sum of Lines 6 -17)	365				-	-		-	-	-	-	-	
19	Beginning Balance-Total				Worksheet P5-1.19.h			-	Beginning Balance-Total			Worksheet A3-2.58.f		-
20	Beginning Balance-Not Subject to Proration				Worksheet P5-1.20.h			-	Beginning Balance-Not Subject to Proration			Worksheet A3-2.64.f		-
21	Beginning Balance-Subject to Proration				(Line 5, Col H)			-	Beginning Balance-Subject to Proration			(Line 5, Col N)		-
22	Ending Balance-Total				Worksheet p5-1.22h			-	Ending Balance-Total			Worksheet A3-2.58.g		-
23	Ending Balance-Not Subject to Proration				Worksheet P5-1.23.h			-	Ending Balance-Not Subject to Proration			Worksheet A3-2.64.g		-
24	Ending Balance-Subject to Proration				Worksheet P5-1.24.h			-	Ending Balance-Subject to Proration			Worksheet A3-2.61.g		-

25	Average Balance (See Note 6.)	Line 17 Col N + (Lines 20 + 23 Col N)/2	-	Average Balance (See Note 6.)	Line 17 Col N + (Lines 20 + 23 Col N)/2	-
26	Reserved			Reserved		
27	Amount for Attachment H	(Line 25 less line 26)	-	Amount for Attachment H	(Line 25 less line 26)	-

28 **Account 282** | **Account 282**

	Days in Period					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
29	**(a)**	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
30	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
31														
32	December 31st balance Prorated Items (Worksheet P5-1.32.h)							-	December 31st balance Prorated Items (Worksheet A3-2.79.f)					-
33	January	31	335	365	91.78%	-	-	-	-	-	-	-	-	-
34	February	28	307	365	84.11%	-	-	-	-	-	-	-	-	-
35	March	31	276	365	75.62%	-	-	-	-	-	-	-	-	-

36	April	30	246	365	67.40 %	-	-	-	-	-	-	-	-	-
37	May	31	215	365	58.90 %	-	-	-	-	-	-	-	-	-
38	June	30	185	365	50.68 %	-	-	-	-	-	-	-	-	-
39	July	31	154	365	42.19 %	-	-	-	-	-	-	-	-	-
40	August	31	123	365	33.70 %	-	-	-	-	-	-	-	-	-
41	September	30	93	365	25.48 %	-	-	-	-	-	-	-	-	-
42	October	31	62	365	16.99 %	-	-	-	-	-	-	-	-	-
43	November	30	32	365	8.77 %	-	-	-	-	-	-	-	-	-
44	December	31	1	365	0.27 %	-	-	-	-	-	-	-	-	-
45	Total (sum of lines 33-44)	365				-	-		-	-	-	-	-	

46	Beginning Balance-Total	Worksheet P5-1.46.h	-	Beginning Balance-Total	Worksheet A3-2.76.f	-
47	Beginning Balance-Not Subject to Proration	Worksheet P5-1.47.h	-	Beginning Balance-Not Subject to Proration	Worksheet A3-2.82.f	-
48	Beginning Balance-Subject to Proration	(Line 32, Col H)	-	Beginning Balance-Subject to Proration	(Line 32, Col N)	-
49	Ending Balance-Total	Worksheet P5-1.49.h	-	Ending Balance-Total	Worksheet A3-2.76.g	-
50	Ending Balance-Not Subject to Proration	Worksheet P5-1.50.h	-	Ending Balance-Not Subject to Proration	Worksheet A3-2.82.g	-
51	Ending Balance-Subject to Proration	Worksheet P5-1.51.h	-	Ending Balance-Subject to Proration	Worksheet A3-2.79.g	-
52	Average Balance (See Note 6.)	Line 44 Col H + (Lines 47 + 50 Col H)/2	-	Average Balance (See Note 6.)	Lines 44 Col N + (Lines 47 + 50 Col N)/2	-

53	Reserved			Reserved		
54	Amount for Attachment H	(Line 52 less line 53)	-	Amount for Attachment H	(Line 52 less line 53)	-

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
55	**Account 283**								**Account 283**					
56	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
57	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
58														
59	December 31st balance Prorated Items (Worksheet P5-1.59.h)							-	December 31st balance Prorated Items (Worksheet A3-2.126.f)					-
60	January	31	335	365	91.78 %	-	-	-	-	-	-	-	-	-
61	February	28	307	365	84.11 %	-	-	-	-	-	-	-	-	-
62	March	31	276	365	75.62 %	-	-	-	-	-	-	-	-	-
	April				67.40									

63		30	246	365	%	-	-	-	-	-	-	-	-	-
64	May	31	215	365	58.90 %	-	-	-	-	-	-	-	-	-
65	June	30	185	365	50.68 %	-	-	-	-	-	-	-	-	-
66	July	31	154	365	42.19 %	-	-	-	-	-	-	-	-	-
67	August	31	123	365	33.70 %	-	-	-	-	-	-	-	-	-
68	September	30	93	365	25.48 %	-	-	-	-	-	-	-	-	-
69	October	31	62	365	16.99 %	-	-	-	-	-	-	-	-	-
70	November	30	32	365	8.77%	-	-	-	-	-	-	-	-	-
71	December	31	1	365	0.27%	-	-	-	-	-	-	-	-	-
72	Total (sum of Lines 60 - 71)	365				-	-		-	-	-	-	-	
73	Beginning Balance-Total				Worksheet P5-1.73.h			-	Beginning Balance-Total			Worksheet A3-2.123.f		-
74	Beginning Balance-Not Subject to Proration				Worksheet P5-1.74.h			-	Beginning Balance-Not Subject to Proration			Worksheet A3-2.129.f		-
75	Beginning Balance-Subject to Proration				(Line 59, Col H)			-	Beginning Balance-Subject to Proration			(Line 59, Col N)		-
76	Ending Balance-Total				Worksheet P5-1.76.h			-	Ending Balance-Total			Worksheet A3-2.123.g		-
77	Ending Balance-Not Subject to Proration				Worksheet P5-1.77.h			-	Ending Balance-Not Subject to Proration			Worksheet A3-2.129.g		-
78	Ending Balance-Subject to Proration				Worksheet P5-1.78.h			-	Ending Balance-Subject to Proration			Worksheet A3-2.126.g		-
79	Average Balance (See Note 6.)				Line 71 Col H + (Lines 74 + 77 Col H)/2			-	Average Balance (See Note 6.)			Line 71 Col N + (Lines 74 + 77 Col N)/2		-
80	Reserved								Reserved					
81	Amount for Attachment H				(Line 79 less line 80)			-	Amount for Attachment H			(Line 79 less line 80)		-

82	**Total Amount for Attachment H**	(Lines 27+54+81)	**-**

NOTES

1) Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (amount of projected activity that did not occur) and a positive in Column J represents under-projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under-projection (excess of actual activity over projected activity) and a positive in Column J represents over-projection (amount of projected activity that did not occur).

2) Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over-projected, enter Column G x [Column I/Column F]. If Column J is under-projected, enter the amount from Column G and complete Column L). In other situations, enter zero.

3) Column L applies when (1) Column J is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.

4) Column M applies when (1) projected monthly activity is an increase while actual monthly activity is a decrease OR (2) projected monthly activity is a decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.

5) Column N is computed by adding the prorated monthly activity, if any, from Column K to 50 percent of the portion of monthly activity, if any, from Column L or M to the balance at the end of the prior month. The activity in columns L and M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly activity.

6) For the non-property-related component of the balance, the Average Balance is computed using the average of beginning of year and end of year balance. For the property-related component of the balance, the Average Balance is computed as described in Note 5.

7) Projected and Actual monthly activity is computed based on the annual activity for the period, divided by 12 months.

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)
		mmm-yyyyy	mmm-yyyy		mmm-yyyyy	mmm-yyyy		
Line No.	**Item**	**BOY Balance (Note A)**	**EOY Balance (Note B)**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note E)**	**Explanation (Note D)**
	ACCOUNT 190 ACCUMULATED DEFERRED INCOME TAXES							
1	Reserved			0.000%	-	-		
2	Reserved			0.000%	-	-		
3	Reserved			0.000%	-	-		
4	Reserved			0.000%	-	-		
5	Reserved			0.000%	-	-		
6	Reserved			0.000%	-	-		
7	Reserved			0.000%	-	-		
8	Reserved			0.000%	-	-		
9	Reserved			0.000%	-	-		
10	Reserved			0.000%	-	-		
11	Reserved			0.000%	-	-		
12	Reserved			0.000%	-	-		
13	Reserved			0.000%	-	-		

14	Reserved	0.000%	-	-
15	Reserved	0.000%	-	-
16	Reserved	0.000%	-	-
17	Reserved	0.000%	-	-
18	Reserved	0.000%	-	-
19	Reserved	0.000%	-	-
20	Reserved	0.000%	-	-
21	Reserved	0.000%	-	-
22	Reserved	0.000%	-	-
23	Reserved	0.000%	-	-
24	Reserved	0.000%	-	-
25	Reserved	0.000%	-	-
26	Reserved	0.000%	-	-
27	Reserved	0.000%	-	-
28	Reserved	0.000%	-	-
29	Reserved	0.000%	-	-
30	Reserved	0.000%	-	-
31	Reserved	0.000%	-	-
32	Reserved	0.000%	-	-

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)
		mmm-yyyy	mmm-yyyy		mmm-yyyy	mmm-yyyy		
Line No.	**Item**	**BOY Balance (Note A)**	**EOY Balance (Note B)**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note E)**	**Explanation (Note D)**
33	Reserved			0.000%	-	-		
34	Reserved			0.000%	-	-		
35	Reserved			0.000%	-	-		
36	Reserved			0.000%	-	-		
37	Reserved			0.000%	-	-		
38	Reserved			0.000%	-	-		
39	Reserved			0.000%	-	-		
40	Reserved			0.000%	-	-		
41	Reserved			0.000%	-	-		
42	Reserved			0.000%	-	-		
43	Reserved			0.000%	-	-		
44	Reserved			0.000%	-	-		
45	Reserved			0.000%	-	-		
46	Reserved			0.000%				

					-	-		
47	Reserved			0.000%	-	-		
48	Reserved			0.000%	-	-		
49	Reserved			0.000%	-	-		
50	Reserved			0.000%	-	-		
51	Reserved			0.000%	-	-		
52	Reserved			0.000%	-	-		
53	Reserved			0.000%	-	-		
54	Reserved			0.000%	-	-		
55	**Total Account 190 (234.8.b&c)**	**-**	**-**		**-**	**-**		
	Tax Reg Asset / Liab Adjustments (Note C)							
56	Reserved			0.000%	-	-	No	
57	Reserved			0.000%	-	-	No	
58	**Total Account 190 After Adjustments**				**0**	**-**	**-**	**-**
59	Prorated Balances				-	-		
60	Tax Reg Asset / Liab Adjustments				-	-		
61	**Prorated Account 190 Balances After Adjustments**				**-**	**-**		
62	Non-Prorated Balances				-	-		
63	Tax Reg Asset / Liab Adjustments				-	-		
64	**Non-Prorated Account 190 Balances After Adjustments**				**-**	**-**		

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

No.	(a)	(b) mmm-yyyy	(c) mmm-yyyy	(e)	(f) mmm-yyyy	(g) mmm-yyyy	(h)	(i)
	ACCOUNT 282 ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Enter Negative)							
65	Reserved			0.000%	-	-		
66	Reserved			0.000%	-	-		
67	Reserved			0.000%	-	-		
68	Reserved			0.000%	-	-		
69	Reserved			0.000%	-	-		
70	Reserved			0.000%	-	-		
71	Reserved			0.000%	-	-		
72	Reserved			0.000%	-	-		
73	**Total Account 282 (274.2.b & 275.2.k)**	**-**	**-**		**-**	**-**		
	Tax Reg Asset / Liab Adjustments (Note C)							
74	Reserved			0.000%	-	-		
75	Reserved	-	-	0.000%	-	-		
76	**Total Account 282 After Adjustments Items**				**-**	**-**		
77	Prorated Balances				-	-		
78	Tax Reg Asset / Liab Adjustments				-	-		

79	**Prorated Account 282 Balances After Adjustments**		**-**	**-**
80	Non-Prorated Balances		-	-
81	Tax Reg Asset / Liab Adjustments		-	-
82	**Non-Prorated Account 282 Balances After Adjustments**		**-**	**-**

ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES - OTHER (Enter Negative)

83	Reserved	0.000%	-	-
84	Reserved	0.000%	-	-
85	Reserved	0.000%	-	-
86	Reserved	0.000%	-	-
87	Reserved	0.000%	-	-
88	Reserved	0.000%	-	-
89	Reserved	0.000%	-	-
90	Reserved	0.000%	-	-
91	Reserved	0.000%	-	-
92	Reserved	0.000%	-	-
93	Reserved	0.000%	-	-
94	Reserved	0.000%	-	-
95	Reserved	0.000%	-	-
96	Reserved	0.000%	-	-
97	Reserved	0.000%	-	-
98	Reserved	0.000%	-	-

99	Reserved	0.000%	-	-
100	Reserved	0.000%	-	-

Worksheet A3-2

Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details

Actuals - For the 12 months ended 12/31/yyyy

		mm-yyyy	**Dec-2020**		**mm-yyyy**	**Dec-2020**		
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)
101	Reserved			0.000%	-	-		
102	Reserved			0.000%	-	-		
103	Reserved			0.000%	-	-		
104	Reserved			0.000%	-	-		
105	Reserved			0.000%	-	-		
106	Reserved	-	-	0.000%	-	-		
107	Reserved	-	-	0.000%	-	-		
108	Reserved	-	-	0.000%	-	-		
109	Reserved	-	-	0.000%	-	-		
110	Reserved	-	-	0.000%	-	-		
111	Reserved	-	-	0.000%	-	-		
112	Reserved	-	-	0.000%	-	-		
113	Reserved	-	-	0.000%	-	-		
114	Reserved	-	-	0.000%	-	-		
115	Reserved	-	-	0.000%	-	-		
116	Reserved	-	-	0.000%	-	-		
117	Reserved	-	-	0.000%	-	-		
118	Reserved			0.000%				

		-	-			-	-	
119	Reserved	-	-		0.000%	-	-	
120	**Total Account 283 (276.9.b & 277.9.k)**	**-**	**-**			**-**	**-**	
	Tax Reg Asset / Liab Adjustments (Note C)							
121	Reserved				0.000%	-	-	
122	Reserved				0.000%	-	-	
123	**Total Account 283 After Adjustments**					**-**	**-**	
124	Prorated Balances					-	-	
125	Tax Reg Asset / Liab Adjustments					-	-	
126	**Prorated Account 283 Balances After Adjustments**					**-**	**-**	
127	Non-Prorated Balances					-	-	
128	Tax Reg Asset / Liab Adjustments					-	-	
129	**Non-Prorated Account 283 Balances After Adjustments**					**-**	**-**	
	ACCOUNT 255: ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Enter Negative) (Note F)							
130	Intangible			W/S	0.000%	-	-	
131	Production			NA	0.000%	-	-	
132	Transmission			DA	100.000%	-	-	
133	Distribution			NA	0.000%	-	-	
134	General Plant			W/S	0.000%	-	-	
135	**Total Account 255 (266.8.b & 267.8.h)**	**-**	**-**			**-**	**-**	
136	Unrealized ITC Adjustment							
137	Account 255 balance after							

	Unrealized Adjustment	-	-
138	**Average ITC Balance for Attachment H**		**-**

El Paso Electric Company

Worksheet A3-2

Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details

Actuals - For the 12 months ended 12/31/yyyy

Notes:

A Beginning of Year ("BOY") balance is end of previous year balance per FERC Form No. 1.

B End of Year ("EOY") balance is end of current year balance per FERC Form No. 1.

C The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules A8-1 and A8-2 and presented in Att-H separately from ADIT.

D Each ADIT item is categorized into 1 of 7 categories. The selected category will determine the Allocator applied to the ADIT balance.

1) Prod: The ADIT balance is 100% related to production of electricity and the NA Allocator is applied.

2) Retail: The ADIT balance is 100% related to retail operations and the NA Allocator is applied.

3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related ADIT for which the NA Allocator is applied. Such items shall include:

- ADIT related to the Income Tax Regaultory Assets and Liabilities
- Any other ADIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.

4) Trans: The ADIT balance is 100% related to transmission operations and the DA Allocator is applied.

5) Plant: The ADIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.

6) NPO: ADIT balances other than PP&E where the NP Allocator is applied.

7) Labor: The ADIT balance is labor related and the W/S Allocator is applied.

E Each ADIT Item must be categorized into balances that require proration and those that do not. ADIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

F The Company has elected and applied the second option for accounting for investment tax credits (“ITC”) under Internal Revenue Code 46(f) and the regulations thereunder to apply a cost of service adjustment to reduce tax expense no more rapidly than ratably. Under option 2, there is no rate base reduction for the unamortized balance of the ITC.

El Paso Electric Company

Worksheet A4

Rate Base Worksheet

Actuals - For the 12 months ended 12/31/yyyy

Line No	Month (a)	Gross Plant In Service: Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	**205.46.g**	**207.58.g**	**207.75.g**	**207.99.g**	**205.5.g**	**207.100.g**	**356.1**
1	December Prior Year							
2	January							
3	February							
4	March							
5	April							
6	May							
7	June							
8	July							
9	August							
10	September							
11	October							
12	November							
13	December							
14	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

Line No	Month (a)	Gross Plant In Service - Asset Retirement Costs: Production (b)	Transmission (c)	Distribution (d)	General (e)	Reserved (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	**205.15.g+205.44.g**	**207.57.g**	**207.74.g**	**207.98.g**			
15	December Prior Year							
16	January							
17	February							
18	March							

19	April							
20	May							
21	June							
22	July							
23	August							
24	September							
25	October							
26	November							
27	December							
28	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/yyyy

Accumulated Depreciation Account 108

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Reserved (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	219.20-24.c	219.25.c	219.26.c	219.28.c		219.29.c	356.1
1	December Prior Year							
2	January							
3	February							
4	March							
5	April							
6	May							
7	June							
8	July							
9	August							
10	September							
11	October							
12	November							
13	December							
14	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

Accumulated Depreciation Account 111

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	200.21.c.fn	200.21.c.fn	200.21.c.fn	200.21.c.fn	200.21.c.fn		356.1
15	December Prior Year							
16	January							

17	February							
18	March							
19	April							
20	May							
21	June							
22	July							
23	August							
24	September							
25	October							
26	November							
27	December							
28	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

Accumulated Depreciation Account 108/111 - Asset Retirement Cost Accumulated Depreciation

	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Comm on (h)
	FN1 Reference for Dec							
29	December Prior Year							
30	January							
31	February							
32	March							
33	April							
34	May							
35	June							
36	July							
37	August							
38	September							
39	October							
40	November							
41	December							
42	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/yyyy

		Adjustments to Rate Base		CWIP	LHFFU
Line No	Month	Unamortized Regulatory Asset	Unamortized Abandoned Plant	CWIP (Note C)	Land Held for Future Use (Note D)
	(a)	(b)	(c)	(d)	(e)
	FN1 Reference for Dec	(Note A)	(Notes B & F)	216.x.b	214.x.d
1	December Prior Year	-			
2	January	-			
3	February	-			
4	March	-			
5	April	-			
6	May	-			
7	June	-			
8	July	-			
9	August	-			
10	September	-			
11	October	-			
12	November	-			
13	December	-			
14	Average of the 13 Monthly Balances -	-	-	-	-

Line No	Month (a)	Working Capital: Materials & Supplies: Transmission Plant (b)	Materials & Supplies: Stores Expense Undistributed (c)	Materials & Supplies: Construction (d)	Materials & Supplies (e)	Prepayments (f)
	FN1 Reference for Dec	**227.8.c**	**227.16.c**	**227.5.c**	**Total (Note E)**	**111.57.c**
	Allocator	1.00000	-	-		
15	December Prior Year			-	-	
16	January				-	
17	February				-	
18	March				-	
19	April				-	
20	May				-	
21	June				-	
22	July				-	
23	August				-	
24	September				-	
25	October				-	
26	November				-	
27	December				-	
28	Average of the 13 Monthly Balances -	-	-	-	-	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/yyyy

	Unfunded Reserves (Note F)			
	(a)	**(b)**	**(c)**	**(d)**
1	List of all reserves:	Amount	Allocation (Plant or Labor Allocator)	Amount Allocated, col. (b) x col.(c)
2	-		0.000%	-
3		-	0.000%	-
4		-	0.000%	-
5	-		0.000%	-
6	-		0.000%	-
7		-	0.000%	-
8	-		0.000%	-
9	-		0.000%	-
10	-			-

Notes:

A Recovery of any regulatory asset is limited to such regulatory assets authorized by FERC.

B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC and will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.

C Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in rate base.

D Transmission related only.

E M&S allocation: Direct Assign 227.8.c at 100%, plus 227.1.c and 227.5.c allocated on Labor (W/S) from Actual Attachment H page 4 line 16.

F The Formula Rate shall include a credit to rate base for unfunded reserves within accounts 228.2, 242, and 253 (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 1-9 above. The allocator in Col. (c) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Reserves can be created by capital contributions from customers, by debiting the reserve and crediting a liability, or a combination of customer capital contribution and offsetting liability. Only the portion of a reserve that was created by customer contributions should be a reduction to rate base. Amounts will be calculated on 13-month average balances.

El Paso Electric Company
Worksheet A5
Depreciation Rates

Line No.	Plant Type		Rates
1	**Transmission Plant**		
2	350.00	Land Rights	0.99%
3	352.00	Structures and Improvements	1.33%
4	353.00	Station Equipment	1.00%
5	354.00	Towers and Fixtures	1.29%
6	355.00	Poles and Fixtures	1.76%
7	356.00	Overhead Conductors & Devices	1.36%
8	359.00	Roads and Trails	1.05%
	General Plant		
9	390.00	Structures and Improvements-Other	1.06%
10	390.00	Stanton Tower	1.80%
11	390.00	System Operations Building	2.29%
12	390.00	Eastside Operations Center	1.74%
13	391.00	Office Furniture and Equipment	1.71%
14	391.20	Network Equipment	20.00%
15	392-C0	Transportation Equipment - Remotes	10.37%
16	392.C1	Transportation Equipment - C1 0 - 8,500 LBS	10.37%
17	392.C2	Transportation Equipment - C2 8,500 - 10,000 LBS	10.37%
18	392.C3	Transportation Equipment - C3 10,001 - 14,000 LBS	10.37%
19	392.C4	Transportation Equipment -C4 14,001 - 16,000 LBS	10.37%
20	392.C5	Transportation Equipment - C5 16,001 - 19,500 LBS	10.37%
21	392.C6	Transportation Equipment - C6 19,501 - 26,000 LBS	10.37%
22	392.C7	Transportation Equipment - C7 26,001 - 33,000 LBS	10.37%
23	392.C8	Transportation Equipment - C8 over 33,000	10.37%
24	392.C9	Transportation Equipment - C9 Trailers	10.37%
25	393.00	Stores Equipment	3.96%
26	394.00	Tools, Shop and Garage Equipment	3.83%
27	395.00	Laboratory Equipment	6.47%
28	396.00	Power Operated Equipment	4.58%
29	397.20	Telecommunication Equipment	6.48%
30	398.00	Miscellaneous Equipment	6.65%

El Paso Electric Company

Worksheet A6

Divisor - Network Transmission Load

Actuals - For the 12 months ended 12/31/2020

Line	Month	Transmission System Peak Load (MW)	Firm Network for Self (MW)	Firm Network Service for Others (MW)	Long-Term Firm Point to Point Reservations (MW)	Other Long-Term Firm Service (MW)	Short Term Firm Point to Point Reservation (MW)	Other Service (MW)	12-CP Average (MW) (Note A)
	(a)	(b)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	FN1 Reference for Total	Sum Colm's (e) through (j)	400.17.e	400.17.f	400.17.g	400.17.h	400.17.i	400.17.j	Colm (b) - (i)
1	January	0							0
2	February	0							0
3	March	0							0
4	April	0							0
5	May	0							0
6	June	0							0
7	July	0							0
8	August	0							0
9	September	0							0
10	October	0							0
11	November	0							0
12	December	0							0
13	Total	-	-	-	-	-	-	-	0
14	12-CP								-
15									

<u>NOTES</u>

	12-CP average includes all but Short Term Firm
A	Point to Point

El Paso Electric Company

Worksheet A7

Incentive Plant Worksheet

Actuals - For the 12 months ended 12/31/yyyy

Incentive Projects

Line						
1	**Project:**	Project 1		**Project:**	Project 2	
2	Proj. ID	n/a		Proj. ID	n/a	
3	Deprec. Rate:	0.00%	(Note A)	Deprec. Rate:	0.00%	(Note A)
4	ROE Adder	0.00%	(Note B)	ROE Adder	0.00%	(Note B)
5	Weighted ROE Adder:	0.00%		Weighted ROE Adder:	0.00%	
6	Beginning Bal:	-		Beginning Bal:	-	
7	Beginning Dep:	-		Beginning Dep:	-	
8	Beginning Year:			Beginning Year:		

Line	Year	Total				Project 1				Project 2			
	Year (a)	Beginning Amt (b)	Depreciation (c)	Net Plant (d)	Incentive Ret (e)	Beginning Amt	Depreciation	Net Plant	Incentive Ret	Beginning Amt	Depreciation	Net Plant	Incentive Ret
9		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

15		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
16		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
25		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
28		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
32		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Notes

A Special depreciation rates may be utilized for specific incentive transmission projects if approved by the FERC.

B Incentive ROE requires authorization by the Commission

El Paso Electric Company
Worksheet A8-1
Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/yyyy

Line	Proration Used for Projected Revenue Requirement Calculation								Proration Used for True-up Revenue Requirement Calculation					
1	**EDIT included within Accounts 182.3 & 254**								**EDIT included within Accounts 182.3 & 254**					
2	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col b)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
4														
5	December 31st balance Prorated Items (Worksheet P6-1.5h)							-	December 31st balance Prorated Items (Worksheet A8-2.61.g)					-
6	January	31	335	365	91.78 %	-	-	-	-	-	-	-	-	-
	Februar				84.11									

7	y	28	307	365	%	-	-	-	-	-	-	-	-	-
8	March	31	276	365	75.62 %	-	-	-	-	-	-	-	-	-
9	April	30	246	365	67.40 %	-	-	-	-	-	-	-	-	-
10	May	31	215	365	58.90 %	-	-	-	-	-	-	-	-	-
11	June	30	185	365	50.68 %	-	-	-	-	-	-	-	-	-
12	July	31	154	365	42.19 %	-	-	-	-	-	-	-	-	-
13	August	31	123	365	33.70 %	-	-	-	-	-	-	-	-	-
14	September	30	93	365	25.48 %	-	-	-	-	-	-	-	-	-
15	October	31	62	365	16.99 %	-	-	-	-	-	-	-	-	-
16	November	30	32	365	8.77 %	-	-	-	-	-	-	-	-	-
17	December	31	1	365	0.27 %	-	-	-	-	-	-	-	-	-
18	Total (sum of Lines 6 -17)	365				-	-		-	-	-	-	-	
19	Beginning Balance-Total				Worksheet P6-1.19.h			-	Beginning Balance-Total			Worksheet A8-2.62 .g		-
20	Beginning Balance-Not Subject to Proration				Worksheet P6-1.20.h			-	Beginning Balance-Not Subject to Proration			Worksheet A8-2.55 .g		-
2	Beginning Balance-Subject to Proration				(Line 5, Col H)			-	Beginning Balance-Subject to			(Line 5, Col H)		-

1				Proration		
22	Ending Balance-Total	Worksheet P6-1.22.h	-	Ending Balance-Total	Worksheet A8-2.62.i	-
23	Ending Balance-Not Subject to Proration	Worksheet P6-1.23.h	-	Ending Balance-Not Subject to Proration	Worksheet A8-2.55.i	-
24	Ending Balance-Subject to Proration	Worksheet P6-1.24.h	-	Ending Balance-Subject to Proration	Worksheet A8-2.61.i	-
25	Average Balance (See Note 6.)	Line 17 Col N + (Lines 20 + 23 Col N)/2	-	Average Balance (See Note 6.)	Line 17 Col N + (Lines 20 + 23 Col N)/2	-
26	Reserved	Reserved		Reserved	Reserved	
27	Amount for Attachment H	(Line 25 less line 26)	-	Amount for Attachment H	(Line 25 less line 26)	-

NOTES

1 Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (amount of projected activity that did not occur) and a positive in Column J represents under-projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under-projection (excess of actual activity over projected activity) and a positive in Column J represents over-projection (amount of projected activity that did not occur).

2 Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over-projected, enter Column G x [Column I/Column F]. If Column J is under-projected, enter the amount from Column G and complete Column L). In other situations, enter zero.

3 Column L applies when (1) Column J is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.

4 Column M applies when (1) projected monthly activity is an increase while actual monthly activity is a decrease OR (2) projected monthly activity is a decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.

5 Column N is computed by adding the prorated monthly activity, if any, from Column K to 50 percent of the portion of monthly activity, if any, from Column L or M to the balance at the end of the prior month. The activity in columns L and M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly activity.

6 For the non-property-related component of the balance, the Average Balance is computed using the average of beginning of year and end of year balance. For the property-related component of the balance, the Average Balance is computed as described in Note 5.

[7] Projected and Actual monthly activity is computed based on the annual activity for the period, divided by 12 months.

El Paso Electric Company
Worksheet A8-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/yyyy

No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Dec-2019	2020	2020	Dec-2020		Dec-2019	2020	Dec-2020			
Line No.	Item	BOY Balance (Note D)	Current Period Amortization	Current Period Other Activity (Note C)	EOY Balance (Note D)	Allocator	BOY Allocated Amount	Amortization Allocated	EOY Allocated Amount	Prorated (Yes/No) (Note B)	Amort Period or Method	Explanation (Note A)
	NON-PLANT UNPROTECTED EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254											
1	Reserved					0.000 %	-	-	-			
2	Reserved					0.000 %	-	-	-			
3	Reserved					0.000 %	-	-	-			
4	Reserved					0.000 %	-	-	-			
5	Reserved					0.000 %	-	-	-			
6	Reserved					0.000 %	-	-	-			
7	Reserved					0.000 %	-	-	-			
8	Reserved					0.000 %	-	-	-			
9	Reserved					0.000 %	-	-	-			
10	Reserved					0.000 %	-	-	-			
11	Reserved					0.000 %	-	-	-			

12	Reserved	0.000 %	-	-	-
13	Reserved	0.000 %	-	-	-
14	Reserved	0.000 %	-	-	-
15	Reserved	0.000 %	-	-	-
16	Reserved	0.000 %	-	-	-
17	Reserved	0.000 %	-	-	-
18	Reserved	0.000 %	-	-	-
19	Reserved	0.000 %	-	-	-
20	Reserved	0.000 %	-	-	-
21	Reserved	0.000 %	-	-	-
22	Reserved	0.000 %	-	-	-
23	Reserved	0.000 %	-	-	-
24	Reserved	0.000 %	-	-	-
25	Reserved	0.000 %	-	-	-
26	Reserved	0.000 %	-	-	-
27	Reserved	0.000 %	-	-	-
28	Reserved	0.000 %	-	-	-
29	Reserved	0.000 %	-	-	-
30	Reserved	0.000 %	-	-	-
31	Reserved	0.000 %	-	-	-
32	Reserved	0.000 %	-	-	-
33	Reserved	0.000 %	-	-	-

34	Reserved	0.000 %	-	-	-	
35	Reserved	0.000 %	-	-	-	
36	Reserved	0.000 %	-	-	-	
37	Reserved	0.000 %	-	-	-	
38	Reserved	0.000 %	-	-	-	
39	Reserved	0.000 %	-	-	-	
40	Reserved	0.000 %	-	-	-	

El Paso Electric Company
Worksheet A8-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/yyyy

		Dec-2019	2020	2020	Dec-2020		Dec-2019	2020	Dec-2020			
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Line No.	Item	BOY Balance (Note D)	Current Period Amortization	Current Period Other Activity (Note C)	EOY Balance (Note D)	Allocator	BOY Allocated Amount	Amortization Allocated	EOY Allocated Amount	Prorated (Yes/No) (Note B)	Amort Period or Method	Explanation (Note A)
41	Reserved					0.000%	-	-	-			
42	Reserved					0.000%	-	-	-			
43	Reserved					0.000%	-	-	-			
44	Reserved					0.000%	-	-	-			
45	Reserved					0.000%	-	-	-			
46	Reserved					0.000%	-	-	-			
47	Reserved					0.000%	-	-	-			
48	Reserved					0.000%	-	-	-			
53	Reserved					0.000%	-	-	-			
54	Reserved					0.000%	-	-	-			
55	**Total Non Plant Unprotected**	-	-	-	-		-	-	-			

	PLANT EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254								
56	Reserved					0.000%	-	-	-
57	Reserved					0.000%	-	-	-
58	Reserved					0.000%	-	-	-
59	Reserved					0.000%	-	-	-
60	Reserved					0.000%	-	-	-
61	**Total Plant**	**-**	**-**	**-**	**-**		**-**	**-**	**-**
62	**Total Excess/Deficient Deferred Income Taxes**	**-**	**-**	**-**	**-**		**-**	**-**	**-**

Notes:

A Each EDIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the EDIT balance.

1) Prod: The EDIT balance is 100% related to production of electricity and the NA Allocator is applied.

2) Retail: The EDIT balance is 100% related to retail operations and the NA Allocator is applied.

3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related EDIT for which the NA Allocator is applied. Such items shall include:

- EDIT related to Pension and PBOP
- Any other EDIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.

4) Trans: The EDIT balance is 100% related to transmission operations and the DA Allocator is applied.

5) Plant: The EDIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.

6) NPO: EDIT balances other than PP&E where the NP Allocator is applied.

7) Labor: The EDIT balance is labor related and the W/S Allocator is applied.

B Each EDIT Item must be categorized into balances that require proration and those that do not. EDIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

C Includes the impact of tax rate changes enacted during the period.

D EDIT balances exclude income tax gross-ups recorded to accounts 182.3 and 254

El Paso Electric Company
Worksheet A9
Cost of Capital Worksheet
Actuals - For the 12 months ended 12/31/yyyy

PROPRIETARY CAPITAL

Line No	Month	Preferred Stock Issued (204)	Unappropriated Undistributed Subsidiary Earnings (216.1)	Accumulated Other Comprehensive Income (219)	Total Proprietary Capital
	(a)	(b)	(c)	(d)	(e)
	FN1 Reference for Dec	112.3.c	112.12.c	112.15.c	112.16.c
1	December Prior Year	-	-		
2	January				
3	February				
4	March				
5	April				
6	May				
7	June				
8	July				
9	August				
10	September				
11	October				
12	November				
13	December				
14	Average of the 13 Monthly Balances	-	-	-	-

LONG TERM DEBT

Line No	Month	Total Long Term Debt (221 - 222 + 223 + 224 + 225 - 226)	Unamortized Debt Expenses (181)	Unamortized Loss on Reacquired Debt (189)	Unamortized Gain on Reacquired Debt (257)	Total (g - h - i + j)
	(f)	(g)	(h)	(i)	(j)	(k)
	FN1 Reference for Dec	112.24.c	111.69.c	111.81c	113.61.c	
15	December Prior Year					

					-	-
16	January				-	-
17	February				-	-
18	March				-	-
19	April				-	-
20	May				-	-
21	June				-	-
22	July				-	-
23	August				-	-
24	September				-	-
25	October				-	-
26	November				-	-
27	December				-	-
28	Average of the 13 Monthly Balances	-	-	-	-	-

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/yyyy

Line #	Timeline				
1		Step	Year	Action	
2		1	Year 0	EPE populates the formula rate using projected costs for Year 1	
3		2	Year 0	Post results of Step 1	
4		3	Year 1	Results of Step 2 go into effect.	
5		4	Year 1	EPE populates the formula rate using projected costs for Year 2	
6		5	Year 1	Post results of Step 4	
7		6	Year 2	Results of Step 5 go into effect.	
8		7	Year 2	EPE populates the formula rate using actual costs for Year 1	
9		8	Year 2	EPE compiles actual formula rate revenues booked for Year 1	
10		9	Year 2	Calculate the difference between the formula rate calculated in Step 7 and Step 8	
11		10	Year 2	Post results from Step 8 and Step 9	
12		11	Year 2	EPE populates the formula rate using projected costs for Year 3, including True-Up Adj for Year 1	
13		12	Year 2	Post results of Step 11	
14					
15	**Revenue Amount Comparison**				
16					**Total Amount**
17	Actual Revenue Requirements from Step 7			Notes A and E	$ -
18	Actual Revenues booked from Step 8			Notes B and E	$ -
19	Prior Period Adjustment			Notes C and	$

		E	-
20	True-up Amount (before Interest)	Line 17 - Line18 + Line 19	$ -
21			
22	**True Up Adjustment**		
23			
24	True-Up Amount before Interest	Line 20	$ -
25	Interest on True-up Amount	Line 70	-
26	**True-Up Adjustment**	Line 20 + Line 70	**$ -**

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/yyyy

Line #					
27	**Interest Calculation**				
28					
29		**FERC Qtr Int. Rate**	Note D		**Rate**
30		Qtr (3 Prior to Most Recent)	Annual Rate		0.00%
31		Qtr (2 Prior to Most Recent)	Annual Rate		0.00%
32		Qtr (Prior to Most Recent)	Annual Rate		0.00%
33		Qtr (Most Recent)	Annual Rate		0.00%
34		Average of the last 4 quarters	(Sum Lines 30-33 / 4)		0.00%
35		Average Monthly Rate	Line 34 / 12		0.0000%
36					
37	An over or under collection will be recovered pro-rata over year collected, held for one year, and returned prorata over next year:				
38					

Line #	Year	Month	Levelized True Up before Interest (Note E)	Interest Rate	Number of Months	Interest	True Up plus Interest
39							
40	yyyy	January	-	0.00%	12	$ -	
41	yyyy	February	-	0.00%	11	$ -	
42	yyyy	March	-	0.00%	10	$ -	
43	yyyy	April	-	0.00%	9	$ -	
44	yyyy	May	-	0.00%	8	$ -	

45	yyyy	June	-	0.00%	7	$ -	
46	yyyy	July	-	0.00%	6	$ -	
47	yyyy	August	-	0.00%	5	$ -	
48	yyyy	September	-	0.00%	4	$ -	
49	yyyy	October	-	0.00%	3	$ -	
50	yyyy	November	-	0.00%	2	$ -	
51	yyyy	December	-	0.00%	1	$ -	
52			-			$ -	$ -
53							
54	yyyy	Jan-Dec	$ -	0.00%	12	$ -	$ -

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/yyyy

Line #			True Up plus Interest	Interest Rate	Total Interest	Amoritization	Balance Due/Owed
55							
56	yyyy	January	$ -	0.00%	$ -	$ -	$ -
57	yyyy	February	$ -	0.00%	$ -	$ -	$ -
58	yyyy	March	$ -	0.00%	$ -	$ -	$ -
59	yyyy	April	$ -	0.00%	$ -	$ -	$ -
60	yyyy	May	$ -	0.00%	$ -	$ -	$ -
61	yyyy	June	$ -	0.00%	$ -	$ -	$ -
62	yyyy	July	$ -	0.00%	$ -	$ -	$ -
63	yyyy	August	$ -	0.00%	$ -	$ -	$ -
64	yyyy	September	$ -	0.00%	$ -	$ -	$ -
65	yyyy	October	$ -	0.00%	$ -	$ -	$ -
66	yyyy	November	$ -	0.00%	$ -	$ -	$ -
67	yyyy	December	$ -	0.00%	$ -	$ -	$ -
68					$ -		
69							
70	Total Interest			Line 52 + Line 54 + Line 68	$ -		

Notes
A Actual Net Revenue Requirement for rate year subject to True Up from Actual Attachment H, line 7.

B Actual Revenues for transmission service as booked, including amounts noted on FERC Form No. 1, pages 328-330, and other amounts included in supporting documentation.

C Prior Period Adjustment, if any, is calculated to the same timing basis as balance of true up (i.e. before interest applied on line for the Prior Period Adjustment calculation will be included in supporting documentation.

D Interest rates posted by FERC; this section to be completed each year for most recent four quarters

E If Rate Year 1 is a partial rate year, the Actual Revenue Requirement, Actual Revenues, Prior Period Adjustment (if any), and Levelized True Up before Interest will reflect only those months for which the rate was in effect. Otherwise, these amounts will all reflect a full 12 month period.

El Paso Electric Company

Formula Rate - Non-Levelized

Rate Formula Template

Estimated - For the 12 months ended 12/31/yyyy

Line No.			Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)					$ -
	REVENUE CREDITS					
2	Account No. 454	Act Att-H, page 1 Line 2	-	TP	0.00000	-
3	Account No. 456.1	Act Att-H, page 1 Line 3	-	TP	0.00000	-
4	Held for Future Use		-	TP	0.00000	-
5	Held for Future Use		-	TP	0.00000	-
6	TOTAL REVENUE CREDITS (sum lines 2-5)					-
6a	Total True Up Adjustment	Worksheet TU, page 1, Line 26				-
7	NET REVENUE REQUIREMENT	(Line 1 minus Line 6 plus Line 6a)				$ -

7a	Net Revenue Requirement without True Up Adjustment	(Line 7 minus Line 6a)			$ -
	DIVISOR				
8	Divisor (kW)	Worksheet P3, Line 15 x 1000			-
9					
10	RATES				
11	Annual		$ -	/kW-year	
12	Monthly	12 months/year	$ -	/kW-month	
13	Weekly	52 weeks/year	$ -	/kW-week	
14	Daily On-Peak	6 days/week	$ -	/kW-day	
15	Daily Off-Peak	7 days/week	$ -	/kW-day	
16	Hourly On-Peak	16 hours/day	$ -	/MW-hour	
17	Hourly Off-Peak	24 hours/day	$ -	/MW-hour	

El Paso Electric Company

Formula Rate - Non-Levelized

Rate Formula Template

Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) Reference Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	RATE BASE:					
	GROSS PLANT IN SERVICE					
1	Transmission	Worksheet P1, Line 30, Col. (c)	-	TP	0.00000	-
2	General & Intangible	Act Att-H, Page 2, Line 4, Col. (3)	-	W/S	0.00000	-
3	TOTAL GROSS PLANT	(Sum Lines 1 and 2)	-			-
	ACCUMULATED DEPRECIATION					
4	Transmission	Worksheet P1, Line 30, Col. (f)	-	TP	0.00000	-
5	General & Intangible	Act Att-H, Page 2, Line 10, Col. (3)	-	W/S	0.00000	-
6	TOTAL ACCUM. DEPRECIATION	(Sum Lines 4 and 5)	-			-
	NET PLANT IN SERVICE					
7	Transmission	(Line 1 - Line 4)	-			-
8	General & Intangible	(Line 2 - Line 5)	-			-
9	TOTAL NET PLANT	(Sum Lines 7 and 8)	-			-

10	CWIP Approved by FERC Order	Worksheet P7, Page 1, Line 14, Col. (d)	-	DA	1.00000	-
	ADJUSTMENTS TO RATE BASE					
11	Accumulated Deferred Income Taxes (Accounts 190, 281-283)	Worksheet P5-1, Page 3, Line 82, Col. (h)	-	DA	1.00000	-
12	Accumulated Deferred Investment Tax Credit (Account 255)	Worksheet P5-2, Line 138, Col. (g)	-	DA	1.00000	-
13	Excess / Deficient Deferred Income Taxes	Worksheet P6-1, Line 27, Col. (h)	-	DA	1.00000	-
14	Unamortized Regulatory Asset	Worksheet P7, Page 1, Line 14, Col. (b)	-	DA	1.00000	-
15	Unamortized Abandoned Plant	Worksheet P7, Page 1, Line 14, Col. (c)	-	DA	1.00000	-
16	Unfunded Reserves (enter negative)	Act Att-H, Page 2, Line 25, Col. (3)	-	DA	1.00000	-
17	Hold Harmless Adjustment	Act Att-H, Page 2, Line 25a, Col. (3)	-	DA	1.00000	-
18	TOTAL ADJUSTMENTS	(Sum of Lines 11-17)	-			-
19	LAND HELD FOR FUTURE USE	Worksheet A4, Page 3, Line 14, Col. (e)	-	TP	0.00000	-
	WORKING CAPITAL					
20	CWC	1/8*(Page 3, Line 7)	-			-
21	Materials & Supplies	Act Att-H, Page 2, Line 29, Col. (3)	-	TP	0.00000	-
22	Prepayments (Account 165)	Act Att-H, Page 2, Line 30, Col. (3)	-	GP	0.00000	-

23	TOTAL WORKING CAPITAL	(Sum of Lines 20-22)	-		-
24	RATE BASE	(Sum Lines 9, 10, 18, 19, & 23)	-		-

El Paso Electric Company

Formula Rate - Non-Levelized

Rate Formula Template

Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) Reference Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M					
1	Transmission	Worksheet P2, Page 1, Line 3, Col. (e)	-	TE	0.00000	-
2	Less Account 561.1 - 561.8	Worksheet P2, Page 1, Line 4, Col. (e)	-	TE	0.00000	-
2a	Less Account 565	Worksheet P2, Page 1, Line 5, Col. (e)	-	TE	0.00000	-
3	A&G	Worksheet P2, Page 1, Line 6, Col. (e)	-	W/S	0.00000	-
4	Less EPRI/Reg. Comm. Exp./Non-safety Ad.	Worksheet P2, Page 1, Line 7, Col. (e)	-	W/S	0.00000	-
4a	Less Property Insurance Acct 924	Worksheet P2, Page 1, Line 8, Col. (e)	-	W/S	0.00000	-

4b	Plus Property Insurance Acct 924	Worksheet P2, Page 1, Line 9, Col. (e)	-	GP	0.00000	-
4c	Plus Transmission Related Reg. Comm. Exp.	Worksheet P2, Page 1, Lines 10 + 10a, Col. (e)	-	TE	0.00000	-
4d	Plus: Fixed PBOP expense	Worksheet P2, Page 1, Line 11, Col. (e)	-	W/S	0.00000	-
4e	Less: Actual PBOP expense	Worksheet P2, Page 1, Line 12, Col. (e)	-	W/S	0.00000	-
5	Common	Worksheet P2, Page 1, Line 13, Col. (e)	-	CE	0.00000	-
6	Hold Harmless Expense Adjustment	Worksheet P2, Page 1, Line 14, Col. (e)	-	DA	1.00000	-
7	TOTAL O&M (sum lines 1, 3, 4b, 4c,4d, 5, 6 less lines 2, 2a, 4, 4a, 4e)		-			-
	DEPRECIATION AND AMORTIZATION EXPENSE					
8	Transmission	Worksheet P1, Page 1, Line 30, Col. (d)	-	TP	0.00000	-
9	General & Intangible	Actual Attachment H, Page 3, Line 9	-	W/S	0.00000	-
10	Common	Actual Attachment H, Page 3, Line 10	-	CE	0.00000	-
11a	Amortization of Regulatory Asset	Company Records	-	DA	1.00000	-
11b	Amortization of Abandoned Plant	Company Records	-	DA	1.00000	-
12	TOTAL DEPRECIATION & AMORTIZATION	(Sum of Lines 8 through 11)	-			-

	TAXES OTHER THAN INCOME TAXES					
	LABOR RELATED					
13	Payroll	Worksheet P2, Page 1, Line 15, Col. (e)	-	W/S	0.00000	-
14	Highway and vehicle	Worksheet P2, Page 1, Line 16, Col. (e)	-	W/S	0.00000	-
15	PLANT RELATED					
16	Property	Worksheet P2, Page 2, Line 3, Col. (e)	-	NP	0.00000	-
17	Gross Receipts	Worksheet P2, Page 1, Line 18, Col. (e)	-	DA	1.00000	-
18	Other	Worksheet P2, Page 1, Line 19, Col. (e)	-	GP	0.00000	-
19	Payments in lieu of taxes	Worksheet P2, Page 1, Line 20, Col. (e)	-	GP	0.00000	-
20	TOTAL OTHER TAXES	(Sum of Lines 13 through 19)	-			-
	INCOME TAXES	(Note A)				
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		0.000%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.000%			
	where WCLTD=(page 4, line 28) and R= (page 4, line 31)					
	and FIT, SIT & p are as given in Note A.					
23	1 / (1 - T) =					

	(from line 21)		-			
24	Deficient / (Excess) Deferred Income Taxes Amortization	Worksheet P6-2, Line 62, Col. (h) (enter as negative)	-			
24a	Deficient / (Excess) Deferred Income Tax Adjustment	(Line 23 times Line 24)	-	DA	1.00000	-
25	Permanent Differences	Actual Attachment H, Page 3, Line 25	-			
25a	Tax Effect of Permanent Differences	(Line 21 times 23 times Line 25)	-	NP	-	-
26	Income Tax on Equity and Incentive Return	(Line 22 times Line 28)	-			-
27	Total Income Taxes	(Sum of Lines 24a, 25a, 26)	-			-
	RETURN					
28	Rate Base * Rate of Return + Incentive Return	(Page 2, Line 24 x Page 4, Line 31, Col. (5)) + Page 4, Line 32	-			-
29	REV. REQUIREMENT	(Sum of Lines 7, 12, 20, 27, 28)	-			-

Formula Rate - Non-Levelized

El Paso Electric Company

Rate Formula Template

Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) SUPPORTING CALCULATIONS AND NOTES	(3)	(4)		(5)
	TRANSMISSION PLANT INCLUDED IN RATES					
1	Total transmission plant	Actual Attachment H, Page 4, Line 1				-
2	Less transmission plant excluded from Wholesale Rates	Actual Attachment H, Page 4, Line 2				-
3	Less transmission plant included in OATT Ancillary Services	Actual Attachment H, Page 4, Line 3				-
4	Transmission plant included in Wholesale Rates	(Line 1 less Lines 2 & 3)				0
5	Percentage of transmission plant included in Wholesale Rates	(Line 4 divided by Line 1)			TP=	0.00000
	TRANSMISSION EXPENSES					
6	Total transmission expenses	(Page 3, Line 1, Col. 3)				-
7	Less transmission	Actual Attachment				-

	expenses included in OATT Ancillary Services	H, Page 4, Line 7								
8	Included transmission expenses	(Line 6 less Line 7)						0		
9	Percentage of transmission expenses after adjustment	(Line 8 divided by Line 6)						0.00000		
10	Percentage of transmission plant included in wholesale Rates	(Line 5)				TP		0.00000		
11	Percentage of transmission expenses included in wholesale Rates	(Line 9 times Line 10)				TE=		0.00000		
	WAGES & SALARY ALLOCATOR (W&S)									
		Reference	$	TP	Allocation					
12	Production	Actual Attachment H, Page 4, Line 12	-	0.00	0					
13	Transmission	Actual Attachment H, Page 4, Line 13	-	0.00	0					
14	Distribution	Actual Attachment H, Page 4, Line 14	-	0.00	0		W&S Allocator			
15	Other	Actual Attachment H, Page 4, Line 15	-	0.00	0		($ / Allocation)			
16	Total	(Sum of Lies 12-15)	0		0	=		0.00000	=	WS
	COMMON PLANT ALLOCATOR (CE)		$		% Electric (line 17 / line 20)		W&S Allocator (line 16)			CE
17	Electric	Actual Attachment H, Page 4, Line 17	-							
18	Gas	Actual Attachment H, Page 4, Line 18	-		0.00000	*		0.00000	=	0.00000

19	Water	Actual Attachment H, Page 4, Line 19	-				
20	Total	(Sum of Lines 17-19)	-				
	RETURN (R)					$	
21	Long Term Interest	Actual Attachment H, Page 4, Line 21				-	
22	Preferred Dividends	Actual Attachment H, Page 4, Line 22				-	
	<u>Development of Common Stock:</u>						
23	Proprietary Capital	Actual Attachment H, Page 4, Line 23				-	
24	Less Preferred Stock	Actual Attachment H, Page 4, Line 24				-	
25	Less Other Comprehensive Income	Actual Attachment H, Page 4, Line 25				-	
26	Less Account 216.1	Actual Attachment H, Page 4, Line 26				-	
27	Common Stock	(Sum of Lines 23-26)				0	
			$	%	Cost	Weighted	
28	Long Term Debt	Actual Attachment H, Page 4, Line 28	-	0%	-	-	=WCLTD
29	Preferred Stock	Actual Attachment H, Page 4, Line 29	-	0%	-	-	
30	Common Stock	Actual Attachment H, Page 4, Line 30	-	0%	0.1038	-	
31	Total	(Sum of Lines 28-30)	-			-	=R
32	Incentive Return	Worksheet P4, Line 35, Col. (e)				-	

El Paso Electric Company

Formula Rate - Non-Levelized

Rate Formula Template

Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) Reference	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	GROSS PLANT ALLOCATOR (GP)		$			
1	Production	Company Records	-	NA		
2	Transmission	Worksheet P1, Line 30, Col. (c)	-	TP	0.00000	-
3	Distribution	Company Records	-	NA		
4	General & Intangible	Actual Attachment H, Page 2, Line 4	-	W/S	0.00000	-
5	Common	Actual Attachment H, Page 2, Line 5	-	CE	0.00000	-
6	Total	(Sum of Lines 1-5)	0	GP=	0.00000	-
	NET PLANT ALLOCATOR (NP)		$			
7	Production	Company Records	-	NA		

8	Transmission	Worksheet P1, Line 30, Col. (g)	-	TP	0.00000	-
9	Distribution	Company Records	-	NA		
10	General & Intangible	Actual Attachment H, Page 2, Line 16	-	W/S	0.00000	-
11	Common	Actual Attachment H, Page 2, Line 17	-	CE	0.00000	-
12	Total	(Sum of Lines 7-11)	0	NP=	0.00000	-

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)

Note Letter

A The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed.

Inputs Required:	FIT =	0.000%	(Federal Income Tax Rate)
	SIT=	0.000%	(State Income Tax Rate or Composite SIT)
	p =	0.000%	(percent of federal income tax deductible for state purposes)

El Paso Electric Company
Worksheet P1
Projected Transmission Plant
Estimated - For the 12 months ended 12/31/yyyy

Line	Month &Year	Projected Plant Additions	Plant in Service	Plant Depreciation Accrual (Note B)	Depr Rate (Note A)	Plant Accumulated Depreciation	Net Projected Plant
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Wkst A4, Page 1, Lines 13 minus 27			Wkst A4, Page 2, Lines 13 + 27 - 41	
1			-			-	-
2			$ -	$ -		-	$ -
3			$ -	$ -		-	$ -
4			$ -	$ -		-	$ -
5			$ -	$ -		-	$ -
6			$ -	$ -		-	$ -
7			$ -	$ -		-	$ -
8			$ -	$ -		-	$ -
9			$ -	$ -		-	$ -
10			$ -	$ -		-	$ -
11			$ -	$ -		-	$ -
12			$ -	$ -		-	$ -
13			$ -	$ -		-	$ -
14			$	$			$

		-	-		-	-
15		$ -	$ -		-	$ -
16		$ -	$ -		-	$ -
17		$ -	$ -		-	$ -
18		$ -	$ -		-	$ -
19		$ -	$ -		-	$ -
20		$ -	$ -		-	$ -
21		$ -	$ -		-	$ -
22		$ -	$ -		-	$ -
23		$ -	$ -		-	$ -
24		$ -	$ -		-	$ -
25		$ -	$ -		-	$ -
26	12 Mon Total year 1		$ -			
27	12 Mon Total year 2		$ -			
28	13 Mon Avg year 1	$ -			$ -	$ -
29	13 Mon Avg year 2	$ -			$ -	$ -
30	Amount to Proj Att-H (Note C)	$ -	$ -		$ -	$ -

Notes:

A In periods where the company will use the actual depreciation rate, enter "A". The actual depreciation rate is calculated as follows:
-Actual Attachment H, page 3, line 8) divided by actual transmission plant in service (Actual Attachment H, page 2, line 2) divided by 12 months.

In periods where the company has submitted new depreciation rates for FERC approval, enter "N". The new depreciation rate is calculated as follows:
-The annual composite transmission depreciation rate developed within a new depreciation study, divided by 12 months.

Current Depreciation Rate (A)	0.0000%
New Depreciation Rate (N)	0.0000%

B The depreciation accrual is based on the average of the current and prior month Plant in Service, times the actual "A" or new "N" depreciation rate.
C In the initial year rates are set, use Lines 26 and 28, thereafter use Lines 27 and 29, calculated on line 30.

Yes If initial year rates are effective enter Yes, otherwise enter No

El Paso Electric Company
Worksheet P2
Projected Expenses
Estimated - For the 12 months ended 12/31/yyyy

O&M / OTHER TAXES (Excluding Property Taxes)

Line	(a) Item	(b) Reference	(c) Actual Costs	(d) Charge Factor (Note A)	(e) Projected Costs (Note B)
1	Net Plant in Service	Actual Attachment H, Page 2 Line 18	-		
2	Projected Net Plant in Service	Projected Attachment H, Page 2, Line 9			-
	O&M				
3	Transmission	Actual Attachment H, Page 3, Line 1	-	-	-
4	Less Account 561.1-561.8	Actual Attachment H, Page 3, Line 2	-	-	-
5	Less Account 565	Actual Attachment H, Page 3, Line 2a	-	-	-
6	A&G	Actual Attachment H, Page 3, Line 3	-	-	-
7	Less EPRI & Reg. Comm. Exp. & Non-safety Ad.	Actual Attachment H, Page 3, Line 4	-	-	-
8	Less Property Insurance Acct 924	Actual Attachment H, Page 3, Line 4a	-	-	-
9	Plus Property Insurance Acct 924	Actual Attachment H, Page 3, Line 4b	-	-	-
10	Plus Transmission Related Reg. Comm. Exp.	Actual Attachment H, Page 3, Line 4c	-	-	-
10a	Plus Transmission Related Rate Case Cost Amort Bal	Note D			-
11	Plus: Fixed PBOP expense	Actual Attachment H, Page 3, Line 4d	-		-

12	Less: Actual PBOP expense	Actual Attachment H, Page 3, Line 4e	-		-
13	Common	Actual Attachment H, Page 3, Line 5	-	-	-
14	Hold Harmless Expense Adjustment	Actual Attachment H, Page 3, Line 6	-	-	-
	OTHER TAXES (Excluding Property Taxes)				
	LABOR RELATED				
15	Payroll	Actual Attachment H, Page 3, Line 13	-	-	-
16	Highway and vehicle	Actual Attachment H, Page 3, Line 14	-	-	-
17	PLANT RELATED				
18	Gross Receipts	Actual Attachment H, Page 3, Line 17	-	-	-
19	Other	Actual Attachment H, Page 3, Line 18	-	-	-
20	Payment in Lieu of Taxes	Actual Attachment H, Page 3, Line 19	-	-	-

El Paso Electric Company
Worksheet P2
Projected Expenses
Estimated - For the 12 months ended 12/31/yyyy

	(a)	(b)	(c)	(d)	(e)
	PROPERTY TAXES				
	Item	**Reference**	**Actual**	**Charge Factor**	**Projected**
	PROPERTY TAXES				
1	Net Plant in Service for Actual (Note C)	200.15.b			
2	Net Plant in Service for Projected (Note C)	200.15.b			
3	Property Taxes	Actual Attachment H, Page 3, Line 16	-	-	-

NOTES:

A Charge Factor: Actual O&M expenses & Other Taxes divided by total actual net plant from Actuals Attachment H. This is used as one of the basis to calculate projected O&M costs and projected Other Taxes.

B -When the Net Plant Change % falls within a minimum or maximum threshold, Projected Costs = Row 2, Col. (f) times Col. (d)
-When the Net Plant Change % is greater than the maximum threshold, Projected Costs = Col. (c) times Maximum Percentage
-When the Net Plant Change % is less than the minimum threshold, Projected Costs = Col. (c) times Minimum Percentage

Net Plant Change %	0.0%	Use Calculated Factors in column 4
Maximum percentage change applied	0.0%	Use Maximum Percentage Change
Minimum percentage change applied	0.0%	Use Minimum Percentage Change
	Result:	**Use Maximum Percentage Change**

C Property tax expenses relate to plant balances as of December 31, 2 Years prior to the expense period.

FERC Form 1 Reporting Period for Actual	yyyy
FERC Form 1 Reporting Period for Projected	yyyy

D Transmission rate case cost amortization balance is the remaining balance of total projected rate case costs amortized over a 3 year period.

El Paso Electric Company
Worksheet P3
Projected Divisor - Network Transmission Load

Line No.					
1	Peak Network Load (MW) During:		=	-	

Line No.	a	b	c	d
	Month	**Actual Transmission Network Load (Worksheet A-6)**	**Percentage of Maximum Transmission Network Load**	**Projected Transmission Network Load (Col c x Line 1)**
2	January	-	0.00%	-
3	February	-	0.00%	-
4	March	-	0.00%	-
5	April	-	0.00%	-
6	May	-	0.00%	-
7	June	-	0.00%	-
8	July	-	0.00%	-
9	August	-	0.00%	-
10	September	-	0.00%	-
11	October	-	0.00%	-
12	November	-	0.00%	-
13	December	-	0.00%	-
14	Total	-		-

15	12-CP	-	-

Note: Maximum Transmission Network Load is the maximum hourly load measured on the system for the listed year at the time of the Projection.

El Paso Electric Company
Worksheet P4
Projected Incentive Plant Worksheet
Estimated - For the 12 months ended 12/31/yyyy

Line						Incentive Projects							
1						**Project:**	Project 1			**Project:**	Project 2		
2						Proj. ID	n/a			Proj. ID	n/a		
3						Deprec. Rate/Month:	0.00%		(Note A)	Deprec. Rate/Month:	0.00%		(Note A)
4						ROE Adder	0.00%		(Note B)	ROE Adder	0.00%		(Note B)
5						Weighted ROE Adder:	0.00%			Weighted ROE Adder:	0.00%		
6						Beginning Bal:	-			Beginning Bal:	-		
7						Beginning Dep:	-			Beginning Dep:	-		
8		Total				Beginning Year:				Beginning Year:			
	Mon/Yr (a)	**Gross Plant (b)**	**Depreciation (c)**	**Accum. Dep. (d)**	**Incentive Ret (e)**	**Gross Plant (f)**	**Depreciation (g)**	**Accum. Dep. (h)**	**Net Plant (i)**	**Gross Plant (j)**	**Depreciation (k)**	**Accum. Dep. (l)**	**Net Plant (m)**
						$ -				$ -			
9	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15	Jan-00	$	$	$		$	$	$	$	$	$	$	$

		-	-	-		-	-	-	-	-	-	-	-
16	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
25	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
28	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
32	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
33	12 Mon Tot		$ -				$ -				$ -		
34	13 Mon Avg	$ -		$ -		$ -		$ -	$ -	$ -		$ -	$ -
35	Total Incentive Return				$0.00				$0.00				$0.00

Notes

A Special depreciation rates may be utilized for specific incentive transmission projects if approved by the FERC.

B Incentive ROE requires authorization by the Commission

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/yyyy

1 **Account 190**

	Days in Period					Averaging with Proration - Projected		
2	**(a)**	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
3	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (c /d)	Projected Monthly Activity	Prorated Projected Monthly Activity (e x f)	Prorated Projected Balance (Cumulative Sum of g)
4								
5	December 31st balance Prorated Items (P5-2.61.f)							-
6	January	31	335	365	91.78%	-	-	-
7	February	28	307	365	84.11%	-	-	-
8	March	31	276	365	75.62%	-	-	-
9	April	30	246	365	67.40%	-	-	-
10	May	31	215	365	58.90%	-	-	-
11	June	30	185	365	50.68%	-	-	-
12	July	31	154	365	42.19%	-	-	-
13	August	31	123	365	33.70%	-	-	-

14	September	30	93	365	25.48%		-	-	-
15	October	31	62	365	16.99%		-	-	-
16	November	30	32	365	8.77%		-	-	-
17	December	31	1	365	0.27%		-	-	-
18	Total	365				-		-	

19	Beginning Balance-Total	Worksheet P5-2.58.f	-
20	Beginning Balance-Not Subject to Proration	Worksheet P5-2.64.f	-
21	Beginning Balance-Subject to Proration	(Line 5, Col H)	-
22	Ending Balance-Total	Worksheet P5-2.58.g	-
23	Ending Balance-Not Subject to Proration	Worksheet P5-2.64.g	-
24	Ending Balance-Subject to Proration	Worksheet P5-2.61.g	-
25	Average Balance	Line 17 Col N + (Lines 20 + 23 Col N)/2	-
26	Reserved		-
27	Amount for Attachment H	(Line 25 less line 26)	-

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/yyyy

Line								
28	**Account 282**							
29	**Days in Period**					**Averaging with Proration - Projected**		
30	**(a)** Month	**(b)** Days in the Month	**(c)** Number of Days Prorated	**(d)** Total Days in Future Portion of Test Period	**(e)** Proration Amount (c /d)	**(f)** Projected Monthly Activity	**(g)** Prorated Projected Monthly Activity (e x f)	**(h)** Prorated Projected Balance (Cumulative Sum of g)
31								
32	December 31st balance Prorated Items (P5-2.79.f)							-
33	January	31	335	365	0.918	-	-	-
34	February	28	307	365	0.841	-	-	-
35	March	31	276	365	0.756	-	-	-
36	April	30	246	365	0.674	-	-	-
37	May	31	215	365	0.589	-	-	-
38	June	30	185	365	0.507	-	-	-
39	July	31	154	365	0.422	-	-	-
40	August	31	123	365	0.337	-	-	-
41	September	30	93	365	0.255	-	-	-
42	October	31	62	365	0.170	-	-	-
43	November	30	32	365	0.088	-	-	-
44	December	31	1	365	0.003	-	-	-
45	Total	365				-	-	

46	Beginning Balance-Total	Worksheet P5-2.76.f	-
47	Beginning Balance-Not Subject to Proration	Worksheet P5-2.82.f	-
48	Beginning Balance-Subject to Proration	(Line 32, Col H)	-
49	Ending Balance-Total	Worksheet P5-2.76.g	-
50	Ending Balance-Not Subject to Proration	Worksheet P5-2.82.g	-
51	Ending Balance-Subject to Proration	Worksheet P5-2.79.g	-
52	Average Balance	Line 44 Col H + (Lines 47 + 50 Col H)/2	-
53	Reserved		
54	Amount for Attachment H	(Line 52 less line 53)	-

Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/yyyy

55	**Account 283**							
56	**Days in Period**					**Averaging with Proration - Projected**		
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
57	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (c /d)	Projected Monthly Activity	Prorated Projected Monthly Activity (e x f)	Prorated Projected Balance (Cumulative Sum of g)
58								
59	December 31st balance Prorated Items (P5-2.126.f)							-
60	January	31	334	365	0.915	-	-	-
61	February	28	306	365	0.838	-	-	-
62	March	31	275	365	0.753	-	-	-
63	April	30	245	365	0.671	-	-	-
64	May	31	214	365	0.586	-	-	-
65	June	30	184	365	0.504	-	-	-
66	July	31	153	365	0.419	-	-	-
67	August	31	122	365	0.334	-	-	-
68	September	30	92	365	0.252	-	-	-
69	October	31	61	365	0.167	-	-	-
70	November	30	31	365	0.085	-	-	-
71	December	31	1	365	0.003	-	-	-
72	Total	365				-	-	

73	Beginning Balance-Total	Worksheet P5-2.123.f	-
74	Beginning Balance-Not Subject to Proration	Worksheet P5-2.129.f	-
75	Beginning Balance-Subject to Proration	(Line 59, Col H)	-
76	Ending Balance-Total	Worksheet P5-2.123.g	-
77	Ending Balance-Not Subject to Proration	Worksheet P5-2.129.g	-
78	Ending Balance-Subject to Proration	Worksheet P5-2.126.g	-
79	Average Balance	Line 71 Col H + (Lines 74 + 77 Col H)/2	-
80	Reserved		
81	Amount for Attachment H	(Line 79 less line 80)	-
82	**Total Amount for Projected Attachment H**	**(Lines 27+54+81)**	**-**

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

		mmm-yyyy	mmm-yyyy		mmm-yyyy	mmm-yyyy			
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
Line No.	Item	BOY Balance	EOY Balance	Allocator	BOY Allocated Amount	EOY Allocated Amount	Prorated (Yes/No) (Note C)	Explanation (Note B)	Projection Classification (Note D)
	ACCOUNT 190 ACCUMULATED DEFERRED INCOME TAXES								
1	Reserved	-	-	0.000%	-	-			
2	Reserved	-	-	0.000%	-	-			
3	Reserved	-	-	0.000%	-	-			
4	Reserved	-	-	0.000%	-	-			
5	Reserved	-	-	0.000%	-	-			
6	Reserved	-	-	0.000%	-	-			
7	Reserved	-	-	0.000%	-	-			
8	Reserved	-	-	0.000%	-	-			
9	Reserved	-	-	0.000%	-	-			
10	Reserved	-	-	0.000%	-	-			
11	Reserved	-	-	0.000%	-	-			
12	Reserved	-	-	0.000%	-	-			
13	Reserved	-	-	0.000%	-	-			
14	Reserved	-	-	0.000%	-	-			

15	Reserved	-	-	0.000%	-	-
16	Reserved	-	-	0.000%	-	-
17	Reserved	-	-	0.000%	-	-
18	Reserved	-	-	0.000%	-	-
19	Reserved	-	-	0.000%	-	-
20	Reserved	-	-	0.000%	-	-
21	Reserved	-	-	0.000%	-	-
22	Reserved	-	-	0.000%	-	-
23	Reserved	-	-	0.000%	-	-
24	Reserved	-	-	0.000%	-	-
25	Reserved	-	-	0.000%	-	-
26	Reserved	-	-	0.000%	-	-
27	Reserved	-	-	0.000%	-	-
28	Reserved	-	-	0.000%	-	-
29	Reserved	-	-	0.000%	-	-
30	Reserved	-	-	0.000%	-	-
31	Reserved	-	-	0.000%	-	-
32	Reserved	-	-	0.000%	-	-
33	Reserved	-	-	0.000%	-	-
34	Reserved	-	-	0.000%	-	-
35	Reserved	-	-	0.000%	-	-
36	Reserved	-	-	0.000%	-	-

37	Reserved	-	-	0.000%	-	-
38	Reserved	-	-	0.000%	-	-
39	Reserved	-	-	0.000%	-	-
40	Reserved	-	-	0.000%	-	-
41	Reserved	-	-	0.000%	-	-
42	Reserved	-	-	0.000%	-	-
43	Reserved	-	-	0.000%	-	-
44	Reserved	-	-	0.000%	-	-
45	Reserved	-	-	0.000%	-	-

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

No.	(a)	mmm-yyyy (b)	mmm-yyyy (c)	(e)	mmm-yyyy (f)	mmm-yyyy (g)	(h)	(i)	(j)
Line No.	**Item**	**BOY Balance**	**EOY Balance**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note C)**	**Explanation (Note B)**	**Projection Classification (Note D)**
46	Reserved	-	-	0.000%	-	-			
47	Reserved	-	-	0.000%	-	-			
48	Reserved	-	-	0.000%	-	-			
49	Reserved	-	-	0.000%	-	-			
50	Reserved	-	-	0.000%	-	-			
51	Reserved	-	-	0.000%	-	-			
52	Reserved	-	-	0.000%	-	-			
53	Reserved	-	-	0.000%	-	-			
54	Reserved	-	-	0.000%	-	-			
55	**Total Account 190 Tax Reg Asset / Liab Adjustments (Note A)**	**-**	**-**		**-**	**-**			
56	Reserved			0.000%	-	-			
57	Reserved			0.000%	-	-			
58	**Total Account 190 After Adjustments**				**-**	**-**			
59	Prorated Balances				-	-			
60	Tax Reg Asset / Liab								

	Adjustments				-	-	
61	**Prorated Account 190 Balances After Adjustments**				**-**	**-**	
62	Non-Prorated Balances				-	-	
63	Tax Reg Asset / Liab Adjustments				-	-	
64	**Non-Prorated Account 190 Balances After Adjustments**				**-**	**-**	
	ACCOUNT 282 ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Enter Negative)						
65	Reserved			0.000%	-	-	
66	Reserved			0.000%	-	-	
67	Reserved			0.000%	-	-	
68	Reserved			0.000%	-	-	
69	Reserved			0.000%	-	-	
70	Reserved	-	-	0.000%	-	-	
71	Reserved	-	-	0.000%	-	-	
72	Reserved	-	-	0.000%	-	-	
73	**Total Account 282**	**-**	**-**		**-**	**-**	
	Tax Reg Asset / Liab Adjustments (Note A)						
74	Reserved			0.000%	-	-	
75	Reserved	-	-	0.000%	-	-	
76	**Total Account 282 After Adjustments**				**-**	**-**	
77	Prorated Balances				-	-	
78	Tax Reg Asset / Liab Adjustments				-	-	
79	**Prorated Account 282 Balances After Adjustments**				**-**	**-**	

80	Non-Prorated Balances	-	-
81	Tax Reg Asset / Liab Adjustments	-	-
82	**Non-Prorated Account 282 Balances After Adjustments**	-	-

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

		mmm-yyyy	**mmm-yyyy**		**mmm-yyyy**	**mmm-yyyy**			
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
Line No.	**Item**	**BOY Balance**	**EOY Balance**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note C)**	**Explanation (Note B)**	**Projection Classification (Note D)**
	ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES - OTHER (Enter Negative)								
83	Reserved		-	0.000%	-	-			
84	Reserved	-	-	0.000%	-	-			
85	Reserved	-	-	0.000%	-	-			
86	Reserved	-	-	0.000%	-	-			
87	Reserved	-	-	0.000%	-	-			
88	Reserved	-	-	0.000%	-	-			
89	Reserved	-	-	0.000%	-	-			
90	Reserved	-	-	0.000%	-	-			
91	Reserved	-	-	0.000%	-	-			
92	Reserved	-	-	0.000%	-	-			
93	Reserved	-	-	0.000%	-	-			
94	Reserved			0.000%					

		-	-		-	-
95	Reserved	-	-	0.000%	-	-
96	Reserved	-	-	0.000%	-	-
97	Reserved	-	-	0.000%	-	-
98	Reserved	-	-	0.000%	-	-
99	Reserved	-	-	0.000%	-	-
100	Reserved	-	-	0.000%	-	-
101	Reserved	-	-	0.000%	-	-
102	Reserved	-	-	0.000%	-	-
103	Reserved	-	-	0.000%	-	-
104	Reserved	-	-	0.000%	-	-
105	Reserved	-	-	0.000%	-	-
106	Reserved	-	-	0.000%	-	-
107	Reserved	-	-	0.000%	-	-
108	Reserved	-	-	0.000%	-	-
109	Reserved	-	-	0.000%	-	-
110	Reserved	-	-	0.000%	-	-
111	Reserved	-	-	0.000%	-	-
112	Reserved	-	-	0.000%	-	-
113	Reserved	-	-	0.000%	-	-
114	Reserved	-	-	0.000%	-	-
115	Reserved	-	-	0.000%	-	-
116	Reserved			0.000%		

		-	-		-	-				
117	Reserved	-	-	0.000%	-	-				
118	Reserved	-	-	0.000%	-	-				
119	Reserved	-	-	0.000%	-	-				
120	**Total Account 283**	**-**	**-**		**-**	**-**				

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

		mmm-yyyy	mmm-yyyy		mmm-yyyy	mmm-yyyy			
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
Line No.	**Item**	**BOY Balance**	**EOY Balance**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note C)**	**Explanation (Note B)**	**Projection Classification (Note D)**
	Tax Reg Asset / Liab Adjustments (Note A)								
121	Reserved			0.000%	-	-			
122	Reserved	-	-	0.000%	-	-			
123	**Total Account 283 After Adjustments**				**-**	**-**			
124	Prorated Balances				-	-			
125	Tax Reg Asset / Liab Adjustments				-	-			
126	**Prorated Account 283 Balances After Adjustments**				**-**	**-**			
127	Non-Prorated Balances				-	-			
128	Tax Reg Asset /								

	Liab Adjustments					-	-
129	**Non-Prorated Account 283 Balances After Adjustments**					**-**	**-**

ACCOUNT 255: ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Enter Negative) (Note E)

130	Intangible			NP	0.000%	-	-
131	Production		-	NA	0.000%	-	-
132	Transmission			DA	100.000%	-	-
133	Distribution			NA	0.000%	-	-
134	General Plant			NP	0.000%	-	-
135	**Total Account 255 (266.8.b & 267.8.h)**	**-**	**-**			**-**	**-**
136	Unrealized ITC Adjustment						
137	Account 255 balance after Unrealized Adjustment					-	-
138	**Average ITC Balance for Attachment H**						**-**

Notes:

A The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules P6-1 and P6-2 and presented in Att-H separately from ADIT.

B Each ADIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the ADIT balance.
1) Prod: The ADIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The ADIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related ADIT for which the NA Allocator is applied. Such items shall include:
- ADIT related to the Income Tax Regaultory Assets and Liabilities
- ADIT related to Pension and PBOP
- Any other ADIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
4) Trans: The ADIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The ADIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: ADIT balances other than PP&E where the NP Allocator is applied.

7) Labor: The ADIT balance is labor related and the W/S Allocator is applied.

C Each ADIT Item must be categorized into balances that require proration and those that do not. ADIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

D A=Actuals from most recent FERC Form 1 are used. P=A projection of the ADIT balance is calculated.

E The balance in Account 255 is directly allocated among types of depreciable plant based the amount of investment tax credit (ITC) allowed for each type of property. In accordance with the normalization requirements applicable to utilities, the Company has elected to reduce rate base by unamortized ITC rather than to reduce income tax expense by ITC amortization. Rate base is not reduced by unamortized ITC until the ITC has been utilized by the Company on its tax return.

El Paso Electric Company
Worksheet P6-1
Excess / Deficient Deferred Income Taxes ("EDIT")

Proration Used for Projected Revenue Requirement Calculation

1 **EDIT included within Accounts 182.3 & 254**

Line	Days in Period					Projection - Proration of Deferred Tax Activity		
2	**(a)**	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col b)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)
4								
5	December 31st balance Prorated Items (Worksheet P6-2.61.g)							-
6	January	31	335	365	91.78%	-	-	-
7	February	28	307	365	84.11%	-	-	-
8	March	31	276	365	75.62%	-	-	-
9	April	30	246	365	67.40%	-	-	-
10	May	31	215	365	58.90%	-	-	-
11	June	30	185	365	50.68%	-	-	-
12	July	31	154	365	42.19%	-	-	-
13	August	31	123	365	33.70%	-	-	-
14	September	30	93	365	25.48%	-	-	-
	October				16.99%			

15		31	62	365		-	-	-
16	November	30	32	365	8.77%	-	-	-
17	December	31	1	365	0.27%	-	-	-
18	Total (sum of Lines 6 -17)	365				-	-	

19	Beginning Balance-Total	Worksheet P6-2.62.g	-
20	Beginning Balance-Not Subject to Proration	Worksheet P6-2.55.g	-
21	Beginning Balance-Subject to Proration	(Line 5, Col H)	-
22	Ending Balance-Total	Worksheet P6-2.62.i	-
23	Ending Balance-Not Subject to Proration	Worksheet P6-2.55.i	-
24	Ending Balance-Subject to Proration	Worksheet P6-2.61.i	-
25	Average Balance	Line 17 Col N + (Lines 20 + 23 Col N)/2	-
26	Reserved	Reserved	
27	Amount for Attachment H	(Line 25 less line 26)	-

El Paso Electric Company
Worksheet P6-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Estimated - For the 12 months ended 12/31/yyyy

No.	(a)	(b)	(c)	(d)	(e)	(f)		(g)	(h)	(i)	(j)	(k)	(l)
		mmm-yyyy	yyyy	yyyy	mmm-yyyy			mmm-yyyy	yyyy	mmm-yyyy			
Line No.	Item	BOY Balance (Note D)	Current Period Amortization	Current Period Other Activity (Note C)	EOY Balance (Note D)	Allocator		BOY Allocated Amount	Amortization Allocated	EOY Allocated Amount	Prorated (Yes/No) (Note B)	Amort Period or Method	Explanation (Note A)
	NON-PLANT UNPROTECTED EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254												
1	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
2	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
3	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
4	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
5	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
6	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
7	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
8	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
9	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
10	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
11	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
12	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-

13	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
14	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
15	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
16	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
17	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
18	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
19	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
20	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
21	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
22	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
23	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
24	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
25	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
26	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
27	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
28	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
29	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
30	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
31	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
32	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
33	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
34	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-

35	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
36	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
37	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
38	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
39	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
40	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
41	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
42	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-

El Paso Electric Company
Worksheet P6-2
Accumulated Excess Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

		mmm-yyyy	yyyy	yyyy	mmm-yyyy		mmm-yyyy	yyyy	mmm-yyyy			
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Line No.	**Item**	**BOY Balance (Note D)**	**Current Period Amortization**	**Current Period Other Activity (Note C)**	**EOY Balance (Note D)**	**Allocator**	**BOY Allocated Amount**	**Amortization Allocated**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note B)**	**Amort Period or Method**	**Explanation (Note A)**
43	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
44	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
45	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
46	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
47	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
48	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
53	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
54	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
55	**Total Non Plant Unprotected**	**-**	**-**	**-**	**-**		**-**	**-**	**-**			
	PLANT EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254											
56	Reserved	-			-	0.000%	-	-	-			
57	Reserved	-			-	0.000%	-	-	-			
58	Reserved	-	-		-	0.000%	-	-	-			

59	Reserved					0.000%	-	-	-
60	Reserved					0.000%	-	-	-
61	**Total Plant**	**-**	**-**	**-**	**-**		**-**	**-**	**-**
62	**Total Excess/Deficient Deferred Income Taxes**	**-**	**-**	**-**	**-**		**-**	**-**	**-**

Notes:

A Each EDIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the EDIT balance.

1) Prod: The EDIT balance is 100% related to production of electricity and the NA Allocator is applied.

2) Retail: The EDIT balance is 100% related to retail operations and the NA Allocator is applied.

3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related EDIT for which the NA Allocator is applied. Such items shall include:

- EDIT related to Pension and PBOP
- Any other EDIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.

4) Trans: The EDIT balance is 100% related to transmission operations and the DA Allocator is applied.

5) Plant: The EDIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.

6) NPO: EDIT balances other than PP&E where the NP Allocator is applied.

7) Labor: The EDIT balance is labor related and the W/S Allocator is applied.

B Each EDIT Item must be categorized into balances that require proration and those that do not. EDIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

C Includes the impact of tax rate changes enacted during the period.

D EDIT balances exclude income tax gross-ups recorded to accounts 182.3 and 254

El Paso Electric Company
Worksheet P7
Projected Adjustments to Rate Base
Estimated - For the 12 months ended 12/31/yyyy

Line No	Month (a)	Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	CWIP (d)
1	December Prior Year	-	-	-
2	January	-	-	-
3	February	-	-	-
4	March	-	-	-
5	April	-	-	-
6	May	-	-	-
7	June	-	-	-
8	July	-	-	-
9	August	-	-	-
10	September	-	-	-
11	October	-	-	-
12	November	-	-	-
13	December	-	-	-
14	Average of the 13 Monthly Balances	-	-	-

El Paso Electric Company
Schedule 1
Ancillary Services, Schedule No. 1 - Scheduling System Control and Dispatch Service
Estimated - For the 12 months ended 12/31/yyyy

Line No.	Description	Reference	Amount
1	**Revenue Requirement**		
2	Total Load Dispatch and Scheduling (Account 561)	321.85-92.b	$ -
3	Less: Scheduling, System Control & Dispatch Services (Account 561.4)	321.88.b	$ -
4	Less: Reliability, Planning and Standards Development (Account 561.5)	321.89.b	$ -
5	Less: Transmission Service Studies (Account 561.6)	321.90.b	$ -
6	Less: Generation Interconnection Studies (Account 561.7)	321.91.b	$ -
7	Less: Reliability, Planning & Standards Development Services (Account 561.8)	321.92.b	$ -
8	Total 561 Costs for Schedule 1 Annual Rev Req	Sum Lines 2 through 7	$ -
9			
10	Less: Schedule 1 Point to Point Revenues	Company records	$ -
11			
12	Actual Schedule 1 Annual Rev Req (before True Up)	Line 8 - Line 10	$ -
13			
14	**True Up Adjustment**		
15	Actual Revenue Requirement	Line 8	$ -
16	Originally Projected Revenue Requirement without True Up Adjustment	Previous Filing (Note B)	$ -
17	True-up Amount (before interest)	Line 15 - Line 16	$ -
18	Interest Rate on True-up Amount	(Worksheet TU, Line 33)	0.0000%
19	Interest on True-up Amount	Line 17 * Line 18 * 24 /	

		12	-	
20	True-up Adjustment	Line 17 + Line 19	$ -	
21				
22	**Net Schedule 1 Annual Rev Req**	Line 12 + Line 20 (Note A)	$ -	
23				
24	**Divisor**			
25	Divisor (kW)	(Worksheet P3, Line 15)	-	
26				
27	**Rates**			
28	Annual		$ -	/kW-year
29	Monthly	12 months/year	$ -	/kW-month
30	Weekly	52 weeks/year	$ -	/kW-week
31	Daily On-Peak	6 days/week	$ -	/kW-day
32	Daily Off-Peak	7 days/week	$ -	/kW-day
33	Hourly On-Peak	16 hours/day	$ -	/MW-hour
34	Hourly Off-Peak	24 hours/day	$ -	/MW-hour

Notes

A Net Schedule 1 Annual Revenue Requirement projection is set to Actual amount from previous year plus Sch 1 True Up Adjustment

B Explanatory comment(s) for Originally Projected Sch 1 Rev Req without True Up Adjustment from Previous Filing:

ATTACHMENT H-2
El Paso Electric Company Formula Rate Implementation Protocols
Projections are for Rate Years – January-December
True-Ups are for Calendar Years – January-December

I. Applicability

The following procedures (the "Protocols") shall apply to El Paso Electric Company's ("EPE") calculations under its Formula Rate Template set forth in Tariff Attachment H-1 ("Formula Rate Template").

For purposes of these Protocols, the term "Interested Party" means a transmission customer of EPE, a state commission in a state where EPE serves retail customers, any entity having standing in a Federal Energy Regulatory Commission ("Commission" or "FERC") proceeding investigating the Formula Rate (as defined in Section II.1, below), and staff of FERC.

II. Annual Updates

1. The Formula Rate Template, which includes Schedule 1 – Scheduling System Control and Dispatch Service as Appendix B to Attachment H-1, and these Protocols together comprise the Transmission Provider's filed rate (collectively, the "Formula Rate") for Transmission Service under the Tariff or transmission agreements incorporating Tariff rates. The Transmission Provider will follow the instructions specified in the Formula Rate to annually calculate (project and subsequently true up as applicable) its Annual Transmission Revenue Requirement ("ATRR") and long-term firm loads to develop rates for Network Integration Transmission Service and Point-to-Point Transmission Service for posting by the Transmission Provider (hereinafter the projection and true-up process is referred to as the "Annual Update").

2. The Formula Rate shall be applicable to service on and after January 1 of a given calendar year through December 31 of the same calendar year ("Rate Year"), subject to review, challenge, and refunds or surcharges with interest, as provided herein. The Formula Rate shall initially be the effective date established by the Commission.

3. Each calendar year, the Transmission Provider shall:

   (a) By June 15 of the current year, calculate the projected ATRR, and transmission rates for the next Rate Year ("Projection") and Schedule 1 rates for the next Rate Year in accordance with the Formula Rate. The Formula Rate specifies in detail the manner in which the immediately preceding calendar year FERC Form No. 1 data and actual data from the Transmission Provider's books and records shall be used as inputs to the Formula Rate.

   (b) By June 15 of the current year, calculate the true-up of the Projection for the preceding calendar year in accordance with the Formula Rate ("True-Up Adjustment"). The True-Up Adjustment shall use the actual data for such preceding calendar year to calculate the actual charges for that calendar year. As part of the True-Up Adjustment, the Transmission Provider shall calculate the under- or over-collection of the revenue requirement for all customers taking service pursuant to the Formula Rate, as follows:

      i. At the time of the Annual Update, the Transmission Provider shall calculate the amount of under- or over-collection of its actual net

revenue requirement during the preceding Rate Year after the FERC Form No. 1 data for that Rate Year has been filed with the Commission.

ii. The True-Up Adjustment shall be calculated in the following manner. The projected net revenue requirement on the Projected Attachment H for the Rate Year will be compared to the actual net revenue requirement for the same Rate Year as determined by the population of the Formula Rate Template with actual data.

iii. Interest on any over-recovery of the actual net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R. § 35.19a. Interest on any under-recovery of the actual net revenue requirement shall be determined using the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a. An average interest rate shall be used to calculate the interest payable for the twenty-four (24) months during which the over or under recovery in the revenue requirement exists. The interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a will be determined using the average of the posted quarterly rates for the last four available quarters available at the time of posting.

iv. The True-Up Adjustment, as calculated on Worksheet TU of the Template, shall be included in the Transmission Provider's subsequent projected net revenue requirement determination.

(c) Include with the Annual Update an identification and explanation of each material change ("Material Change"). A Material Change is: (i) any change in the Transmission Provider's accounting policies, practices or procedures (including changes resulting from revisions to FERC's Uniform System of Accounts and/or FERC Form No. 1 reporting requirements and inter-company cost allocation methodologies) from those in effect during the calendar year upon which the most recent actual ATRR was based and that, in the Transmission Provider's reasonable judgment, could impact the Formula Rate, including impact to the ATRR or load divisor; and (ii) any change in the classification of any transmission facility that has been directly assigned and the dollar value of the change that the Transmission Provider has made in the applicable Projection or True-Up Adjustment; and

(d) Post such Annual Update on its OASIS by June 15, or if June 15 is a Saturday, Sunday or Federal holiday, the first business day thereafter, as well as a populated Formula Rate Template in fully functional spreadsheets showing the calculation of such Annual Update with documentation supporting such calculation and information supporting the Projection as described in Section II.3(a), above, which information shall include a narrative, and worksheets where appropriate, explaining the source and derivation of any data input to the Formula that is not drawn directly from the Transmission Provider's FERC Form No. 1, as well as the following information for all transmission facilities included in the

expected transmission plant additions: (i) expected date of completion; (ii) percent completion status as of the date of the Annual Update; (iii) a one-line diagram of facilities exceeding $5 million in cost; (iv) the estimated total installed cost of the facility; and (v) the reason for the facility addition;

(e) File such Annual Update with the Commission as an informational filing ("Informational Filing") on the Publication Date; and

(f) On the Publication Date, notify Interested Parties by email (using the last known email addresses provided to the Transmission Provider) of the website address where the Annual Update posting is located. The Transmission Provider shall use the email list developed from the most recent Annual Update and any other email addresses of individuals who have requested to be included in the Annual Update distribution list.

4. A change to the Formula Rate inputs related to unamortized abandoned plant, construction work in progress (which is currently set to zero), return on equity incentives, extraordinary property losses, return on equity, depreciation rates for each regulatory jurisdiction that are used to calculate the composite rates applied in the Formula Rate, or Post Employment Benefits Other than Pensions may not be made absent a filing with the Commission pursuant to Federal Power Act ("FPA") Sections 205 or 206.

III. Annual Review Procedures

Each Annual Update shall be subject to the following review procedures ("Annual Review Procedures"). If any of the dates provided for herein fall on a Saturday, Sunday or Federal holiday, then the due date shall be the first business day thereafter:

1. Each year, with at least fifteen (15) calendar days written notice, the Transmission Provider shall convene at least one meeting, which shall include at the Transmission Provider's option either video conferencing or webinar/internet conferencing, among Interested Parties ("Customer Meeting") during which the Transmission Provider shall present details about its Annual Update. The Customer Meeting shall provide Interested Parties the chance to seek information and clarifications from the Transmission Provider about the Annual Update. The first Customer Meeting of a Rate Year shall take place between within forty-five (45) calendar days from the Publication Date at a date and time convenient for a majority of the parties and posted on the Transmission Provider's internet website. The Transmission Provider shall also schedule subsequent Customer Meetings as appropriate ("Subsequent Meetings"). The date and time of such Subsequent Meetings shall be posted on the Transmission Provider's internet website and shall include at the Transmission Provider's option either video conferencing or webinar/internet conferencing.

2. Immediately following the Publication Date, Interested Parties may submit requests for information supporting the Annual Update. Interested Parties will have one-hundred and twenty (120) calendar days after the Publication Date to serve reasonable information requests to the Transmission Provider ("Information Request Period"). Such information requests shall be limited to that which is necessary to determine: (1) if the Transmission Provider has properly calculated the Formula Rate for the Annual Update under review; (2) whether the inputs to the True-Up Adjustment are correct and otherwise appropriate costs and revenue

credits and have been accounted for and recorded appropriately; and (3) whether there have been any Material Changes that affect the Formula Rate calculations.

3. The Transmission Provider shall make reasonable efforts to respond to information requests pertaining to the Annual Update within ten (10) business days of receipt of such requests. Such data responses shall be served on all Interested Parties identifying themselves to the Transmission Provider (as set forth in Section II.3(f)). Information requests received after 4 p.m. Mountain Prevailing Time shall be considered received the next business day. In the event the Transmission Provider believes it cannot respond within the ten (10) business day timeframe, it shall notify the requesting party and shall provide an estimate of when the Transmission Provider will provide the requested information.

4. The Transmission Provider shall make available in a central electronic location all information requests received and all responses to such requests. Each information request received by the Transmission Provider shall become available in the central electronic location within one business day of receipt of such request. Each response by the Transmission Provider shall become available in the central electronic location within one business day of distribution of such response to the party that submitted the information request.

5. To the extent the Transmission Provider and any Interested Party(ies) are unable to resolve disputes related to information requests submitted during the Information Request Period in accordance with these Protocols, the Transmission Provider or any Interested Party may petition FERC to appoint an Administrative Law Judge as a discovery master after reasonable attempts to resolve the disputes

have been made by the Transmission Provider and any Interested Parties. The discovery master shall have the authority to issue binding orders to resolve discovery disputes and compel the production of discovery, as appropriate, in accordance with the Protocols and consistent with FERC's discovery rules.

6. At any time throughout the Information Request Period and up to thirty (30) calendar days after the later of: (i) the close of the Information Request Period, or (ii) receipt of all responses to information requests submitted during the Information Request Period, any Interested Party may review the calculations ("Review Period") and notify the Transmission Provider in writing of any specific challenges to the application of the Formula Rate ("Preliminary Challenge"). Notice of such Preliminary Challenges shall be promptly posted (at the same location as the Annual Update) by the Transmission Provider.

7. Challenges to the Formula Rate itself shall not be considered within the scope of these Annual Review Procedures. Modifications to the Formula Rate itself can only be made pursuant to Sections 205 and 206 of the Federal Power Act, as set out in Article VI below.

IV. Resolution of Annual Update Challenges

1. If the Transmission Provider and any Interested Party have not resolved a Preliminary Challenge to an Annual Update within sixty (60) calendar days after written notification of a Preliminary Challenge, senior management of the Interested Parties and the Transmission Provider may attempt to resolve any outstanding issues ("Senior Management Review"). If the Transmission Provider and any Interested Party's (or Parties') senior management are unable to

resolve all issues raised in such Preliminary Challenge within thirty (30) calendar days after the Senior Management Review process begins, the Interested Party or Parties may, at any time thereafter, file a formal challenge with the Commission for a period up to three-hundred sixty five (365) calendar days after the Customer Meeting for a particular Annual Update ("Formal Challenge"). An Interested Party may not file a Formal Challenge thereafter. However, any Party may at any time within the period specified above, with or without prior Senior Management Review or submission of a Preliminary Challenge, file a Formal Challenge with the Commission regarding the Annual Update. For avoidance of doubt and as provided in Article IV hereof, nothing in this section is intended to limit the rights of any Interested Party to file a complaint under the FPA outside the Formal Challenge procedures provided by these Protocols.

2. The Transmission Provider shall promptly post notice of resolution of a Preliminary Challenge (at the same location as the notice of Preliminary Challenges) and shall notify all Interested Parties of such resolution, consistent with the procedures set forth in Section III.4, above.

3. Any and all information produced pursuant to these Protocols may be included in any proceeding concerning the El Paso Electric Company Formula Rate initiated at FERC pursuant to the FPA, including, but not limited to, a Formal Challenge. Information produced pursuant to these Protocols designated as confidential information and not otherwise publicly available shall be treated as confidential in any such proceeding referenced herein; provided that confidential treatment shall

be subject to a later determination by the presiding authority that the material is, in whole or in part, not entitled to confidential treatment.

4. Any Formal Challenge shall be served on the Transmission Provider by electronic service on the date of such filing.

5. There shall be no need for an Interested Party to make a separate Formal Challenge with respect to any action initiated by the Commission *sua sponte* regarding an Annual Update, to participate in any resulting Commission proceeding.

6. Failure to make a Preliminary Challenge or Formal Challenge as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to any subsequent Annual Update. However, no Preliminary Challenge to an Annual Update shall be permitted after the deadline for written notification of Preliminary Challenges, described in Section III.6.

7. Failure to make a Preliminary Challenge or Formal Challenge with respect to a Material Change as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to that Material Change in any subsequent Annual Update.

8. Any changes or adjustments to the True-Up Adjustment or projected ATRR resulting from the Information Exchange and Informal Challenge processes that are agreed to by El Paso Electric Company wll be reported in the Informational Filing required pursuant to Section II of these Protocols. Any such changes or adjustments agreed to by El Paso Electric Company on or before December 1 will be reflected in the projected ATRR for the upcoming Rate Year. Any changes or

adjustments agreed to by El Paso Electric Company after December 1 will be reflected in the following year's True-Up Adjustment, as discussed in Section V.

V. Changes to True-Up Adjustment or Projection

1. Except as provided in Section IV.8 of these Protocols, any changes to the data inputs, including but not limited to revisions to El Paso Electric Company's FERC Form 1, or as the result of any FERC proceeding to consider the Annual True-Up Adjustment or projected net ATRR, or as a result of the procedures set forth herein, shall be incorporated into the formula rate and the charges produced by the formula rate in the projected net ATRR for the next Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Except as otherwise specified pursuant to a Commission order, all refunds or surcharges shall be determined with interest calculated in accordance with 18 C.F.R. § 35.19a.

VI. Party's Rights and Burden of Proof

1. Nothing in these Protocols affects any rights the Transmission Provider, FERC, or any Interested Party may have under the FPA, including the right of the Transmission Provider to file a change in rates under Section 205 of the FPA or the right of an Interested Party to file a complaint that is not a Formal Challenge at any time under Section 206 of the FPA or other Commission regulation, or for an Interested Party to participate in any Commission proceeding relating to the Formula Rate. Nothing in these Protocols affects or modifies in any manner the procedural and substantive requirements, including requirements relating to the burden of proof, that are otherwise applicable under Commission precedent,

regulations, and statute, in such a proceeding. The provisions of these Protocols addressing review and challenge of the Annual Update shall not be construed as limiting the Transmission Provider's, FERC's, or any Interested Party's rights under any applicable provision of the FPA.

2. Failure to have made a Preliminary Challenge or Formal Challenge pursuant to these Protocols shall neither, in any manner, be asserted against a complainant in a proceeding instituted under Section 206 of the FPA nor prejudice or otherwise limit the complainant's right to relief that may be granted pursuant to Section 206 of the Federal Power Act.

3. Nothing herein is intended to alter the established burden(s) of going forward or burden(s) of proof as applied by the FERC at the time of any proceeding. Notwithstanding and without limiting the foregoing, in any proceeding ordered by FERC in response to a Formal Challenge raised under these Protocols or a proceeding initiated *sua sponte* by the Commission, the Transmission Provider shall have the ultimate burden of proof to establish that: (i) it reasonably applied the Formula Rate; (ii) it reasonably calculated the challenged Annual Update pursuant to the Formula Rate; and (iii) it reasonably adopted and applied any Material Change.

EL PASO ELECTRIC COMPANY

OPEN ACCESS TRANSMISSION TARIFF

FERC ELECTRIC TARIFF

VOLUME NO. 1

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III. NETWORK INTEGRATION TRANSMISSION SERVICE

34 Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge~~, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement~~ specified in Attachment H-1, tab “Projected Attachment H,” line 12 multiplied by the Network Customer’s Monthly Network Load.

34.2 Determination of Network Customer's Monthly Network Load:

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

34.3 Determination of Transmission Provider's Monthly Transmission System Load:

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all

Firm Point-To-Point Transmission Service customers.

34.4 Redispatch Charge:

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery:

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates ~~set forth~~described further below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

~~Rate per $/KW-Year:$0.843~~

~~Rate per $/KW-Month:$0.070~~

~~Rate per $/KW-Week:$0.0162~~

~~Rate per $/KW-Day:$0.0023~~

~~Rate per $/KW-Hour:$0.000096~~

The Transmission Customer will be allowed to use dynamic scheduling when it is feasible and reliable. Dynamic scheduling involves the arrangement for moving load or generation served within one Control Area such that the load or generation is recognized in the real-time control and dispatch of another Control Area. If a Transmission Customer requests that the Transmission Provider perform dynamic scheduling, the Transmission Provider will provide this service at negotiated rates, terms and conditions. Such negotiated rates, terms and conditions will be subject to Commission approval. The Transmission Customer must secure adequate transmission arrangements to support this service.

Transmission Customers Obligated to Acquire Scheduling, System Control and Dispatch Service:

All Transmission Customers purchasing Long-Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire Scheduling, System Control and Dispatch Service from the Transmission Provider.

Charge for Scheduling, System Control and Dispatch Service:

All Transmission Customers required to acquire Scheduling, System Control and Dispatch Service shall pay a charge invoiced monthly for Scheduling, System Control and Dispatch Service equal to the amount set forth below. The rates on which such charges are determined shall be calculated on an annual basis using an annual Schedule 1 revenue requirement identified in Attachment H-1, tab "Schedule 1," line 22. Annual updates to the Schedule 1 rates shall follow the procedures set forth in Attachment H-2.

1) For Yearly Service, the demand charge identified in Attachment H-1, tab

"Schedule 1," line 28 multiplied by either: (a) the amount of Reserved Capacity per year for Point-to-Point Transmission Service or (b) the Monthly Network Load calculated pursuant to Section 34.2 of the Tariff for Network Integration Transmission Service.

2) For Monthly Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 29 multiplied by the amount of Reserved Capacity per month.

3) For Weekly Service, the demand charge identified in Attachment H-1, tab "Projected Schedule 1," line 30 multiplied by the amount of Reserved Capacity per week.

4) For Daily On-Peak Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 31 multiplied by the amount of Reserved Capacity per day during on-peak periods.

5) For Daily Off-Peak Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 32 multiplied by the amount of Reserved Capacity per day during off-peak periods.

6) For Hourly On-Peak Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 33 multiplied by the amount of Reserved Capacity per hour during on-peak periods.

7) For Hourly Off-Peak Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 34 multiplied by the amount of Reserved Capacity per hour during off-peak periods.

The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily Rate pursuant to this Schedule 1 times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the Weekly Rate pursuant to this Schedule 1 times the highest amount in megawatts of Reserved Capacity in any hour during such week.

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

A. ~~**For Service On Facilities Within the Transmission Provider's Control Area**~~

The following rates apply to Firm Point-To-Point Transmission Service between any Point of Receipt and any Point of Delivery on the Transmission System ~~within (including interconnections with) the Transmission Provider's Control Area (its "Internal" system)~~. In addition, the terms and conditions set forth in Section ~~D~~B of this Schedule 7 apply to services in this Section A.

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1) Yearly delivery: ~~one-twelfth of the demand charge of $27.72/KW~~ the Annual Demand Charge multiplied by the amount of Reserved Capacity per year. The Annual Demand Charge for a calendar year is identified in Attachment H-1, tab "Projected Attachment H," line 11.

2) Monthly delivery: ~~$2.31/KW~~ the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 12 multiplied by the amount of Reserved Capacity per month.

3) Weekly delivery: ~~$0.53/KW~~ the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 13 multiplied by the amount of Reserved Capacity per week.

4) Daily delivery: ~~$0.08885/KW~~On-peak, the demand charge identified in

Attachment H-1, tab “Projected Attachment H,” line 14 multiplied by the amount of Reserved Capacity per day during on-peak periods. Off-peak, ~~$0.07615/KW~~ the demand charge identified in Attachment H-1, tab “Projected Attachment H,” line 15 multiplied by the amount of Reserved Capacity per day during off-peak periods. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section A.~~.~~(3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) Hourly delivery: ~~$0.00555/KW~~ On-peak, the demand charge identified in Attachment H-1, tab “Projected Attachment H,” line 16 multiplied by the ~~of~~ Reserved Capacity per hour during on-peak periods. ~~$0.00317/KW~~ Off-peak, the demand charge in Attachment H-1, tab “Projected Attachment H,” line 17 multiplied by the ~~of~~ Reserved Capacity per hour during off-peak periods. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section A.~~.~~(4) times the highest amount in kilowatts of Reserved Capacity in any hour during such day.

~~**B. For Service On The Palo Verde Facilities Connecting Palo Verde and Westwing**~~

~~The following rates apply to Firm Point-to-Point Transmission Service between any Point of Receipt and any Point of Delivery on the portion of the Palo Verde Facilities (also referred to as the Transmission Provider’s “External” system) connecting Palo Verde and Westwing. The following are each a Point of Receipt and a Point of Delivery served by the Transmission Provider on these facilities: PALOVERDE500 and~~

~~WESTWING500. In addition, the terms and conditions set forth in Section D of this Schedule 7 apply to services in this Section B.~~

~~The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:~~

~~1) Yearly delivery: one-twelfth of the demand charge of $4.06/KW of Reserved Capacity per year.~~

~~2) Monthly delivery: $0.34/KW of Reserved Capacity per month.~~

~~3) Weekly delivery: $0.07811/KW of Reserved Capacity per week.~~

~~4) Daily delivery: $0.01301/KW of Reserved Capacity per day during peak periods. $0.01115/KW of Reserved Capacity per day during off-peak periods. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section B.(3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.~~

~~5) Hourly delivery: $0.00081/KW of Reserved Capacity per hour during peak periods. $0.00046/KW of Reserved Capacity per hour during off-peak periods. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section B.(4) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.~~

~~C. For Service On The Palo Verde Facilities (“External”) Connecting Palo Verde and Kyrene~~

~~The following rates apply to Firm Point-to-Point Transmission Service between any Point of Receipt and any Point of Delivery on the portion of the Palo Verde Facilities~~

~~("External") connecting Palo Verde and Kyrene. The following are each a Point of Receipt and a Point of Delivery served by the Transmission Provider on these facilities: PALOVERDE500, KYRENE500, and JOJOBA500. In addition, the terms and conditions set forth in Section D of this Schedule 7 apply to services in this Section C.~~

~~The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:~~

~~1) Yearly delivery: one-twelfth of the demand charge of $10.40/KW of Reserved Capacity per year.~~

~~2) Monthly delivery: $0.87/KW of Reserved Capacity per month.~~

~~3) Weekly delivery: $0.20004/KW of Reserved Capacity per week.~~

~~4) Daily delivery: $0.03334/KW of Reserved Capacity per day during peak periods. $0.02858/KW of Reserved Capacity per day during off-peak periods. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section C.(3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.~~

~~5) Hourly delivery: $0.00208/KW of Reserved Capacity per hour during on-peak periods. $0.00119/KW of Reserved Capacity per hour during off-peak periods. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section C.(4) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day.~~

~~D.~~B. Terms and Conditions Applicable to Sections A ~~through C~~ of this Schedule 7

~~1) Sections B and C of this Schedule 7 are established to provide Firm Point-to-Point~~

~~Transmission Customers the opportunity to use Transmission Capacity over the Palo Verde Facilities to the extent the capacity is available pursuant to the provisions of this Tariff. The annual revenue requirement for Palo Verde to Westwing facilities is $1,927,975; the annual revenue requirement for the Palo Verde to Kyrene facilities is $2,475,678. The rates listed in Sections A, B and C above include generator supplied VARs and are provided as "up-to" or "ceiling" rates. The rates listed in Sections A, B and C above will apply to customers taking service solely under each such section. For customers taking service under more than one section of this Schedule 7 and/or Schedule 8 the charges listed in each section will be in addition to the those charges listed in such other sections.~~

~~2)~~1) Ancillary Services: If applicable, provided pursuant to Schedules 1 through 6 and 9 of this Tariff.

~~3)~~2) Direct Assignment Facilities Charges: If applicable.

~~4)~~3) Real Power Losses: Provided pursuant to Schedule 10 of this Tariff.

~~5)~~4) Peak/Off-Peak Periods: For hourly service, the on-peak period extends from hour ending (HE) 0700 through HE 2200, ~~Mountain~~ Daylight Saving Time, at the location where service is provided, at such times when ~~Mountain~~ Daylight Saving Time is the prevailing time ~~in El Paso, Texas~~, and extends from HE 0800 through HE 2300, ~~Mountain~~ Standard Time, at the location where service is provided, at such times when ~~Mountain~~ Standard Time is the prevailing time ~~in El Paso, Texas~~, in each case Monday through Saturday, exclusive of NERC holidays. All other hours are off-peak periods for the purpose of determining hourly service rates. For daily service, on-peak periods are Monday through Saturday, exclusive of NERC holidays. Off-peak daily rates apply on Sundays and NERC holidays.

~~6)~~5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

~~7)~~6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

~~**A. For Service On Facilities Within the Transmission Provider's Control Area**~~

The following rates apply to Non-Firm Point-To-Point Transmission Service between any Point of Receipt and any Point of Delivery on the Transmission System ~~within (including interconnections with) the Transmission Provider's Control Area (its "Internal" system). In addition, the terms and conditions set forth in Section D of this Schedule 8 apply to services in this Section A.~~.

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service at~~up to~~ the sum of the applicable charges set forth below:

1) Monthly delivery: ~~$2.31/KW of Reserved Capacity per month~~the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 12 multiplied by the amount of Reserved Capacity per month.

2) Weekly delivery: ~~$0.53/KW of Reserved Capacity per week~~the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 13 multiplied by the amount of Reserved Capacity per week.

3) Daily delivery: ~~$0.08885/KW of Reserved Capacity per day during peak periods. $0.07615/KW of Reserved Capacity per day during off-peak periods~~ On-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 14 multiplied by the amount of Reserved Capacity per day during on-peak periods. Off-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H,"

line 15 multiplied by the amount of Reserved Capacity per day during off-peak periods. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section A.~~.~~(2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

4) Hourly delivery: ~~The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed $0.00555/KWH (peak) or $0.00317/KWH (off- peak)~~ On-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 16 multiplied by the amount of Reserved Capacity per hour during on-peak periods. Off-peak, the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 17 multiplied by the amount of Reserved Capacity per hour during off-peak periods. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section A.~~.~~(3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section A.~~.~~(2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

~~**B. For Service On The Palo Verde Facilities Connecting Palo Verde and Westwing**~~

~~The following rates apply to Non-Firm Point-to-Point Transmission Service between any Point of Receipt and any Point of Delivery on the portion of the Palo Verde Facilities (also referred to as the Transmission Provider's "External" system) connecting Palo Verde and Westwing. The following are each a Point of Receipt and a Point of Delivery served by the Transmission Provider on these facilities: PALOVERDE500 and~~

~~WESTWING500. In addition, the terms and conditions set forth in Section D of this Schedule 8 apply to services in this Section B.~~

~~The Transmission Customer shall compensate the Transmission Provider each month for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:~~

~~1) Monthly delivery: $0.34/KW of Reserved Capacity per month.~~

~~2) Weekly delivery: $0.07811/KW of Reserved Capacity per week.~~

~~3) Daily delivery: $0.01301/KW of Reserved Capacity per day during peak periods. $0.01115/KW of Reserved Capacity per day during off-peak periods. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section B.(2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.~~

~~4) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in not event shall exceed $0.00081/KWH (peak) or $0.00046/KWH (off-peak). The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section B.(3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section B.(2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.~~

~~C. For Service On The Palo Verde Facilities ("External") Connecting Palo Verde and Kyrene~~

~~The following rates apply to Non-Firm Point-to-Point Transmission Service between any Point of Receipt and any Point of Delivery on the portion of the Palo Verde Facilities ("External") connecting Palo Verde and Kyrene. The following are each a Point of Receipt and a Point of Delivery served by the Transmission Provider on these facilities: PALOVERDE500, KYRENE500, and JOJOBA500. In addition, the terms and conditions set forth in Section D of this Schedule 8 apply to services in this Section C.~~

~~The Transmission Customer shall compensate the Transmission Provider each month for Non-Firm Point-To-Point Transmission Service at the sum of the applicable charges set forth below:~~

~~1) Monthly delivery: $0.87/KW of Reserved Capacity per month.~~

~~2) Weekly delivery: $0.20004/KW of Reserved Capacity per week.~~

~~3) Daily delivery: $0.03334/KW of Reserved Capacity per day during peak periods. $0.02858/KW of Reserved Capacity per day during off-peak periods. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section C.(2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.~~

~~4) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed $0.00208/KWH (peak) or $0.00119/KWH (off-peak). The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section C.(3) above times the highest amount in kilowatts of Reserved Capacity in any hour~~

~~during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section C.(2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.~~

~~D.~~A. Terms and Conditions Applicable to Section~~s~~ A ~~through C~~ of this Schedule 8

~~1) Sections B and C of this Schedule 8 are established to provide Non-Firm Point-to-Point Transmission Customers the opportunity to use Transmission Capacity over the Palo Verde Facilities to the extent the capacity is available pursuant to the provisions of this Tariff. The annual revenue requirement for Palo Verde to Westwing facilities is $1,927,975; the annual revenue requirement for the Palo Verde to Kyrene facilities is $2,475,678. The rates listed in Sections A, B and C above include generator supplied VARs and are provided as "up-to" or "ceiling" rates. The rates listed in Sections A, B and C above will apply to customers taking service solely under each such section. For customers taking service under more than one section of this Schedule 8 and/or Schedule 7 the charges listed in each section will be in addition to the charges listed in such other sections.~~

~~2)~~1) Ancillary Services: If applicable, provided pursuant to Schedules 1 through 6 and 9 of this Tariff.

~~3)~~2) Direct Assignment Facilities Charges: If applicable.

~~4)~~3) Real Power Losses: Provided pursuant to Schedule 10 of this Tariff.

~~5)~~4) Peak/Off-Peak Periods: For hourly service, the on-peak period extends from hour ending (HE) 0700 through HE 2200, ~~Mountain~~ Daylight Saving Time, at the location where service is provided, at such times when ~~Mountain~~ Daylight Saving Time is the prevailing time ~~in El Paso, Texas~~, and extends from HE 0800 through HE 2300, ~~Mountain~~ Standard Time, at the location where service is provided, at such times when ~~Mountain~~ Standard Time is the prevailing time ~~in El Paso, Texas~~, in each case Monday through Saturday, exclusive of NERC holidays. All other hours are off-peak periods for the purpose of determining hourly service rates. For daily service, on-peak periods are Monday through Saturday, exclusive of NERC holidays. Off-peak daily rates apply on Sundays and NERC holidays.

~~6)~~5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

~~7)~~6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

ATTACHMENT H

Annual Transmission Revenue Requirement
and Formula Rate Template and Protocols~~For Network Integration Transmission Service~~

1. This Attachment H contains the Formula Rate Template and Protocols pursuant to which rates for ~~e Annual Transmission Revenue Requirement for purposes of the~~ Network Integration Transmission Service and Point-to-Point Transmission Services are developed and identified~~shall be $31,300,000~~. The Template is found in Attachment H-1. The Annual Transmission Revenue Requirement is identified in Attachment H-1, tab "Projected Attachment H," page 1.

2. The formula rates are subject to true-up and adjusted prospectively in the manner set forth in the Formula Rate Implementation Protocols~~amount in (1) shall be effective until amended by the Transmission Provider or modified by the Commission~~. The Protocols are found in Attachment H-2.

Attachment H-1

El Paso Electric Company ("EPE")

Transmission Formula Rate Template

Table of Contents

Overview

The formula is calculated in two steps. The first step is to fill out the A tabs, and the Actual Attachment H tab with data from the previous year's Form 1 information. This information is used to update the formulas in the Actual Net Rev Req tab to calculate the Actual Revenue Requirement (Actual ATRR) for the previous year.

The TU (True-up) tab uses the revenue requirement from the Actual Attachment H tab and compares it to the revenue requirement from the Projected Attachment H tab that customers were billed for the same period. Interest is added to the difference and the amount is added to the Projected Attachment H tab via the True Up Adjustment line.

The projected O&M and plant balances are calculated on the P Tabs. These sheets feed into the Projected Attachment H tab for determining the Projected Annual Transmission Revenue Requirement. The EPE tariff rates are calculated based on the EPE Revenue Requirements and the specific point-to-point charges are shown on the same tab.

Cells highlighted in yellow are data input cells, however, some cells may reference the results from other worksheets in the formula. Such cell references may change from year to year requiring manual adjustment of the reference or the direct entry of the proper value.

Cells highlighted in green signify that the data is sourced from other worksheets in the formula and that the reference is static.

		Credits data
A4-Rate Base	Worksheet A4	Actual Rate Base data
A5-Depr	Worksheet A5	Depreciation Rates
A6-Divisor	Worksheet A6	Actual Transmission Load Data for Calculating Rate Divisors
A7-IncentPlant	Worksheet A7	Actual Incentive Plant
A8-1 EDIT	Worksheet A8-1	Actual Excess / Deficient Deferred Income Tax calculation
A8-2 EDIT Details	Worksheet A8-2	Actual Excess / Deficient Deferred Income Tax data
A9- Cost of Capital	Worksheet A9	Actual Cost of Capital Calculations
TU-TrueUp	Worksheet TU	True-up Adjustment and Interest Calculation
Proj Att-H	Projected Attachment H	Projected Annual Transmission Revenue Requirements for next calendar year
P1-Trans Plant	Worksheet P1	Projected transmission plant for next calendar year
P2-O&M	Worksheet P2	Projected O&M expenses for next calendar year
P3-Divisor	Worksheet P3	Projected transmission load for next calendar year
P4-IncentPlant	Worksheet P4	Projected Incentive Plant
P5-1 ADIT	Worksheet P5-1	Projected Accumulated Deferred Income Tax Calculation
P5-2 ADIT ITC Details	Worksheet P5-2	Projected Accumulated Deferred Income Tax & Investment Tax Credits data
P6-1 EDIT	Worksheet P6-1	Projected Excess / Deficient Deferred Income Tax calculation
P6-2 EDIT Details	Worksheet P6-2	Projected Excess / Deficient Deferred Income Tax data
P7-Adj to Rate Base	Worksheet P7	Projected Adjustments to Rate Base
Schedule 1	Schedule 1	Ancillary Services, Schedule No. 1 - Scheduling System Control and Dispatch Service

El Paso Electric Company
Rate Formula Template

Actuals - For the 12 months ended 12/31/yyyy

Formula Rate - Non-Levelized | Utilizing FERC Form 1 Data

Line No.			Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)					$ -
	REVENUE CREDITS	(Note S)	Total	Allocator		
2	Account No. 454	(Worksheet A1, Page 1, Line 17, Col. (f)	-	TP	0.00000	-
3	Account No. 456.1	(Worksheet A1, Page 2, Line 15, Col. (h)	-	TP	0.00000	-
4	Held for Future Use		-	TP	0.00000	-
5	Held for Future Use		-	TP	0.00000	-
6	TOTAL REVENUE CREDITS (sum lines 2-5)					-
7	NET REVENUE REQUIREMENT	(Line 1 minus Line 6)				$ -
	DIVISOR					
8	Divisor (kW)	(Worksheet A6, Line 14) x 1000				-
9						
10	RATES					
11	Annual		$ -	/kW-year		
12	Monthly	12 months/year	$ -	/kW-month		
13	Weekly	52 weeks/year	$ -	/kW-week		
14	Daily On-Peak	6 days/week	$ -	/kW-day		
15	Daily Off-Peak	7 days/week	$ -	/kW-		

					day
16	Hourly On-Peak	16 hours/day	$	-	/MW-hour
17	Hourly Off-Peak	24 hours/day	$	-	/MW-hour

El Paso Electric Company
Rate Formula Template

Actuals - For the 12 months ended 12/31/yyyy

Formula Rate - Non-Levelized Utilizing FERC Form 1 Data

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	Allocator	(4)	(5) Transmission (Col 3 times Col 4)
	RATE BASE: (Note A, V) GROSS PLANT IN SERVICE (Note A)					
1	Production	Worksheet A4, Page 1, (Line 14 - 28) , Col. (b)	-	NA		-
2	Transmission	Worksheet A4, Page 1, (Line 14 - 28), Col. (c)	-	TP	0.00000	-
3	Distribution	Worksheet A4, Page 1, (Line 14 - 28), Col. (d)	-	NA		-
4	General & Intangible	Worksheet A4, Page 1, (Line 14 - 28), Cols. (e) + (f)	-	W/S	0.00000	-
5	Common	Worksheet A4, Page 1, (Line 14 - 28), Col. (h)	-	CE	0.00000	-
6	TOTAL GROSS PLANT	(Sum of Lines 1 through 5)	-	GP=	0.00000	-
	ACCUMULATED DEPRECIATION (Note A)					
7	Production	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (b)	-	NA		-
8	Transmission	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (c)	-	TP	0.00000	-
9	Distribution	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (d)	-	NA		-
10	General & Intangible	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col.s (e) + (f)	-	W/S	0.00000	-

11	Common	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (h)	-	CE	0.00000	-
12	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 7 through 11)	-			-
	NET PLANT IN SERVICE					
13	Production	(Line 1 - Line 7)	-			-
14	Transmission	(Line 2 - Line 8)	-			-
15	Distribution	(Line 3 - Line 9)	-			-
16	General & Intangible	(Line 4 - Line 10)	-			-
17	Common	(Line 5 - Line 11)	-			-
18	TOTAL NET PLANT	(Sum of Lines 13 through 17)	-	NP=	0.00000	-
19	CWIP Approved by FERC Order	Worksheet A4, Page 3, Line 14, Col. (d) (Note Q)	-	DA	1.00000	-
	ADJUSTMENTS TO RATE BASE					
20	Accumulated Deferred Income Taxes (Accounts 190, 281-283)	Worksheet A3-1, Page 3, Line 82, Col. (n) (Note F)	-	DA	1.00000	-
21	Accumulated Deferred Investment Tax Credit (Account 255)	Worksheet A3-2, Page 4, Line 138, Col. (g)	-	DA	1.00000	-
22	Excess / Deficient Deferred Income Taxes	Worksheet A8-1, Line 27, Col. (n)	-	DA	1.00000	-
23	Unamortized Regulatory Asset	Worksheet A4, Page 3, Line 14, Col. (b) (Notes P & U)	-	DA	1.00000	-
24	Unamortized Abandoned Plant	Worksheet A4, Page 3, Line 14, Col. (c) (Notes T, N & U)	-	DA	1.00000	-
25	Unfunded Reserves	Worksheet A4, Page 4, Line 10, Col. (d) (Note R)	-	DA	1.00000	-
25a	Hold Harmless Adjustment	Company Records (Note V)	-	DA	1.00000	-
26	TOTAL ADJUSTMENTS	(Sum of Lines 20 through 25a)	-			-
27	LAND HELD FOR FUTURE USE	Worksheet A4, Page 3, Line 14, Col. (e) (Note G)	-	TP	0.00000	-
	WORKING CAPITAL	(Note H)				
28	Cash Working Capital	1/8*(Page 3, Line 7)	-			-
29	Materials & Supplies	Worksheet A4, Page 3, Line 28, Col. (e)	-	TP	0.00000	-

30	Prepayments (Account 165)	Worksheet A4, Page 3, Line 28, Col. (f)	-	GP	0.00000	-
31	TOTAL WORKING CAPITAL	(Sum of Lines 28 through 30)	-			-
32	RATE BASE	(Sum Lines 18, 19, 26, 27, & 31)	-			-

El Paso Electric Company

Formula Rate - Non-Levelized

Rate Formula Template Utilizing FERC Form 1 Data

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M					
1	Transmission	321.112.b	-	TE	0.00000	-
2	Less Account 561.1-561.8	Worksheet A2, Line 23	-	TE	0.00000	-
2a	Less Account 565	321.96.b	-	TE	0.00000	-
3	A&G	323.197.b	-	W/S	0.00000	-
4	Less EPRI/Reg. Comm. Exp./Non-safety Ad. (Note I)	Worksheet A2, Line 6	-	W/S	0.00000	-
4a	Less Property Insurance Acct 924	323.185.b	-	W/S	0.00000	-
4b	Plus Property Insurance Acct 924	323.185.b	-	GP	0.00000	-
4c	Plus Transmission Related Reg. Comm. Exp. (Note G)	Worksheet A2, Line 12	-	TE	0.00000	-
4d	Plus: Fixed PBOP expense	Company Records (Note J & B)	-	W/S	0.00000	-
4e	Less: Actual PBOP expense	Company Records (Note J & B)	-	W/S	0.00000	-
5	Common	356.1	-	CE	0.00000	-
6	Hold Harmless Expense Adjustment	Company Records (Note V)	-	DA	1.00000	-
7	TOTAL O&M (sum lines 1, 3, 4b, 4c,4d, 5, 6 less lines 2, 2a, 4, 4a, 4e)		-			-
	DEPRECIATION AND AMORTIZATION EXPENSE (Note A)					
8	Transmission	336.7.f - 336.7.c	-	TP	0.00000	-
9	General & Intangible	336.10.f & 336.1.f - 336.10.c & 336.1.c	-	W/S	0.00000	-

10	Common	336.11.f - 336.11.c	-	CE	0.00000	-
11a	Amortization of Regulatory Asset	Company Records (Note P)	-	DA	1.0000	-
11b	Amortization of Abandoned Plant	Company Records (Note N)	-	DA	1.0000	-
12	TOTAL DEPRECIATION & AMORTIZATION	(Sum of Lines 8 through 11)	-			-
	TAXES OTHER THAN INCOME TAXES (Note D)					
	LABOR RELATED					
13	Payroll	263.i	-	W/S	0.00000	-
14	Highway and vehicle	263.i	-	W/S	0.00000	-
15	PLANT RELATED					
16	Property	263.i	-	NP	0.00000	-
17	Gross Receipts	263.i	-	NA	0.00000	-
18	Other	263.i	-	GP	0.00000	-
19	reserved		-			
20	TOTAL OTHER TAXES	(Sum of Lines 13 through 19)	-			-
	INCOME TAXES	(Note K)				
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		0.000%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.000%			
	and FIT, SIT & p are as given in Note K.					
23	Income Tax Gross Up Rate: 1 / (1 - T) = (from line 21)		-			
24	Excess / Deficient Deferred Income Taxes Amortization	Worksheet A8.2, Line 62, Col. (c) (Note W)	-			
24a	Excess / Deficient Deferred Income Tax Adjustment	(Line 23 times Line 24)	-	DA	1.00000	-
25	Permanent Differences	Company Records (Note X)	-			
25a	Permanent Differences Tax Adjustment	(Line 21 times 23 times Line 25)	-	NP	-	-
26	Income Tax on Equity and Incentive Return	(Line 22 times Line 28)	-			-
27	Total Income Taxes	(Sum of Lines 24a, 25a, 25c, 26)	-			-
	RETURN					
28	Rate Base * Rate of Return plus Incentive Return	(Page 2, Line 32, Col. (3) x Page 4, Line 31, Col. (5)) +	-			-

29	REV. REQUIREMENT	Page 4, Line 32 (Sum of Lines 7, 12, 20, 27, 28)	-	-

Line No.	(1)	(2) SUPPORTING CALCULATIONS AND NOTES	(3)	(4)		(5)
	TRANSMISSION PLANT INCLUDED IN RATES					
1	Total transmission plant	(Page 2, Line 2, Col. 3)				-
2	Less transmission plant excluded from Wholesale Rates	Company Records (Note L)				-
3	Less transmission plant included in OATT Ancillary Services	Company Records (Note M)				-
4	Transmission plant included in Wholesale Rates	(Line 1 less Lines 2 & 3)				-
5	Percentage of transmission plant included in Wholesale Rates	(Line 4 divided by Line 1)			TP=	0.00000
	TRANSMISSION EXPENSES					
6	Total transmission expenses	(Page 3, Line 1, Col. 3)				-
7	Less transmission expenses included in OATT Ancillary Services	Company Records (Note E)				-
8	Included transmission expenses	(Line 6 less Line 7)				-
9	% of transmission expenses after adjustment	(Line 8 divided by Line 6)				0.00000
10	% of transmission plant included in wholesale Rates	(Line 5)			TP	0.00000
11	% of transmission expenses included in wholesale Rates	(Line 9 times Line 10)			TE=	0.00000

WAGES & SALARY ALLOCATOR (W&S)

Line No.		Form 1 Reference	$	TP	Allocation
12	Production	354.20.b	-	0.00	0
13	Transmission	354.21.b	-	0.00	0

14	Distribution	354.23.b	-	0.00	0		W&S Allocator			
15	Other	354.24, 25, 26.b	-	0.00	0		($ / Allocation)			
16	Total	(Sum of Lies 12-15)	-		0	=	0.00000	=	WS	
	COMMON PLANT ALLOCATOR (CE)		**$**		% Electric (line 17 / line 20)		W&S Allocator (line 16)		CE	
17	Electric	200.3.c	-							
18	Gas	201.3.d	-		0.00000	*	0.00000	=	0.00000	
19	Other	201.3.e	-							
20	Total	(Sum of Lines 17-19)	-							
	RETURN (R)						$			
21	Long Term Interest	117, Col. c, Lines 62+63+64-65-66+67					-			
22	Preferred Dividends	118.29.c (positive number)					-			
	<u>Development of Common Stock:</u>									
23	Proprietary Capital	Worksheet A9 Line 14, Col. (e)					-			
24	Less Preferred Stock	Worksheet A9 Line 14, Col. (b) (enter negative)					-			
25	Less Other Comprehensive Income	Worksheet A9 Line 14, Col. (d) (enter negative)					-			
26	Less Account 216.1	Worksheet A9 Line 14, Col. (c) (enter negative)					-			
27	Common Stock	(Sum of Lines 23-26)					-			
			$	%	Cost (Notes C & O)		Weighted			
28	Long Term Debt	Worksheet A9 Line 28, Col. (k)	-	0.00%	-		-	=WCLTD		
29	Preferred Stock	112.3.c	-	0.00%	-		-			
30	Common Stock	Line 27	-	0.00%	0.1038		-			
31	Total	(Sum of Lines 28-30)	-				-	=R		
32	Incentive Return	Worksheet A7, Col. (e)					$ -			

El Paso Electric Company
Rate Formula Template

Actuals - For the 12 months ended 12/31/yyyy

Formula Rate - Non-Levelized   Utilizing FERC Form 1 Data

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note Letter	
A	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.
B	Workpapers for this calculation will be included in supporting documentation.
C	Debt cost rate = long-term interest (line 21) / long term debt (line 28). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 29).
D	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded.
E	Removes dollar amount of transmission expenses included in the OATT ancillary services rates. FERC 561 accounts are not included in this line as they are separately removed from O&M.
F	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules A8-1 and A8-2 and presented in Att-H separately from ADIT.
G	Identified in Form 1 as being only transmission related.
H	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at Page 3, Line 7, Column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111 Line 57 in the Form 1.
I	EPRI expenses listed in Form 1 at 352.f, all Regulatory Commission Expenses itemized at 350.d, and non-safety-related advertising included in Account 930.1.
J	Depreciation rates and Post-Employment Benefits Other than Pensions (PBOP) are fixed amounts that can be changed only through a Section 205 filing. The fixed PBOP expense will be used in lieu of the actual PBOP expense incurred in the year absent an appropriate filing with FERC. The Company reviews internal records and identifies the PBOP expenses to be removed from A&G.
K	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". Since the utility is taxed in more than one state it shall attach a work paper showing the name of each state and how the blended or composite SIT was developed.

Inputs Required:	FIT =	0.000%	(Federal Income Tax Rate)
	SIT=	0.000%	(Composite State Income Tax Rate)
	p =	0.000%	(Percent of federal income tax deductible for state purposes)

L	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).

M Removes dollar amount of generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.

N Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Utility must submit a Section 205 filing to recover the cost of abandoned plant.

O No change in ROE may be made absent a filing with FERC.

P Recovery of any regulatory assets requires authorization from the Commission.

Q AFUDC ceases when CWIP is included in rate base. No CWIP will be included in rate base on line 19 absent FERC authorization.

R The Formula Rate shall include a credit to rate base for all unfunded reserves within accounts 228.2, 242, and 253 (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Reserves can be created by capital contributions from customers, by debiting the reserve and crediting a liability, or a combination of customer capital contribution and offsetting liability. Only the portion of a reserve that was created by customer contributions should be a reduction to rate base. Amounts will be calculated on 13-month average balances. See Worksheet A4, Note G.

S The revenues credited shall include only the amounts received directly for service under this tariff reflecting EPE's integrated transmission facilities provided that revenue credits shall not include revenues associated with transmission service for which loads are included in the rate divisor on Actual Attachment H, page 1, line 8. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) that are not recovered under this Rate Formula Template.

T Page 2 Line 24 includes any unamortized balances related to the recovery of abandoned plant costs approved by FERC under a separate docket. Page 3, Line 11b includes the Amortization expense of abandonment costs. These are shown in the workpapers required pursuant to the Annual Rate Calculation and True-up Procedures.

U Calculate using 13 month average balance, reconciling to FERC Form No. 1 by Page, Line, and Column as shown in Worksheet A4 for inputs on page 2 of 5 above.

V If applicable, a separate workpaper will be provided and posted with other supporting documentation.

W Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense by the amount of the excess or deficiency multiplied by (1/1-T).

X Includes the annual income tax cost or benefits due to permanent differences between expenses or revenues recognized for ratemaking purposes and for income tax purposes and depreciation of amounts capitalized to plant for book purposes related to the accrual of the Allowance for Other Funds Used During Construction. T multiplied by the amount of permanent differences and depreciation expense associated with Allowance for Other Funds Used During Construction will increase or decrease tax expense by the amount of the expense or benefit included on line 25 multiplied by (1/1-T).

El Paso Electric Company
Worksheet A1
Revenue Credits
Actuals - For the 12 months ended 12/31/yyyy

ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)

Line #	Description		Total	Explanation (Note A)	Allocation	Allocation Factor	Total Revenue Credit
	(a)		(b)	(c)	(d)	(e)	(f)
1						0.000%	$0
2	Reserved					0.000%	$0
3	Reserved					0.000%	$0
4	Reserved					0.000%	$0
5	Reserved					0.000%	$0
6	Reserved					0.000%	$0
7	Reserved					0.000%	$0
8	Reserved					0.000%	$0
9	Reserved					0.000%	$0
10	Reserved					0.000%	$0
11	Reserved					0.000%	$0
12	Reserved					0.000%	$0
13	Reserved					0.000%	$0
14	Reserved					0.000%	$0
15	Reserved					0.000%	$0
16	Reserved					0.000%	$0
17	Total 454	300.19.b	$ -				$ -

ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note B)

Line #	Type	Description	Service Type	PTP Trans Sched 7 & 8	Network Transm Sched 9	Ancillary Services	Other	Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13		Total		0	0	0	0	0	
								300.22.b	
14	**Summarized by Type:**								
15	Credit			0	0	0	0	0	
16	Divisor			0	0	0	0	0	
17	Ancillary			0	0	0	0	0	
18	Other			0	0	0	0	0	
19	Total			0	0	0	0	0	300.22.B
20									
21	Revenue Types:								
22	Ancillary	Ancillary services includes regulation & frequency, control & dispatch, voltage control, reactive, spinning reserve, and scheduling; no revenue credit.							
23	Divisor	Load associated with these revenues are included in the formula divisor; no revenue credit.							
24	Credit	Revenue credit because the load is not included in divisor.							

Notes

A	Each FERC 0454 item is categorized into 1 of 5 categories. The selected category will determine the Allocator applied to the FERC 0454 balance.
	1) Prod: The FERC 0454 balance is 100% related to production of electricity and the NA Allocator is applied.
	2) Retail: The FERC 0454 balance is 100% related to retail operations and the NA Allocator is applied.
	3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related FERC 0454 for which the NA Allocator is applied.
	4) Trans: The FERC 0454 balance is 100% related to transmission operations and the DA Allocator is applied.
	5) Labor: The FERC 0454 balance is labor or general and intangible plant related, and the W/S Allocator is applied.
B	PTP Revenue credits from Line 15, Column (h) populate Actual Attachment H, page 1, line 3.

El Paso Electric Company
Worksheet A2
Actual Operation and Maintenance Expenses
Actuals - For the 12 months ended 12/31/yyyy

Line No.	(a) Item	(b) Form No. 1 Page, Line, Col.	(c) Company Total	
1	EPRI Annual Membership Dues	353.x.f (Note C)	$	-
2	Regulatory Commission Expenses	350.46.d	$	-
3	Account No. 930.1	323.191.b	$	-
4	Less: Safety Related Advertising	Company Records (Note A)	$	-
5	Account No. 930.1 less Safety Related Advertising	Line 3 - Line 4	$	-
6	EPRI & Reg. Comm. Exp. & Non-safety Ad.	Sum of Lines 1, 2, & 5	$	-
7				
8	**Transmission Related Regulatory Expense**	(Note B)		
9				
10	Reserved for use in the event of transmission rate filings	Company Records	$	-
11	Transmission Related Reg. Comm. Exp.	350.x.d	$	-
12	Transmission Related Regulatory Expense	Sum of Lines 10-11	$	-
13				
14	**Actual Ancillary Expenses**			
15	561.1 Load Dispatch-Reliability	321.85.b	$	-
16	561.2 Load Dispatch-Monitor and Operate Transmission System	321.86.b	$	-
17	561.3 Load Dispatch-Transmission Service and Scheduling	321.87.b	$	-
18	561.4 Scheduling, System Control and Dispatch Services	321.88.b	$	-
19	561.5 Reliability, Planning and Standards Development	321.89.b	$	-
20	561.6 Transmission Service Studies	321.90.b	$	-
21	561.7 Generation Interconnection Studies	321.91.b	$	-
22	561.8 Reliability, Planning and Standards Development	321.92.b	$	-
23	Total Ancillary Expenses	Sum of Lines 15-22	$	-

Notes

A For FERC account no. 930.1, the Company reviews all entries and identifies those that are safety related advertising.

B Limited to Transmission-related regulatory expenses itemized from total amounts on FERC Form No. 1 page 350-351.
C Limited to amounts in O&M accounts that are included in the formula rate.

El Paso Electric Company
Worksheet A3-1
Accumulated Deferred Income Taxes
Actuals - For the 12 months ended 12/31/yyyy

Line														
	Proration Used for Projected Revenue Requirement Calculation								**Proration Used for True-up Revenue Requirement Calculation**					
1	**Account 190**								**Account 190**					
2	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
4														
5	December 31st balance Prorated Items (Worksheet P5-1.5.h)							-	December 31st balance Prorated Items (Worksheet A3-2.61.f)					-
6	January	31	335	365	91.78 %	-	-	-	-	-	-	-	-	-

7	February	28	307	365	84.11%	-	-	-	-	-	-	-	-	-
8	March	31	276	365	75.62%	-	-	-	-	-	-	-	-	-
9	April	30	246	365	67.40%	-	-	-	-	-	-	-	-	-
10	May	31	215	365	58.90%	-	-	-	-	-	-	-	-	-
11	June	30	185	365	50.68%	-	-	-	-	-	-	-	-	-
12	July	31	154	365	42.19%	-	-	-	-	-	-	-	-	-
13	August	31	123	365	33.70%	-	-	-	-	-	-	-	-	-
14	September	30	93	365	25.48%	-	-	-	-	-	-	-	-	-
15	October	31	62	365	16.99%	-	-	-	-	-	-	-	-	-
16	November	30	32	365	8.77%	-	-	-	-	-	-	-	-	-
17	December	31	1	365	0.27%	-	-	-	-	-	-	-	-	-
18	Total (sum of Lines 6 -17)	365				-	-		-	-	-	-	-	
19	Beginning Balance-Total				Worksheet P5-1.19.h			-	Beginning Balance-Total			Worksheet A3-2.58.f		-
20	Beginning Balance-Not Subject to Proration				Worksheet P5-1.20.h			-	Beginning Balance-Not Subject to Proration			Worksheet A3-2.64.f		-
21	Beginning Balance-Subject to Proration				(Line 5, Col H)			-	Beginning Balance-Subject to Proration			(Line 5, Col N)		-
22	Ending Balance-Total				Worksheet p5-1.22h			-	Ending Balance-Total			Worksheet A3-2.58.g		-
23	Ending Balance-Not Subject to Proration				Worksheet P5-1.23.h			-	Ending Balance-Not Subject to Proration			Worksheet A3-2.64.g		-
24	Ending Balance-Subject to Proration				Worksheet P5-1.24.h			-	Ending Balance-Subject to Proration			Worksheet A3-2.61.g		-
25	Average Balance (See Note 6.)				Line 17 Col N + (Lines 20 + 23 Col N)/2			-	Average Balance (See Note 6.)			Line 17 Col N + (Lines 20 + 23 Col N)/2		-

26	Reserved		
27	Amount for Attachment H	(Line 25 less line 26)	-

Reserved			
Amount for Attachment H	(Line 25 less line 26)		-

28 **Account 282**

Account 282

29	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
30	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
31														
32	December 31st balance Prorated Items (Worksheet P5-1.32.h)							-	December 31st balance Prorated Items (Worksheet A3-2.79.f)					-
33	January	31	335	365	91.78 %	-	-	-	-	-	-	-	-	-
34	February	28	307	365	84.11 %	-	-	-	-	-	-	-	-	-
35	March	31	276	365	75.62 %	-	-	-	-	-	-	-	-	-
36	April	30	246	365	67.40 %	-	-	-	-	-	-	-	-	-
37	May	31	215	365	58.90 %	-	-	-	-	-	-	-	-	-

38	June	30	185	365	50.68 %	-	-	-	-	-	-	-	-	-
39	July	31	154	365	42.19 %	-	-	-	-	-	-	-	-	-
40	August	31	123	365	33.70 %	-	-	-	-	-	-	-	-	-
41	September	30	93	365	25.48 %	-	-	-	-	-	-	-	-	-
42	October	31	62	365	16.99 %	-	-	-	-	-	-	-	-	-
43	November	30	32	365	8.77 %	-	-	-	-	-	-	-	-	-
44	December	31	1	365	0.27 %	-	-	-	-	-	-	-	-	-
45	Total (sum of lines 33-44)	365				-	-		-	-	-	-	-	
46	Beginning Balance-Total				Worksheet P5-1.46.h			-	Beginning Balance-Total			Worksheet A3-2.76.f		-
47	Beginning Balance-Not Subject to Proration				Worksheet P5-1.47.h			-	Beginning Balance-Not Subject to Proration			Worksheet A3-2.82.f		-
48	Beginning Balance-Subject to Proration				(Line 32, Col H)			-	Beginning Balance-Subject to Proration			(Line 32, Col N)		-
49	Ending Balance-Total				Worksheet P5-1.49.h			-	Ending Balance-Total			Worksheet A3-2.76.g		-
50	Ending Balance-Not Subject to Proration				Worksheet P5-1.50.h			-	Ending Balance-Not Subject to Proration			Worksheet A3-2.82.g		-
51	Ending Balance-Subject to Proration				Worksheet P5-1.51.h			-	Ending Balance-Subject to Proration			Worksheet A3-2.79.g		-
52	Average Balance (See Note 6.)				Line 44 Col H + (Lines 47 + 50 Col H)/2			-	Average Balance (See Note 6.)			Lines 44 Col N + (Lines 47 + 50 Col N)/2		-
53	Reserved								Reserved					
54	Amount for Attachment H				(Line 52 less line 53)			-	Amount for Attachment H			(Line 52 less line 53)		-

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
55	**Account 283**								**Account 283**					
56	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
57	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
58														
59	December 31st balance Prorated Items (Worksheet P5-1.59.h)							-	December 31st balance Prorated Items (Worksheet A3-2.126.f)					-
60	January	31	335	365	91.78 %	-	-	-	-	-	-	-	-	-
61	February	28	307	365	84.11 %	-	-	-	-	-	-	-	-	-
62	March	31	276	365	75.62 %	-	-	-	-	-	-	-	-	-
	April				67.40									

63		30	246	365	%	-	-	-	-	-	-	-	-	-
64	May	31	215	365	58.90 %	-	-	-	-	-	-	-	-	-
65	June	30	185	365	50.68 %	-	-	-	-	-	-	-	-	-
66	July	31	154	365	42.19 %	-	-	-	-	-	-	-	-	-
67	August	31	123	365	33.70 %	-	-	-	-	-	-	-	-	-
68	September	30	93	365	25.48 %	-	-	-	-	-	-	-	-	-
69	October	31	62	365	16.99 %	-	-	-	-	-	-	-	-	-
70	November	30	32	365	8.77%	-	-	-	-	-	-	-	-	-
71	December	31	1	365	0.27%	-	-	-	-	-	-	-	-	-
72	Total (sum of Lines 60 - 71)	365				-	-		-	-	-	-	-	
73	Beginning Balance-Total				Worksheet P5-1.73.h			-	Beginning Balance-Total			Worksheet A3-2.123.f		-
74	Beginning Balance-Not Subject to Proration				Worksheet P5-1.74.h			-	Beginning Balance-Not Subject to Proration			Worksheet A3-2.129.f		-
75	Beginning Balance-Subject to Proration				(Line 59, Col H)			-	Beginning Balance-Subject to Proration			(Line 59, Col N)		-
76	Ending Balance-Total				Worksheet P5-1.76.h			-	Ending Balance-Total			Worksheet A3-2.123.g		-
77	Ending Balance-Not Subject to Proration				Worksheet P5-1.77.h			-	Ending Balance-Not Subject to Proration			Worksheet A3-2.129.g		-
78	Ending Balance-Subject to Proration				Worksheet P5-1.78.h			-	Ending Balance-Subject to Proration			Worksheet A3-2.126.g		-
79	Average Balance (See Note 6.)				Line 71 Col H + (Lines 74 + 77 Col H)/2			-	Average Balance (See Note 6.)			Line 71 Col N + (Lines 74 + 77 Col N)/2		-
80	Reserved								Reserved					
81	Amount for Attachment H				(Line 79 less line 80)			-	Amount for Attachment H			(Line 79 less line 80)		-
82	**Total Amount for Attachment H**											(Lines 27+54+81)		-

NOTES

1) Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (amount of projected activity that did not occur) and a positive in Column J represents under-projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under-projection (excess of actual activity over projected activity) and a positive in Column J represents over-projection (amount of projected activity that did not occur).

2) Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over-projected, enter Column G x [Column I/Column F]. If Column J is under-projected, enter the amount from Column G and complete Column L). In other situations, enter zero.

3) Column L applies when (1) Column J is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.

4) Column M applies when (1) projected monthly activity is an increase while actual monthly activity is a decrease OR (2) projected monthly activity is a decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.

5) Column N is computed by adding the prorated monthly activity, if any, from Column K to 50 percent of the portion of monthly activity, if any, from Column L or M to the balance at the end of the prior month. The activity in columns L and M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly activity.

6) For the non-property-related component of the balance, the Average Balance is computed using the average of beginning of year and end of year balance. For the property-related component of the balance, the Average Balance is computed as described in Note 5.

7) Projected and Actual monthly activity is computed based on the annual activity for the period, divided by 12 months.

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)
		mmm-yyyyy	mmm-yyyy		mmm-yyyyy	mmm-yyyy		
Line No.	**Item**	**BOY Balance (Note A)**	**EOY Balance (Note B)**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note E)**	**Explanation (Note D)**
	ACCOUNT 190 ACCUMULATED DEFERRED INCOME TAXES							
1	Reserved			0.000%	-	-		
2	Reserved			0.000%	-	-		
3	Reserved			0.000%	-	-		
4	Reserved			0.000%	-	-		
5	Reserved			0.000%	-	-		
6	Reserved			0.000%	-	-		
7	Reserved			0.000%	-	-		
8	Reserved			0.000%	-	-		
9	Reserved			0.000%	-	-		
10	Reserved			0.000%	-	-		
11	Reserved			0.000%	-	-		
12	Reserved			0.000%	-	-		
13	Reserved			0.000%	-	-		

14	Reserved	0.000%	-	-
15	Reserved	0.000%	-	-
16	Reserved	0.000%	-	-
17	Reserved	0.000%	-	-
18	Reserved	0.000%	-	-
19	Reserved	0.000%	-	-
20	Reserved	0.000%	-	-
21	Reserved	0.000%	-	-
22	Reserved	0.000%	-	-
23	Reserved	0.000%	-	-
24	Reserved	0.000%	-	-
25	Reserved	0.000%	-	-
26	Reserved	0.000%	-	-
27	Reserved	0.000%	-	-
28	Reserved	0.000%	-	-
29	Reserved	0.000%	-	-
30	Reserved	0.000%	-	-
31	Reserved	0.000%	-	-
32	Reserved	0.000%	-	-

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

		mmm-yyyy	mmm-yyyy		mmm-yyyy	mmm-yyyy		
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)
Line No.	Item	BOY Balance (Note A)	EOY Balance (Note B)	Allocator	BOY Allocated Amount	EOY Allocated Amount	Prorated (Yes/No) (Note E)	Explanation (Note D)
33	Reserved			0.000%	-	-		
34	Reserved			0.000%	-	-		
35	Reserved			0.000%	-	-		
36	Reserved			0.000%	-	-		
37	Reserved			0.000%	-	-		
38	Reserved			0.000%	-	-		
39	Reserved			0.000%	-	-		
40	Reserved			0.000%	-	-		
41	Reserved			0.000%	-	-		
42	Reserved			0.000%	-	-		
43	Reserved			0.000%	-	-		
44	Reserved			0.000%	-	-		
45	Reserved			0.000%	-	-		

46	Reserved			0.000%	-	-		
47	Reserved			0.000%	-	-		
48	Reserved			0.000%	-	-		
49	Reserved			0.000%	-	-		
50	Reserved			0.000%	-	-		
51	Reserved			0.000%	-	-		
52	Reserved			0.000%	-	-		
53	Reserved			0.000%	-	-		
54	Reserved			0.000%	-	-		
55	**Total Account 190 (234.8.b&c)**	**-**	**-**		**-**	**-**		
	Tax Reg Asset / Liab Adjustments (Note C)							
56	Reserved			0.000%	-	-	No	
57	Reserved			0.000%	-	-	No	
58	**Total Account 190 After Adjustments**				**0**	**-**	**-**	**-**
59	Prorated Balances				-	-		
60	Tax Reg Asset / Liab Adjustments				-	-		
61	**Prorated Account 190 Balances After Adjustments**				**-**	**-**		
62	Non-Prorated Balances				-	-		
63	Tax Reg Asset / Liab Adjustments				-	-		
64	**Non-Prorated Account 190 Balances After Adjustments**				**-**	**-**		

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

No.	(a)	mmm-yyyy (b)	mmm-yyyy (c)	(e)	mmm-yyyy (f)	mmm-yyyy (g)	(h)	(i)
	ACCOUNT 282 ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Enter Negative)							
65	Reserved			0.000%	-	-		
66	Reserved			0.000%	-	-		
67	Reserved			0.000%	-	-		
68	Reserved			0.000%	-	-		
69	Reserved			0.000%	-	-		
70	Reserved			0.000%	-	-		
71	Reserved			0.000%	-	-		
72	Reserved			0.000%	-	-		
73	**Total Account 282 (274.2.b & 275.2.k)**	**-**	**-**		**-**	**-**		
	Tax Reg Asset / Liab Adjustments (Note C)							
74	Reserved			0.000%	-	-		
75	Reserved	-	-	0.000%	-	-		
76	**Total Account 282 After Adjustments Items**				**-**	**-**		
77	Prorated Balances				-	-		
78	Tax Reg Asset / Liab Adjustments				-	-		

79	**Prorated Account 282 Balances After Adjustments**		**-**	**-**
80	Non-Prorated Balances		**-**	**-**
81	Tax Reg Asset / Liab Adjustments		-	-
82	**Non-Prorated Account 282 Balances After Adjustments**		**-**	**-**

ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES - OTHER (Enter Negative)

83	Reserved	0.000%	-	-
84	Reserved	0.000%	-	-
85	Reserved	0.000%	-	-
86	Reserved	0.000%	-	-
87	Reserved	0.000%	-	-
88	Reserved	0.000%	-	-
89	Reserved	0.000%	-	-
90	Reserved	0.000%	-	-
91	Reserved	0.000%	-	-
92	Reserved	0.000%	-	-
93	Reserved	0.000%	-	-
94	Reserved	0.000%	-	-
95	Reserved	0.000%	-	-
96	Reserved	0.000%	-	-
97	Reserved	0.000%	-	-
98	Reserved	0.000%	-	-

99	Reserved	0.000%	-	-	
100	Reserved	0.000%	-	-	

Worksheet A3-2

Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details

Actuals - For the 12 months ended 12/31/yyyy

		mm-yyyy	**Dec-2020**		**mm-yyyy**	**Dec-2020**		
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)
101	Reserved			0.000%	-	-		
102	Reserved			0.000%	-	-		
103	Reserved			0.000%	-	-		
104	Reserved			0.000%	-	-		
105	Reserved			0.000%	-	-		
106	Reserved	-	-	0.000%	-	-		
107	Reserved	-	-	0.000%	-	-		
108	Reserved	-	-	0.000%	-	-		
109	Reserved	-	-	0.000%	-	-		
110	Reserved	-	-	0.000%	-	-		
111	Reserved	-	-	0.000%	-	-		
112	Reserved	-	-	0.000%	-	-		
113	Reserved	-	-	0.000%	-	-		
114	Reserved	-	-	0.000%	-	-		
115	Reserved	-	-	0.000%	-	-		
116	Reserved	-	-	0.000%	-	-		
117	Reserved	-	-	0.000%	-	-		
118	Reserved			0.000%				

		-	-			-	-
119	Reserved	-	-		0.000%	-	-
120	**Total Account 283 (276.9.b & 277.9.k)**	**-**	**-**			**-**	**-**
	Tax Reg Asset / Liab Adjustments (Note C)						
121	Reserved				0.000%	-	-
122	Reserved				0.000%	-	-
123	**Total Account 283 After Adjustments**					**-**	**-**
124	Prorated Balances					-	-
125	Tax Reg Asset / Liab Adjustments					-	-
126	**Prorated Account 283 Balances After Adjustments**					**-**	**-**
127	Non-Prorated Balances					-	-
128	Tax Reg Asset / Liab Adjustments					-	-
129	**Non-Prorated Account 283 Balances After Adjustments**					**-**	**-**
	ACCOUNT 255: ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Enter Negative) (Note F)						
130	Intangible			W/S	0.000%	-	-
131	Production			NA	0.000%	-	-
132	Transmission			DA	100.000%	-	-
133	Distribution			NA	0.000%	-	-
134	General Plant			W/S	0.000%	-	-
135	**Total Account 255 (266.8.b & 267.8.h)**	**-**	**-**			**-**	**-**
136	Unrealized ITC Adjustment						
137	Account 255 balance after						

	Unrealized Adjustment	-	-
138	**Average ITC Balance for Attachment H**		**-**

El Paso Electric Company

Worksheet A3-2

Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details

Actuals - For the 12 months ended 12/31/yyyy

Notes:

A Beginning of Year ("BOY") balance is end of previous year balance per FERC Form No. 1.

B End of Year ("EOY") balance is end of current year balance per FERC Form No. 1.

C The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules A8-1 and A8-2 and presented in Att-H separately from ADIT.

D Each ADIT item is categorized into 1 of 7 categories. The selected category will determine the Allocator applied to the ADIT balance.
1) Prod: The ADIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The ADIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related ADIT for which the NA Allocator is applied. Such items shall include:
- ADIT related to the Income Tax Regaultory Assets and Liabilities
- Any other ADIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.

4) Trans: The ADIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The ADIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: ADIT balances other than PP&E where the NP Allocator is applied.
7) Labor: The ADIT balance is labor related and the W/S Allocator is applied.

E Each ADIT Item must be categorized into balances that require proration and those that do not. ADIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

F The Company has elected and applied the second option for accounting for investment tax credits (“ITC”) under Internal Revenue Code 46(f) and the regulations thereunder to apply a cost of service adjustment to reduce tax expense no more rapidly than ratably. Under option 2, there is no rate base reduction for the unamortized balance of the ITC.

El Paso Electric Company

Worksheet A4

Rate Base Worksheet

Actuals - For the 12 months ended 12/31/yyyy

Gross Plant In Service

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	205.46.g	207.58.g	207.75.g	207.99.g	205.5.g	207.100.g	356.1
1	December Prior Year							
2	January							
3	February							
4	March							
5	April							
6	May							
7	June							
8	July							
9	August							
10	September							
11	October							
12	November							
13	December							
14	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

Gross Plant In Service - Asset Retirement Costs

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Reserved (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	205.15.g+205.44.g	207.57.g	207.74.g	207.98.g			
15	December Prior Year							
16	January							
17	February							
18	March							

19	April							
20	May							
21	June							
22	July							
23	August							
24	September							
25	October							
26	November							
27	December							
28	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/yyyy

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Reserved (f)	Total Plant (g)	Common (h)
		Accumulated Depreciation Account 108						
	FN1 Reference for Dec	**219.20-24.c**	**219.25.c**	**219.26.c**	**219.28.c**		**219.29.c**	**356.1**
1	December Prior Year							
2	January							
3	February							
4	March							
5	April							
6	May							
7	June							
8	July							
9	August							
10	September							
11	October							
12	November							
13	December							
14	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Common (h)
		Accumulated Depreciation Account 111						
	FN1 Reference for Dec	**200.21.c.fn**	**200.21.c.fn**	**200.21.c.fn**	**200.21.c.fn**	**200.21.c.fn**		**356.1**
15	December Prior Year							
16	January							

17	February								
18	March								
19	April								
20	May								
21	June								
22	July								
23	August								
24	September								
25	October								
26	November								
27	December								
28	Average of the 13 Monthly Balances	-	-	-	-	-	-	-	

Accumulated Depreciation Account 108/111 - Asset Retirement Cost Accumulated Depreciation

	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Comm on (h)
	FN1 Reference for Dec							
29	December Prior Year							
30	January							
31	February							
32	March							
33	April							
34	May							
35	June							
36	July							
37	August							
38	September							
39	October							
40	November							
41	December							
42	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/yyyy

		Adjustments to Rate Base		CWIP	LHFFU
Line No	Month	Unamortized Regulatory Asset	Unamortized Abandoned Plant	CWIP (Note C)	Land Held for Future Use (Note D)
	(a)	(b)	(c)	(d)	(e)
	FN1 Reference for Dec	(Note A)	(Notes B & F)	216.x.b	214.x.d
1	December Prior Year	-			
2	January	-			
3	February	-			
4	March	-			
5	April	-			
6	May	-			
7	June	-			
8	July	-			
9	August	-			
10	September	-			
11	October	-			
12	November	-			
13	December	-			
14	Average of the 13 Monthly Balances -	-	-	-	-

Line No	Month (a)	Working Capital Materials & Supplies: Transmission Plant (b)	Materials & Supplies: Stores Expense Undistributed (c)	Materials & Supplies: Construction (d)	Materials & Supplies (e)	Prepayments (f)
	FN1 Reference for Dec	**227.8.c**	**227.16.c**	**227.5.c**	**Total (Note E)**	**111.57.c**
	Allocator	1.00000	-	-		
15	December Prior Year			-	-	
16	January				-	
17	February				-	
18	March				-	
19	April				-	
20	May				-	
21	June				-	
22	July				-	
23	August				-	
24	September				-	
25	October				-	
26	November				-	
27	December				-	
28	Average of the 13 Monthly Balances -	-	-	-	-	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/yyyy

Unfunded Reserves (Note F)

	(a)	(b)	(c)	(d)
1	List of all reserves:	Amount	Allocation (Plant or Labor Allocator)	Amount Allocated, col. (b) x col.(c)
2	-		0.000%	-
3		-	0.000%	-
4		-	0.000%	-
5	-		0.000%	-
6	-		0.000%	-
7		-	0.000%	-
8	-		0.000%	-
9	-		0.000%	-
10	-			-

Notes:

A Recovery of any regulatory asset is limited to such regulatory assets authorized by FERC.

B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC and will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.

C Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in rate base.

D Transmission related only.

E M&S allocation: Direct Assign 227.8.c at 100%, plus 227.1.c and 227.5.c allocated on Labor (W/S) from Actual Attachment H page 4 line 16.

F The Formula Rate shall include a credit to rate base for unfunded reserves within accounts 228.2, 242, and 253 (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 1-9 above. The allocator in Col. (c) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Reserves can be created by capital contributions from customers, by debiting the reserve and crediting a liability, or a combination of customer capital contribution and offsetting liability. Only the portion of a reserve that was created by customer contributions should be a reduction to rate base. Amounts will be calculated on 13-month average balances.

El Paso Electric Company
Worksheet A5
Depreciation Rates

Line No.	Plant Type		Rates
1	**Transmission Plant**		
2	350.00	Land Rights	0.99%
3	352.00	Structures and Improvements	1.33%
4	353.00	Station Equipment	1.00%
5	354.00	Towers and Fixtures	1.29%
6	355.00	Poles and Fixtures	1.76%
7	356.00	Overhead Conductors & Devices	1.36%
8	359.00	Roads and Trails	1.05%
	General Plant		
9	390.00	Structures and Improvements-Other	1.06%
10	390.00	Stanton Tower	1.80%
11	390.00	System Operations Building	2.29%
12	390.00	Eastside Operations Center	1.74%
13	391.00	Office Furniture and Equipment	1.71%
14	391.20	Network Equipment	20.00%
15	392-C0	Transportation Equipment - Remotes	10.37%
16	392.C1	Transportation Equipment - C1 0 - 8,500 LBS	10.37%
17	392.C2	Transportation Equipment - C2 8,500 - 10,000 LBS	10.37%
18	392.C3	Transportation Equipment - C3 10,001 - 14,000 LBS	10.37%
19	392.C4	Transportation Equipment -C4 14,001 - 16,000 LBS	10.37%
20	392.C5	Transportation Equipment - C5 16,001 - 19,500 LBS	10.37%
21	392.C6	Transportation Equipment - C6 19,501 - 26,000 LBS	10.37%
22	392.C7	Transportation Equipment - C7 26,001 - 33,000 LBS	10.37%
23	392.C8	Transportation Equipment - C8 over 33,000	10.37%
24	392.C9	Transportation Equipment - C9 Trailers	10.37%
25	393.00	Stores Equipment	3.96%
26	394.00	Tools, Shop and Garage Equipment	3.83%
27	395.00	Laboratory Equipment	6.47%
28	396.00	Power Operated Equipment	4.58%
29	397.20	Telecommunication Equipment	6.48%
30	398.00	Miscellaneous Equipment	6.65%

El Paso Electric Company

Worksheet A6

Divisor - Network Transmission Load

Actuals - For the 12 months ended 12/31/2020

Line	**Month**	**Transmission System Peak Load (MW)**	**Firm Network for Self (MW)**	**Firm Network Service for Others (MW)**	**Long-Term Firm Point to Point Reservations (MW)**	**Other Long-Term Firm Service (MW)**	**Short Term Firm Point to Point Reservation (MW)**	**Other Service (MW)**	**12-CP Average (MW) (Note A)**
	(a)	**(b)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**
	FN1 Reference for Total	**Sum Colm's (e) through (j)**	**400.17.e**	**400.17.f**	**400.17.g**	**400.17.h**	**400.17.i**	**400.17.j**	**Colm (b) - (i)**
1	January	0							0
2	February	0							0
3	March	0							0
4	April	0							0
5	May	0							0
6	June	0							0
7	July	0							0
8	August	0							0
9	September	0							0
10	October	0							0
11	November	0							0
12	December	0							0
13	Total	-	-	-	-	-	-	-	0
14	12-CP								-
15									

NOTES

	12-CP average includes all but Short Term Firm
A	Point to Point

El Paso Electric Company

Worksheet A7

Incentive Plant Worksheet

Actuals - For the 12 months ended 12/31/yyyy

Line	Year (a)	Beginning Amt (b)	Depreciation (c)	Net Plant (d)	Incentive Ret (e)	**Incentive Projects**							
1						**Project:**	Project 1			**Project:**	Project 2		
2						Proj. ID	n/a			Proj. ID	n/a		
3						Deprec. Rate:	0.00%	(Note A)		Deprec. Rate:	0.00%	(Note A)	
4						ROE Adder	0.00%	(Note B)		ROE Adder	0.00%	(Note B)	
5						Weighted ROE Adder:	0.00%			Weighted ROE Adder:	0.00%		
6						Beginning Bal:	-			Beginning Bal:	-		
7		**Total**				Beginning Dep:	-			Beginning Dep:	-		
8						Beginning Year:				Beginning Year:			
						Beginning Amt	Depreciation	Net Plant	Incentive Ret	Beginning Amt	Depreciation	Net Plant	Incentive Ret
9		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

15		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
16		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
25		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
28		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
32		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Notes

A Special depreciation rates may be utilized for specific incentive transmission projects if approved by the FERC.

B Incentive ROE requires authorization by the Commission

El Paso Electric Company
Worksheet A8-1
Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/yyyy

	Proration Used for Projected Revenue Requirement Calculation								Proration Used for True-up Revenue Requirement Calculation					
1	**EDIT included within Accounts 182.3 & 254**								**EDIT included within Accounts 182.3 & 254**					
2	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col b)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
4														
5	December 31st balance Prorated Items (Worksheet P6-1.5h)							-	December 31st balance Prorated Items (Worksheet A8-2.61.g)					-
6	January	31	335	365	91.78 %	-	-	-	-	-	-	-	-	-
	Februar				84.11									

7	y	28	307	365	%	-	-	-	-	-	-	-	-	-
8	March	31	276	365	75.62 %	-	-	-	-	-	-	-	-	-
9	April	30	246	365	67.40 %	-	-	-	-	-	-	-	-	-
10	May	31	215	365	58.90 %	-	-	-	-	-	-	-	-	-
11	June	30	185	365	50.68 %	-	-	-	-	-	-	-	-	-
12	July	31	154	365	42.19 %	-	-	-	-	-	-	-	-	-
13	August	31	123	365	33.70 %	-	-	-	-	-	-	-	-	-
14	September	30	93	365	25.48 %	-	-	-	-	-	-	-	-	-
15	October	31	62	365	16.99 %	-	-	-	-	-	-	-	-	-
16	November	30	32	365	8.77 %	-	-	-	-	-	-	-	-	-
17	December	31	1	365	0.27 %	-	-	-	-	-	-	-	-	-
18	Total (sum of Lines 6 -17)	365				-	-		-	-	-	-	-	
19	Beginning Balance-Total				Worksheet P6-1.19.h			-	Beginning Balance-Total			Worksheet A8-2.62.g		-
20	Beginning Balance-Not Subject to Proration				Worksheet P6-1.20.h			-	Beginning Balance-Not Subject to Proration			Worksheet A8-2.55.g		-
21	Beginning Balance-Subject to Proration				(Line 5, Col H)			-	Beginning Balance-Subject to Proration			(Line 5, Col H)		-
	Ending Balance-				Worksheet P6-1.22.h				Ending Balance-Total			Worksh		

22	Total		-		eet A8-2.62.i	-
23	Ending Balance-Not Subject to Proration	Worksheet P6-1.23.h	-	Ending Balance-Not Subject to Proration	Worksheet A8-2.55.i	-
24	Ending Balance-Subject to Proration	Worksheet P6-1.24.h	-	Ending Balance-Subject to Proration	Worksheet A8-2.61.i	-
25	Average Balance (See Note 6.)	Line 17 Col N + (Lines 20 + 23 Col N)/2	-	Average Balance (See Note 6.)	Line 17 Col N + (Lines 20 + 23 Col N)/2	-
26	Reserved	Reserved		Reserved	Reserved	
27	Amount for Attachment H	(Line 25 less line 26)	-	Amount for Attachment H	(Line 25 less line 26)	-

NOTES

1 Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (amount of projected activity that did not occur) and a positive in Column J represents under-projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under-projection (excess of actual activity over projected activity) and a positive in Column J represents over-projection (amount of projected activity that did not occur).

2 Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over-projected, enter Column G x [Column I/Column F]. If Column J is under-projected, enter the amount from Column G and complete Column L). In other situations, enter zero.

3 Column L applies when (1) Column J is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.

4 Column M applies when (1) projected monthly activity is an increase while actual monthly activity is a decrease OR (2) projected monthly activity is a decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.

5 Column N is computed by adding the prorated monthly activity, if any, from Column K to 50 percent of the portion of monthly activity, if any, from Column L or M to the balance at the end of the prior month. The activity in columns L and M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly activity.

6 For the non-property-related component of the balance, the Average Balance is computed using the average of beginning of year and end of year balance. For the property-related component of the balance, the Average Balance is computed as described in Note 5.

7 Projected and Actual monthly activity is computed based on the annual activity for the period, divided by 12 months.

El Paso Electric Company
Worksheet A8-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/yyyy

		Dec-2019	2020	2020	Dec-2020		Dec-2019	2020	Dec-2020			
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Line No.	**Item**	**BOY Balance (Note D)**	**Current Period Amortization**	**Current Period Other Activity (Note C)**	**EOY Balance (Note D)**	**Allocator**	**BOY Allocated Amount**	**Amortization Allocated**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note B)**	**Amort Period or Method**	**Explanation (Note A)**
	NON-PLANT UNPROTECTED EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254											
1	Reserved					0.000 %	-	-	-			
2	Reserved					0.000 %	-	-	-			
3	Reserved					0.000 %	-	-	-			
4	Reserved					0.000 %	-	-	-			
5	Reserved					0.000 %	-	-	-			
6	Reserved					0.000 %	-	-	-			
7	Reserved					0.000 %	-	-	-			
8	Reserved					0.000 %	-	-	-			
9	Reserved					0.000 %	-	-	-			
10	Reserved					0.000 %	-	-	-			
11	Reserved					0.000 %	-	-	-			

12	Reserved	0.000 %	-	-	-	
13	Reserved	0.000 %	-	-	-	
14	Reserved	0.000 %	-	-	-	
15	Reserved	0.000 %	-	-	-	
16	Reserved	0.000 %	-	-	-	
17	Reserved	0.000 %	-	-	-	
18	Reserved	0.000 %	-	-	-	
19	Reserved	0.000 %	-	-	-	
20	Reserved	0.000 %	-	-	-	
21	Reserved	0.000 %	-	-	-	
22	Reserved	0.000 %	-	-	-	
23	Reserved	0.000 %	-	-	-	
24	Reserved	0.000 %	-	-	-	
25	Reserved	0.000 %	-	-	-	
26	Reserved	0.000 %	-	-	-	
27	Reserved	0.000 %	-	-	-	
28	Reserved	0.000 %	-	-	-	
29	Reserved	0.000 %	-	-	-	
30	Reserved	0.000 %	-	-	-	
31	Reserved	0.000 %	-	-	-	
32	Reserved	0.000 %	-	-	-	
33	Reserved	0.000 %	-	-	-	

34	Reserved	0.000 %	-	-	-
35	Reserved	0.000 %	-	-	-
36	Reserved	0.000 %	-	-	-
37	Reserved	0.000 %	-	-	-
38	Reserved	0.000 %	-	-	-
39	Reserved	0.000 %	-	-	-
40	Reserved	0.000 %	-	-	-

El Paso Electric Company
Worksheet A8-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/yyyy

No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		Dec-2019	2020	2020	Dec-2020		Dec-2019	2020	Dec-2020			
Line No.	**Item**	**BOY Balance (Note D)**	**Current Period Amortization**	**Current Period Other Activity (Note C)**	**EOY Balance (Note D)**	**Allocator**	**BOY Allocated Amount**	**Amortization Allocated**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note B)**	**Amort Period or Method**	**Explanation (Note A)**
41	Reserved					0.000%	-	-	-			
42	Reserved					0.000%	-	-	-			
43	Reserved					0.000%	-	-	-			
44	Reserved					0.000%	-	-	-			
45	Reserved					0.000%	-	-	-			
46	Reserved					0.000%	-	-	-			
47	Reserved					0.000%	-	-	-			
48	Reserved					0.000%	-	-	-			
53	Reserved					0.000%	-	-	-			
54	Reserved					0.000%	-	-	-			
55	**Total Non Plant Unprotected**	**-**	**-**	**-**	**-**		**-**	**-**	**-**			

	PLANT EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254								
56	Reserved					0.000%	-	-	-
57	Reserved					0.000%	-	-	-
58	Reserved					0.000%	-	-	-
59	Reserved					0.000%	-	-	-
60	Reserved					0.000%	-	-	-
61	**Total Plant**	**-**	**-**	**-**	**-**		**-**	**-**	**-**
62	**Total Excess/Deficient Deferred Income Taxes**	**-**	**-**	**-**	**-**		**-**	**-**	**-**

Notes:

A Each EDIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the EDIT balance.

1) Prod: The EDIT balance is 100% related to production of electricity and the NA Allocator is applied.

2) Retail: The EDIT balance is 100% related to retail operations and the NA Allocator is applied.

3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related EDIT for which the NA Allocator is applied. Such items shall include:

- EDIT related to Pension and PBOP
- Any other EDIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.

4) Trans: The EDIT balance is 100% related to transmission operations and the DA Allocator is applied.

5) Plant: The EDIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.

6) NPO: EDIT balances other than PP&E where the NP Allocator is applied.

7) Labor: The EDIT balance is labor related and the W/S Allocator is applied.

B Each EDIT Item must be categorized into balances that require proration and those that do not. EDIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

C Includes the impact of tax rate changes enacted during the period.

D EDIT balances exclude income tax gross-ups recorded to accounts 182.3 and 254

El Paso Electric Company
Worksheet A9
Cost of Capital Worksheet
Actuals - For the 12 months ended 12/31/yyyy

PROPRIETARY CAPITAL

Line No	Month	Preferred Stock Issued (204)	Unappropriated Undistributed Subsidiary Earnings (216.1)	Accumulated Other Comprehensive Income (219)	Total Proprietary Capital
	(a)	(b)	(c)	(d)	(e)
	FN1 Reference for Dec	112.3.c	112.12.c	112.15.c	112.16.c
1	December Prior Year	-	-		
2	January				
3	February				
4	March				
5	April				
6	May				
7	June				
8	July				
9	August				
10	September				
11	October				
12	November				
13	December				
14	Average of the 13 Monthly Balances	-	-	-	-

LONG TERM DEBT

Line No	Month	Total Long Term Debt (221 - 222 + 223 + 224 + 225 - 226)	Unamortized Debt Expenses (181)	Unamortized Loss on Reacquired Debt (189)	Unamortized Gain on Reacquired Debt (257)	Total (g - h - i + j)
	(f)	(g)	(h)	(i)	(j)	(k)
	FN1 Reference for Dec	112.24.c	111.69.c	111.81c	113.61.c	
15	December Prior Year					

					-	-
16	January				-	-
17	February				-	-
18	March				-	-
19	April				-	-
20	May				-	-
21	June				-	-
22	July				-	-
23	August				-	-
24	September				-	-
25	October				-	-
26	November				-	-
27	December				-	-
28	Average of the 13 Monthly Balances	-	-	-	-	-

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/yyyy

Line #	Timeline			
1		Step	Year	Action
2		1	Year 0	EPE populates the formula rate using projected costs for Year 1
3		2	Year 0	Post results of Step 1
4		3	Year 1	Results of Step 2 go into effect.
5		4	Year 1	EPE populates the formula rate using projected costs for Year 2
6		5	Year 1	Post results of Step 4
7		6	Year 2	Results of Step 5 go into effect.
8		7	Year 2	EPE populates the formula rate using actual costs for Year 1
9		8	Year 2	EPE compiles actual formula rate revenues booked for Year 1
10		9	Year 2	Calculate the difference between the formula rate calculated in Step 7 and Step 8
11		10	Year 2	Post results from Step 8 and Step 9
12		11	Year 2	EPE populates the formula rate using projected costs for Year 3, including True-Up Adj for Year 1
13		12	Year 2	Post results of Step 11
14				

Line #	Revenue Amount Comparison		
15	**Revenue Amount Comparison**		
16			**Total Amount**
17	Actual Revenue Requirements from Step 7	Notes A and E	$ -
18	Actual Revenues booked from Step 8	Notes B and E	$ -
19	Prior Period Adjustment	Notes C and	$

		E	-
20	True-up Amount (before Interest)	Line 17 - Line18 + Line 19	$ -
21			
22	**True Up Adjustment**		
23			
24	True-Up Amount before Interest	Line 20	$ -
25	Interest on True-up Amount	Line 70	-
26	**True-Up Adjustment**	Line 20 + Line 70	**$ -**

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/yyyy

Line #				
27	**Interest Calculation**			
28				
29		**FERC Qtr Int. Rate**	Note D	**Rate**
30		Qtr (3 Prior to Most Recent)	Annual Rate	0.00%
31		Qtr (2 Prior to Most Recent)	Annual Rate	0.00%
32		Qtr (Prior to Most Recent)	Annual Rate	0.00%
33		Qtr (Most Recent)	Annual Rate	0.00%
34		Average of the last 4 quarters	(Sum Lines 30-33 / 4)	0.00%
35		Average Monthly Rate	Line 34 / 12	0.0000%
36				
37	An over or under collection will be recovered pro-rata over year collected, held for one year, and returned prorata over next year:			
38				

Line #	Year	Month	Levelized True Up before Interest (Note E)	Interest Rate	Number of Months	Interest	True Up plus Interest
39							
40	yyyy	January	-	0.00%	12	$ -	
41	yyyy	February	-	0.00%	11	$ -	
42	yyyy	March	-	0.00%	10	$ -	
43	yyyy	April	-	0.00%	9	$ -	
44	yyyy	May	-	0.00%	8	$ -	

45	yyyy	June	-	0.00%	7	$ -	
46	yyyy	July	-	0.00%	6	$ -	
47	yyyy	August	-	0.00%	5	$ -	
48	yyyy	September	-	0.00%	4	$ -	
49	yyyy	October	-	0.00%	3	$ -	
50	yyyy	November	-	0.00%	2	$ -	
51	yyyy	December	-	0.00%	1	$ -	
52			-			$ -	$ -
53							
54	yyyy	Jan-Dec	$ -	0.00%	12	$ -	$ -

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/yyyy

Line #			True Up plus Interest	Interest Rate	Total Interest	Amoritization	Balance Due/Owed
55							
56	yyyy	January	$ -	0.00%	$ -	$ -	$ -
57	yyyy	February	$ -	0.00%	$ -	$ -	$ -
58	yyyy	March	$ -	0.00%	$ -	$ -	$ -
59	yyyy	April	$ -	0.00%	$ -	$ -	$ -
60	yyyy	May	$ -	0.00%	$ -	$ -	$ -
61	yyyy	June	$ -	0.00%	$ -	$ -	$ -
62	yyyy	July	$ -	0.00%	$ -	$ -	$ -
63	yyyy	August	$ -	0.00%	$ -	$ -	$ -
64	yyyy	September	$ -	0.00%	$ -	$ -	$ -
65	yyyy	October	$ -	0.00%	$ -	$ -	$ -
66	yyyy	November	$ -	0.00%	$ -	$ -	$ -
67	yyyy	December	$ -	0.00%	$ -	$ -	$ -
68					$ -		
69							
70	Total Interest			Line 52 + Line 54 + Line 68	$ -		

Notes

A Actual Net Revenue Requirement for rate year subject to True Up from Actual Attachment H, line 7.

B Actual Revenues for transmission service as booked, including amounts noted on FERC Form No. 1, pages 328-330, and other amounts included in supporting documentation.

C Prior Period Adjustment, if any, is calculated to the same timing basis as balance of true up (i.e. before interest applied on line for the Prior Period Adjustment calculation will be included in supporting documentation.

D Interest rates posted by FERC; this section to be completed each year for most recent four quarters

E If Rate Year 1 is a partial rate year, the Actual Revenue Requirement, Actual Revenues, Prior Period Adjustment (if any), and Levelized True Up before Interest will reflect only those months for which the rate was in effect. Otherwise, these amounts will all reflect a full 12 month period.

El Paso Electric Company

Formula Rate - Non-Levelized | Rate Formula Template | Estimated - For the 12 months ended 12/31/yyyy

Line No.			Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)					$ -
	REVENUE CREDITS					
2	Account No. 454	Act Att-H, page 1 Line 2	-	TP	0.00000	-
3	Account No. 456.1	Act Att-H, page 1 Line 3	-	TP	0.00000	-
4	Held for Future Use		-	TP	0.00000	-
5	Held for Future Use		-	TP	0.00000	-
6	TOTAL REVENUE CREDITS (sum lines 2-5)					-
6a	Total True Up Adjustment	Worksheet TU, page 1, Line 26				-
7	NET REVENUE REQUIREMENT	(Line 1 minus Line 6 plus Line 6a)				$ -
7a	Net Revenue Requirement	(Line 7 minus Line 6a)				$ -

without True Up Adjustment

DIVISOR

8	Divisor (kW)	Worksheet P3, Line 15 x 1000			-
9					
10	RATES				
11	Annual		$ -	/kW-year	
12	Monthly	12 months/year	$ -	/kW-month	
13	Weekly	52 weeks/year	$ -	/kW-week	
14	Daily On-Peak	6 days/week	$ -	/kW-day	
15	Daily Off-Peak	7 days/week	$ -	/kW-day	
16	Hourly On-Peak	16 hours/day	$ -	/MW-hour	
17	Hourly Off-Peak	24 hours/day	$ -	/MW-hour	

El Paso Electric Company

Formula Rate - Non-Levelized | Rate Formula Template | Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) Reference Page, Line, Col.	(3) Company Total	Allocator	(4)	(5) Transmission (Col 3 times Col 4)
	RATE BASE:					
	GROSS PLANT IN SERVICE					
1	Transmission	Worksheet P1, Line 30, Col. (c)	-	TP	0.00000	-
2	General & Intangible	Act Att-H, Page 2, Line 4, Col. (3)	-	W/S	0.00000	-
3	TOTAL GROSS PLANT	(Sum Lines 1 and 2)	-			-
	ACCUMULATED DEPRECIATION					
4	Transmission	Worksheet P1, Line 30, Col. (f)	-	TP	0.00000	-
5	General & Intangible	Act Att-H, Page 2, Line 10, Col. (3)	-	W/S	0.00000	-
6	TOTAL ACCUM. DEPRECIATION	(Sum Lines 4 and 5)	-			-
	NET PLANT IN SERVICE					
7	Transmission	(Line 1 - Line 4)	-			-
8	General & Intangible	(Line 2 - Line 5)	-			-
9	TOTAL NET PLANT	(Sum Lines 7 and 8)	-			-
10	CWIP Approved by FERC Order	Worksheet P7, Page 1, Line 14,	-	DA	1.00000	-

		Col. (d)				
	ADJUSTMENTS TO RATE BASE					
11	Accumulated Deferred Income Taxes (Accounts 190, 281-283)	Worksheet P5-1, Page 3, Line 82, Col. (h)	-	DA	1.00000	-
12	Accumulated Deferred Investment Tax Credit (Account 255)	Worksheet P5-2, Line 138, Col. (g)	-	DA	1.00000	-
13	Excess / Deficient Deferred Income Taxes	Worksheet P6-1, Line 27, Col. (h)	-	DA	1.00000	-
14	Unamortized Regulatory Asset	Worksheet P7, Page 1, Line 14, Col. (b)	-	DA	1.00000	-
15	Unamortized Abandoned Plant	Worksheet P7, Page 1, Line 14, Col. (c)	-	DA	1.00000	-
16	Unfunded Reserves (enter negative)	Act Att-H, Page 2, Line 25, Col. (3)	-	DA	1.00000	-
17	Hold Harmless Adjustment	Act Att-H, Page 2, Line 25a, Col. (3)	-	DA	1.00000	-
18	TOTAL ADJUSTMENTS	(Sum of Lines 11-17)	-			-
19	LAND HELD FOR FUTURE USE	Worksheet A4, Page 3, Line 14, Col. (e)	-	TP	0.00000	-
	WORKING CAPITAL					
20	CWC	1/8*(Page 3, Line 7)	-			-
21	Materials & Supplies	Act Att-H, Page 2, Line 29, Col. (3)	-	TP	0.00000	-
22	Prepayments (Account 165)	Act Att-H, Page 2, Line 30, Col. (3)	-	GP	0.00000	-
23	TOTAL	(Sum of Lines 20-				-

	WORKING CAPITAL	22)	-			
24	RATE BASE	(Sum Lines 9, 10, 18, 19, & 23)	-			-

El Paso Electric Company

Formula Rate - Non-Levelized

Rate Formula Template

Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) Reference Page, Line, Col.	(3) Company Total	Allocator	(4)	(5) Transmission (Col 3 times Col 4)
	O&M					
1	Transmission	Worksheet P2, Page 1, Line 3, Col. (e)	-	TE	0.00000	-
2	Less Account 561.1 - 561.8	Worksheet P2, Page 1, Line 4, Col. (e)	-	TE	0.00000	-
2a	Less Account 565	Worksheet P2, Page 1, Line 5, Col. (e)	-	TE	0.00000	-
3	A&G	Worksheet P2, Page 1, Line 6, Col. (e)	-	W/S	0.00000	-
4	Less EPRI/Reg. Comm. Exp./Non-safety Ad.	Worksheet P2, Page 1, Line 7, Col. (e)	-	W/S	0.00000	-
4a	Less Property Insurance Acct 924	Worksheet P2, Page 1, Line 8, Col. (e)	-	W/S	0.00000	-
4b	Plus Property Insurance Acct 924	Worksheet P2, Page 1, Line 9, Col. (e)	-	GP	0.00000	-

4c	Plus Transmission Related Reg. Comm. Exp.	Worksheet P2, Page 1, Lines 10 + 10a, Col. (e)	-	TE	0.00000	-
4d	Plus: Fixed PBOP expense	Worksheet P2, Page 1, Line 11, Col. (e)	-	W/S	0.00000	-
4e	Less: Actual PBOP expense	Worksheet P2, Page 1, Line 12, Col. (e)	-	W/S	0.00000	-
5	Common	Worksheet P2, Page 1, Line 13, Col. (e)	-	CE	0.00000	-
6	Hold Harmless Expense Adjustment	Worksheet P2, Page 1, Line 14, Col. (e)	-	DA	1.00000	-
7	TOTAL O&M (sum lines 1, 3, 4b, 4c,4d, 5, 6 less lines 2, 2a, 4, 4a, 4e)		-			-
	DEPRECIATION AND AMORTIZATION EXPENSE					
8	Transmission	Worksheet P1, Page 1, Line 30, Col. (d)	-	TP	0.00000	-
9	General & Intangible	Actual Attachment H, Page 3, Line 9	-	W/S	0.00000	-
10	Common	Actual Attachment H, Page 3, Line 10	-	CE	0.00000	-
11a	Amortization of Regulatory Asset	Company Records	-	DA	1.00000	-
11b	Amortization of Abandoned Plant	Company Records	-	DA	1.00000	-
12	TOTAL DEPRECIATION & AMORTIZATION	(Sum of Lines 8 through 11)	-			-
	TAXES OTHER THAN INCOME TAXES					

	LABOR RELATED					
13	Payroll	Worksheet P2, Page 1, Line 15, Col. (e)	-	W/S	0.00000	-
14	Highway and vehicle	Worksheet P2, Page 1, Line 16, Col. (e)	-	W/S	0.00000	-
15	PLANT RELATED					
16	Property	Worksheet P2, Page 2, Line 3, Col. (e)	-	NP	0.00000	-
17	Gross Receipts	Worksheet P2, Page 1, Line 18, Col. (e)	-	DA	1.00000	-
18	Other	Worksheet P2, Page 1, Line 19, Col. (e)	-	GP	0.00000	-
19	Payments in lieu of taxes	Worksheet P2, Page 1, Line 20, Col. (e)	-	GP	0.00000	-
20	TOTAL OTHER TAXES	(Sum of Lines 13 through 19)	-			-
	INCOME TAXES	(Note A)				
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		0.000%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.000%			
	where WCLTD=(page 4, line 28) and R= (page 4, line 31)					
	and FIT, SIT & p are as given in Note A.					
23	1 / (1 - T) = (from line 21)		-			
24	Deficient / (Excess) Deferred Income Taxes	Worksheet P6-2, Line 62, Col. (h) (enter as negative)	-			

	Amortization					
24a	Deficient / (Excess) Deferred Income Tax Adjustment	(Line 23 times Line 24)	-	DA	1.00000	-
25	Permanent Differences	Actual Attachment H, Page 3, Line 25	-			
25a	Tax Effect of Permanent Differences	(Line 21 times 23 times Line 25)	-	NP	-	-
26	Income Tax on Equity and Incentive Return	(Line 22 times Line 28)	-			-
27	Total Income Taxes	(Sum of Lines 24a, 25a, 26)	-			-
	RETURN					
28	Rate Base * Rate of Return + Incentive Return	(Page 2, Line 24 x Page 4, Line 31, Col. (5)) + Page 4, Line 32	-			-
29	REV. REQUIREMENT	(Sum of Lines 7, 12, 20, 27, 28)	-			-

El Paso Electric Company

Formula Rate - Non-Levelized | Rate Formula Template

Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) SUPPORTING CALCULATIONS AND NOTES	(3)	(4)	(5)
	TRANSMISSION PLANT INCLUDED IN RATES				
1	Total transmission plant	Actual Attachment H, Page 4, Line 1			-
2	Less transmission plant excluded from Wholesale Rates	Actual Attachment H, Page 4, Line 2			-
3	Less transmission plant included in OATT Ancillary Services	Actual Attachment H, Page 4, Line 3			-
4	Transmission plant included in Wholesale Rates	(Line 1 less Lines 2 & 3)			0
5	Percentage of transmission plant included in Wholesale Rates	(Line 4 divided by Line 1)		TP=	0.00000
	TRANSMISSION EXPENSES				
6	Total transmission expenses	(Page 3, Line 1, Col. 3)			-
7	Less transmission	Actual Attachment			-

	expenses included in OATT Ancillary Services	H, Page 4, Line 7							
8	Included transmission expenses	(Line 6 less Line 7)						0	
9	Percentage of transmission expenses after adjustment	(Line 8 divided by Line 6)						0.00000	
10	Percentage of transmission plant included in wholesale Rates	(Line 5)				TP		0.00000	
11	Percentage of transmission expenses included in wholesale Rates	(Line 9 times Line 10)				TE=		0.00000	

WAGES & SALARY ALLOCATOR (W&S)

		Reference	$	TP	Allocation		W&S Allocator ($ / Allocation)		
12	Production	Actual Attachment H, Page 4, Line 12	-	0.00	0				
13	Transmission	Actual Attachment H, Page 4, Line 13	-	0.00	0				
14	Distribution	Actual Attachment H, Page 4, Line 14	-	0.00	0				
15	Other	Actual Attachment H, Page 4, Line 15	-	0.00	0				
16	Total	(Sum of Lies 12-15)	0		0	=	0.00000	=	WS

COMMON PLANT ALLOCATOR (CE)

			$	% Electric (line 17 / line 20)		W&S Allocator (line 16)		CE
17	Electric	Actual Attachment H, Page 4, Line 17	-					
18	Gas	Actual Attachment H, Page 4, Line 18	-	0.00000	*	0.00000	=	0.00000

19	Water	Actual Attachment H, Page 4, Line 19	-				
20	Total	(Sum of Lines 17-19)	-				
	RETURN (R)					$	
21	Long Term Interest	Actual Attachment H, Page 4, Line 21				-	
22	Preferred Dividends	Actual Attachment H, Page 4, Line 22				-	
	Development of Common Stock:						
23	Proprietary Capital	Actual Attachment H, Page 4, Line 23				-	
24	Less Preferred Stock	Actual Attachment H, Page 4, Line 24				-	
25	Less Other Comprehensive Income	Actual Attachment H, Page 4, Line 25				-	
26	Less Account 216.1	Actual Attachment H, Page 4, Line 26				-	
27	Common Stock	(Sum of Lines 23-26)				0	
			$	%	Cost	Weighted	
28	Long Term Debt	Actual Attachment H, Page 4, Line 28	-	0%	-	-	=WCLTD
29	Preferred Stock	Actual Attachment H, Page 4, Line 29	-	0%	-	-	
30	Common Stock	Actual Attachment H, Page 4, Line 30	-	0%	0.1038	-	
31	Total	(Sum of Lines 28-30)	-			-	=R
32	Incentive Return	Worksheet P4, Line 35, Col. (e)				-	

El Paso Electric Company

Formula Rate - Non-Levelized | Rate Formula Template | Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) Reference	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	GROSS PLANT ALLOCATOR (GP)		$			
1	Production	Company Records	-	NA		
2	Transmission	Worksheet P1, Line 30, Col. (c)	-	TP	0.00000	-
3	Distribution	Company Records	-	NA		
4	General & Intangible	Actual Attachment H, Page 2, Line 4	-	W/S	0.00000	-
5	Common	Actual Attachment H, Page 2, Line 5	-	CE	0.00000	-
6	Total	(Sum of Lines 1-5)	0	GP=	0.00000	-
	NET PLANT ALLOCATOR (NP)		$			
7	Production	Company Records	-	NA		
8	Transmission	Worksheet P1, Line		TP	0.00000	-

		30, Col. (g)	-			
9	Distribution	Company Records	-	NA		
10	General & Intangible	Actual Attachment H, Page 2, Line 16	-	W/S	0.00000	-
11	Common	Actual Attachment H, Page 2, Line 17	-	CE	0.00000	-
12	Total	(Sum of Lines 7-11)	0	NP=	0.00000	-

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)

Note Letter

A The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed.

Inputs Required:	FIT =	0.000%	(Federal Income Tax Rate)
	SIT=	0.000%	(State Income Tax Rate or Composite SIT)
	p =	0.000%	(percent of federal income tax deductible for state purposes)

El Paso Electric Company
Worksheet P1
Projected Transmission Plant
Estimated - For the 12 months ended 12/31/yyyy

Line	Month &Year	Projected Plant Additions	Plant in Service	Plant Depreciation Accrual (Note B)	Depr Rate (Note A)	Plant Accumulated Depreciation	Net Projected Plant
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Wkst A4, Page 1, Lines 13 minus 27			Wkst A4, Page 2, Lines 13 + 27 - 41	
1			-			-	-
2			$ -	$ -		-	$ -
3			$ -	$ -		-	$ -
4			$ -	$ -		-	$ -
5			$ -	$ -		-	$ -
6			$ -	$ -		-	$ -
7			$ -	$ -		-	$ -
8			$ -	$ -		-	$ -
9			$ -	$ -		-	$ -
10			$ -	$ -		-	$ -
11			$ -	$ -		-	$ -
12			$ -	$ -		-	$ -
13			$ -	$ -		-	$ -
14			$	$			$

		-	-		-	-
15		$ -	$ -		-	$ -
16		$ -	$ -		-	$ -
17		$ -	$ -		-	$ -
18		$ -	$ -		-	$ -
19		$ -	$ -		-	$ -
20		$ -	$ -		-	$ -
21		$ -	$ -		-	$ -
22		$ -	$ -		-	$ -
23		$ -	$ -		-	$ -
24		$ -	$ -		-	$ -
25		$ -	$ -		-	$ -
26	12 Mon Total year 1		$ -			
27	12 Mon Total year 2		$ -			
28	13 Mon Avg year 1	$ -			$ -	$ -
29	13 Mon Avg year 2	$ -			$ -	$ -
30	Amount to Proj Att-H (Note C)	$ -	$ -		$ -	$ -

Notes:

A In periods where the company will use the actual depreciation rate, enter "A". The actual depreciation rate is calculated as follows:
-Actual Attachment H, page 3, line 8) divided by actual transmission plant in service (Actual Attachment H, page 2, line 2) divided by 12 months.

In periods where the company has submitted new depreciation rates for FERC approval, enter "N". The new depreciation rate is calculated as follows:
-The annual composite transmission depreciation rate developed within a new depreciation study, divided by 12 months.

Current Depreciation Rate (A)	0.0000%
New Depreciation Rate (N)	0.0000%

B The depreciation accrual is based on the average of the current and prior month Plant in Service, times the actual "A" or new "N" depreciation rate.
C In the initial year rates are set, use Lines 26 and 28, thereafter use Lines 27 and 29, calculated on line 30.

Yes — If initial year rates are effective enter Yes, otherwise enter No

El Paso Electric Company
Worksheet P2
Projected Expenses
Estimated - For the 12 months ended 12/31/yyyy

	(a)	(b)	(c)	(d)	(e)
	O&M / OTHER TAXES (Excluding Property Taxes)				
Line	**Item**	**Reference**	**Actual Costs**	**Charge Factor (Note A)**	**Projected Costs (Note B)**
1	Net Plant in Service	Actual Attachment H, Page 2 Line 18	-		
2	Projected Net Plant in Service	Projected Attachment H, Page 2, Line 9			-
	O&M				
3	Transmission	Actual Attachment H, Page 3, Line 1	-	-	-
4	Less Account 561.1-561.8	Actual Attachment H, Page 3, Line 2	-	-	-
5	Less Account 565	Actual Attachment H, Page 3, Line 2a	-	-	-
6	A&G	Actual Attachment H, Page 3, Line 3	-	-	-
7	Less EPRI & Reg. Comm. Exp. & Non-safety Ad.	Actual Attachment H, Page 3, Line 4	-	-	-
8	Less Property Insurance Acct 924	Actual Attachment H, Page 3, Line 4a	-	-	-
9	Plus Property Insurance Acct 924	Actual Attachment H, Page 3, Line 4b	-	-	-
10	Plus Transmission Related Reg. Comm. Exp.	Actual Attachment H, Page 3, Line 4c	-	-	-
10a	Plus Transmission Related Rate Case Cost Amort Bal	Note D			-
11	Plus: Fixed PBOP expense	Actual Attachment H, Page 3, Line 4d	-		-

12	Less: Actual PBOP expense	Actual Attachment H, Page 3, Line 4e	-		-
13	Common	Actual Attachment H, Page 3, Line 5	-	-	-
14	Hold Harmless Expense Adjustment	Actual Attachment H, Page 3, Line 6	-	-	-
	OTHER TAXES (Excluding Property Taxes)				
	LABOR RELATED				
15	Payroll	Actual Attachment H, Page 3, Line 13	-	-	-
16	Highway and vehicle	Actual Attachment H, Page 3, Line 14	-	-	-
17	PLANT RELATED				
18	Gross Receipts	Actual Attachment H, Page 3, Line 17	-	-	-
19	Other	Actual Attachment H, Page 3, Line 18	-	-	-
20	Payment in Lieu of Taxes	Actual Attachment H, Page 3, Line 19	-	-	-

El Paso Electric Company
Worksheet P2
Projected Expenses
Estimated - For the 12 months ended 12/31/yyyy

	(a)	(b)	(c)	(d)	(e)
	PROPERTY TAXES				
	Item	**Reference**	**Actual**	**Charge Factor**	**Projected**
	PROPERTY TAXES				
1	Net Plant in Service for Actual (Note C)	200.15.b			
2	Net Plant in Service for Projected (Note C)	200.15.b			
3	Property Taxes	Actual Attachment H, Page 3, Line 16	-	-	-

NOTES:

A Charge Factor: Actual O&M expenses & Other Taxes divided by total actual net plant from Actuals Attachment H. This is used as one of the basis to calculate projected O&M costs and projected Other Taxes.

B -When the Net Plant Change % falls within a minimum or maximum threshold, Projected Costs = Row 2, Col. (f) times Col. (d)
-When the Net Plant Change % is greater than the maximum threshold, Projected Costs = Col. (c) times Maximum Percentage
-When the Net Plant Change % is less than the minimum threshold, Projected Costs = Col. (c) times Minimum Percentage

Net Plant Change %	0.0%	Use Calculated Factors in column 4
Maximum percentage change applied	0.0%	Use Maximum Percentage Change
Minimum percentage change applied	0.0%	Use Minimum Percentage Change
	Result:	**Use Maximum Percentage Change**

C Property tax expenses relate to plant balances as of December 31, 2 Years prior to the expense period.

FERC Form 1 Reporting Period for Actual	yyyy
FERC Form 1 Reporting Period for Projected	yyyy

D Transmission rate case cost amortization balance is the remaining balance of total projected rate case costs amortized over a 3 year period.

El Paso Electric Company
Worksheet P3
Projected Divisor - Network Transmission Load

Line No.

1 Peak Network Load (MW) During: = -

Line No.	a	b	c	d
	Month	**Actual Transmission Network Load (Worksheet A-6)**	**Percentage of Maximum Transmission Network Load**	**Projected Transmission Network Load (Col c x Line 1)**
2	January	-	0.00%	-
3	February	-	0.00%	-
4	March	-	0.00%	-
5	April	-	0.00%	-
6	May	-	0.00%	-
7	June	-	0.00%	-
8	July	-	0.00%	-
9	August	-	0.00%	-
10	September	-	0.00%	-
11	October	-	0.00%	-
12	November	-	0.00%	-
13	December	-	0.00%	-
14	Total	-		-
15	12-CP	-		-

Note: Maximum Transmission Network Load is the maximum hourly load measured on the system for the listed year at the time of the Projection.

El Paso Electric Company
Worksheet P4
Projected Incentive Plant Worksheet
Estimated - For the 12 months ended 12/31/yyyy

Line	Mon/Yr (a)	Gross Plant (b)	Depreciation (c)	Accum. Dep. (d)	Incentive Ret (e)	Gross Plant (f)	Depreciation (g)	Accum. Dep. (h)	Net Plant (i)	Gross Plant (j)	Depreciation (k)	Accum. Dep. (l)	Net Plant (m)
						Incentive Projects							
1						**Project:**	Project 1			**Project:**	Project 2		
2						Proj. ID	n/a			Proj. ID	n/a		
3						Deprec. Rate/Month:	0.00%		(Note A)	Deprec. Rate/Month:	0.00%		(Note A)
4						ROE Adder	0.00%		(Note B)	ROE Adder	0.00%		(Note B)
5						Weighted ROE Adder:	0.00%			Weighted ROE Adder:	0.00%		
6						Beginning Bal:	-			Beginning Bal:	-		
7						Beginning Dep:	-			Beginning Dep:	-		
8		**Total**				Beginning Year:				Beginning Year:			
						$ -				$ -			
9	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15	Jan-00	$	$	$		$	$	$	$	$	$	$	$

		-	-	-		-	-	-	-	-	-	-	-
16	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
25	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
28	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
32	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
33	12 Mon Tot		$ -				$ -				$ -		
34	13 Mon Avg	$ -		$ -		$ -		$ -	$ -	$ -		$ -	$ -
35	Total Incentive Return				$0.00				$0.00				$0.00

Notes

A Special depreciation rates may be utilized for specific incentive transmission projects if approved by the FERC.

B Incentive ROE requires authorization by the Commission

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/yyyy

1	**Account 190**							
2	**Days in Period**					**Averaging with Proration - Projected**		
3	**(a)** Month	**(b)** Days in the Month	**(c)** Number of Days Prorated	**(d)** Total Days in Future Portion of Test Period	**(e)** Proration Amount (c /d)	**(f)** Projected Monthly Activity	**(g)** Prorated Projected Monthly Activity (e x f)	**(h)** Prorated Projected Balance (Cumulative Sum of g)
4								
5	December 31st balance Prorated Items (P5-2.61.f)							-
6	January	31	335	365	91.78%	-	-	-
7	February	28	307	365	84.11%	-	-	-
8	March	31	276	365	75.62%	-	-	-
9	April	30	246	365	67.40%	-	-	-
10	May	31	215	365	58.90%	-	-	-
11	June	30	185	365	50.68%	-	-	-
12	July	31	154	365	42.19%	-	-	-
13	August	31	123	365	33.70%	-	-	-

14	September	30	93	365	25.48%	-	-	-
15	October	31	62	365	16.99%	-	-	-
16	November	30	32	365	8.77%	-	-	-
17	December	31	1	365	0.27%	-	-	-
18	Total	365				-	-	

19	Beginning Balance-Total	Worksheet P5-2.58.f	-
20	Beginning Balance-Not Subject to Proration	Worksheet P5-2.64.f	-
21	Beginning Balance-Subject to Proration	(Line 5, Col H)	-
22	Ending Balance-Total	Worksheet P5-2.58.g	-
23	Ending Balance-Not Subject to Proration	Worksheet P5-2.64.g	-
24	Ending Balance-Subject to Proration	Worksheet P5-2.61.g	-
25	Average Balance	Line 17 Col N + (Lines 20 + 23 Col N)/2	-
26	Reserved		-
27	Amount for Attachment H	(Line 25 less line 26)	-

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/yyyy

28 **Account 282**

Line	Days in Period					Averaging with Proration - Projected		
29	**(a)**	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
30	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (c /d)	Projected Monthly Activity	Prorated Projected Monthly Activity (e x f)	Prorated Projected Balance (Cumulative Sum of g)
31								
32	December 31st balance Prorated Items (P5-2.79.f)							-
33	January	31	335	365	0.918	-	-	-
34	February	28	307	365	0.841	-	-	-
35	March	31	276	365	0.756	-	-	-
36	April	30	246	365	0.674	-	-	-
37	May	31	215	365	0.589	-	-	-
38	June	30	185	365	0.507	-	-	-
39	July	31	154	365	0.422	-	-	-
40	August	31	123	365	0.337	-	-	-
41	September	30	93	365	0.255	-	-	-
42	October	31	62	365	0.170	-	-	-
43	November	30	32	365	0.088	-	-	-
44	December	31	1	365	0.003	-	-	-
45	Total	365				-	-	

46	Beginning Balance-Total	Worksheet P5-2.76.f	-
47	Beginning Balance-Not Subject to Proration	Worksheet P5-2.82.f	-
48	Beginning Balance-Subject to Proration	(Line 32, Col H)	-
49	Ending Balance-Total	Worksheet P5-2.76.g	-
50	Ending Balance-Not Subject to Proration	Worksheet P5-2.82.g	-
51	Ending Balance-Subject to Proration	Worksheet P5-2.79.g	-
52	Average Balance	Line 44 Col H + (Lines 47 + 50 Col H)/2	-
53	Reserved		
54	Amount for Attachment H	(Line 52 less line 53)	-

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/yyyy

55 **Account 283**

Line	Days in Period					Averaging with Proration - Projected		
57	(a) Month	(b) Days in the Month	(c) Number of Days Prorated	(d) Total Days in Future Portion of Test Period	(e) Proration Amount (c /d)	(f) Projected Monthly Activity	(g) Prorated Projected Monthly Activity (e x f)	(h) Prorated Projected Balance (Cumulative Sum of g)
58								
59	December 31st balance Prorated Items (P5-2.126.f)							-
60	January	31	334	365	0.915	-	-	-
61	February	28	306	365	0.838	-	-	-
62	March	31	275	365	0.753	-	-	-
63	April	30	245	365	0.671	-	-	-
64	May	31	214	365	0.586	-	-	-
65	June	30	184	365	0.504	-	-	-
66	July	31	153	365	0.419	-	-	-
67	August	31	122	365	0.334	-	-	-
68	September	30	92	365	0.252	-	-	-
69	October	31	61	365	0.167	-	-	-
70	November	30	31	365	0.085	-	-	-
71	December	31	1	365	0.003	-	-	-
72	Total	365				-	-	

73	Beginning Balance-Total	Worksheet P5-2.123.f	-
74	Beginning Balance-Not Subject to Proration	Worksheet P5-2.129.f	-
75	Beginning Balance-Subject to Proration	(Line 59, Col H)	-
76	Ending Balance-Total	Worksheet P5-2.123.g	-
77	Ending Balance-Not Subject to Proration	Worksheet P5-2.129.g	-
78	Ending Balance-Subject to Proration	Worksheet P5-2.126.g	-
79	Average Balance	Line 71 Col H + (Lines 74 + 77 Col H)/2	-
80	Reserved		
81	Amount for Attachment H	(Line 79 less line 80)	-
82	**Total Amount for Projected Attachment H**	**(Lines 27+54+81)**	**-**

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

		mmm-yyyy	mmm-yyyy		mmm-yyyy	mmm-yyyy			
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
Line No.	Item	BOY Balance	EOY Balance	Allocator	BOY Allocated Amount	EOY Allocated Amount	Prorated (Yes/No) (Note C)	Explanation (Note B)	Projection Classification (Note D)
	ACCOUNT 190 ACCUMULATED DEFERRED INCOME TAXES								
1	Reserved	-	-	0.000%	-	-			
2	Reserved	-	-	0.000%	-	-			
3	Reserved	-	-	0.000%	-	-			
4	Reserved	-	-	0.000%	-	-			
5	Reserved	-	-	0.000%	-	-			
6	Reserved	-	-	0.000%	-	-			
7	Reserved	-	-	0.000%	-	-			
8	Reserved	-	-	0.000%	-	-			
9	Reserved	-	-	0.000%	-	-			
10	Reserved	-	-	0.000%	-	-			
11	Reserved	-	-	0.000%	-	-			
12	Reserved	-	-	0.000%	-	-			
13	Reserved	-	-	0.000%	-	-			
14	Reserved	-	-	0.000%	-	-			

15	Reserved	-	-	0.000%	-	-
16	Reserved	-	-	0.000%	-	-
17	Reserved	-	-	0.000%	-	-
18	Reserved	-	-	0.000%	-	-
19	Reserved	-	-	0.000%	-	-
20	Reserved	-	-	0.000%	-	-
21	Reserved	-	-	0.000%	-	-
22	Reserved	-	-	0.000%	-	-
23	Reserved	-	-	0.000%	-	-
24	Reserved	-	-	0.000%	-	-
25	Reserved	-	-	0.000%	-	-
26	Reserved	-	-	0.000%	-	-
27	Reserved	-	-	0.000%	-	-
28	Reserved	-	-	0.000%	-	-
29	Reserved	-	-	0.000%	-	-
30	Reserved	-	-	0.000%	-	-
31	Reserved	-	-	0.000%	-	-
32	Reserved	-	-	0.000%	-	-
33	Reserved	-	-	0.000%	-	-
34	Reserved	-	-	0.000%	-	-
35	Reserved	-	-	0.000%	-	-
36	Reserved	-	-	0.000%	-	-

37	Reserved	-	-	0.000%	-	-
38	Reserved	-	-	0.000%	-	-
39	Reserved	-	-	0.000%	-	-
40	Reserved	-	-	0.000%	-	-
41	Reserved	-	-	0.000%	-	-
42	Reserved	-	-	0.000%	-	-
43	Reserved	-	-	0.000%	-	-
44	Reserved	-	-	0.000%	-	-
45	Reserved	-	-	0.000%	-	-

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

No.	(a)	mmm-yyyy (b)	mmm-yyyy (c)	(e)	mmm-yyyy (f)	mmm-yyyy (g)	(h)	(i)	(j)
Line No.	Item	BOY Balance	EOY Balance	Allocator	BOY Allocated Amount	EOY Allocated Amount	Prorated (Yes/No) (Note C)	Explanation (Note B)	Projection Classification (Note D)
46	Reserved	-	-	0.000%	-	-			
47	Reserved	-	-	0.000%	-	-			
48	Reserved	-	-	0.000%	-	-			
49	Reserved	-	-	0.000%	-	-			
50	Reserved	-	-	0.000%	-	-			
51	Reserved	-	-	0.000%	-	-			
52	Reserved	-	-	0.000%	-	-			
53	Reserved	-	-	0.000%	-	-			
54	Reserved	-	-	0.000%	-	-			
55	**Total Account 190**	**-**	**-**		**-**	**-**			
	Tax Reg Asset / Liab Adjustments (Note A)								
56	Reserved			0.000%	-	-			
57	Reserved			0.000%	-	-			
58	**Total Account 190 After Adjustments**				**-**	**-**			
59	Prorated Balances				-	-			

60	Tax Reg Asset / Liab Adjustments				-	-
61	**Prorated Account 190 Balances After Adjustments**				-	-
62	Non-Prorated Balances				-	-
63	Tax Reg Asset / Liab Adjustments				-	-
64	**Non-Prorated Account 190 Balances After Adjustments**				-	-
	ACCOUNT 282 ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Enter Negative)					
65	Reserved			0.000%	-	-
66	Reserved			0.000%	-	-
67	Reserved			0.000%	-	-
68	Reserved			0.000%	-	-
69	Reserved			0.000%	-	-
70	Reserved	-	-	0.000%	-	-
71	Reserved	-	-	0.000%	-	-
72	Reserved	-	-	0.000%	-	-
73	**Total Account 282**	-	-		-	-
	Tax Reg Asset / Liab Adjustments (Note A)					
74	Reserved			0.000%	-	-
75	Reserved	-	-	0.000%	-	-
76	**Total Account 282 After Adjustments**				-	-
77	Prorated Balances				-	-
78	Tax Reg Asset / Liab Adjustments				-	-
79	**Prorated Account 282 Balances After Adjustments**				-	-

80	Non-Prorated Balances	-	-
81	Tax Reg Asset / Liab Adjustments	-	-
82	**Non-Prorated Account 282 Balances After Adjustments**	-	-

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

No.	(a)	**mmm-yyyy** (b)	**mmm-yyyy** (c)	(e)	**mmm-yyyy** (f)	**mmm-yyyy** (g)	(h)	(i)	(j)
Line No.	**Item**	**BOY Balance**	**EOY Balance**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note C)**	**Explanation (Note B)**	**Projection Classification (Note D)**
	ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES - OTHER (Enter Negative)								
83	Reserved		-	0.000%	-	-			
84	Reserved	-	-	0.000%	-	-			
85	Reserved	-	-	0.000%	-	-			
86	Reserved	-	-	0.000%	-	-			
87	Reserved	-	-	0.000%	-	-			
88	Reserved	-	-	0.000%	-	-			
89	Reserved	-	-	0.000%	-	-			
90	Reserved	-	-	0.000%	-	-			
91	Reserved	-	-	0.000%	-	-			
92	Reserved	-	-	0.000%	-	-			
93	Reserved	-	-	0.000%	-	-			

94	Reserved	-	-	0.000%	-	-
95	Reserved	-	-	0.000%	-	-
96	Reserved	-	-	0.000%	-	-
97	Reserved	-	-	0.000%	-	-
98	Reserved	-	-	0.000%	-	-
99	Reserved	-	-	0.000%	-	-
100	Reserved	-	-	0.000%	-	-
101	Reserved	-	-	0.000%	-	-
102	Reserved	-	-	0.000%	-	-
103	Reserved	-	-	0.000%	-	-
104	Reserved	-	-	0.000%	-	-
105	Reserved	-	-	0.000%	-	-
106	Reserved	-	-	0.000%	-	-
107	Reserved	-	-	0.000%	-	-
108	Reserved	-	-	0.000%	-	-
109	Reserved	-	-	0.000%	-	-
110	Reserved	-	-	0.000%	-	-
111	Reserved	-	-	0.000%	-	-
112	Reserved	-	-	0.000%	-	-
113	Reserved	-	-	0.000%	-	-
114	Reserved	-	-	0.000%	-	-
115	Reserved	-	-	0.000%	-	-

116	Reserved	-	-	0.000%	-	-			
117	Reserved	-	-	0.000%	-	-			
118	Reserved	-	-	0.000%	-	-			
119	Reserved	-	-	0.000%	-	-			
120	**Total Account 283**	-	-		-	-			

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

		mmm-yyyy	**mmm-yyyy**		**mmm-yyyy**	**mmm-yyyy**			
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
Line No.	**Item**	**BOY Balance**	**EOY Balance**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note C)**	**Explanation (Note B)**	**Projection Classification (Note D)**
	Tax Reg Asset / Liab Adjustments (Note A)								
121	Reserved			0.000%	-	-			
122	Reserved	-	-	0.000%	-	-			
123	**Total Account 283 After Adjustments**				-	-			
124	Prorated Balances				-	-			
125	Tax Reg Asset / Liab Adjustments				-	-			
126	**Prorated Account 283 Balances After Adjustments**				-	-			
127	Non-Prorated								

	Balances					-	-
128	Tax Reg Asset / Liab Adjustments					-	-
129	**Non-Prorated Account 283 Balances After Adjustments**					**-**	**-**

ACCOUNT 255: ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Enter Negative) (Note E)

130	Intangible			NP	0.000%	-	-
131	Production		-	NA	0.000%	-	-
132	Transmission			DA	100.000%	-	-
133	Distribution			NA	0.000%	-	-
134	General Plant			NP	0.000%	-	-
135	**Total Account 255 (266.8.b & 267.8.h)**	**-**	**-**			**-**	**-**
136	Unrealized ITC Adjustment						
137	Account 255 balance after Unrealized Adjustment					-	-
138	**Average ITC Balance for Attachment H**						**-**

Notes:

A The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules P6-1 and P6-2 and presented in Att-H separately from ADIT.

B Each ADIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the ADIT balance.

1) Prod: The ADIT balance is 100% related to production of electricity and the NA Allocator is applied.

2) Retail: The ADIT balance is 100% related to retail operations and the NA Allocator is applied.

3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related ADIT for which the NA Allocator is applied. Such items shall include:

- ADIT related to the Income Tax Regaultory Assets and Liabilities
- ADIT related to Pension and PBOP
- Any other ADIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.

4) Trans: The ADIT balance is 100% related to transmission operations and the DA Allocator is applied.

5) Plant: The ADIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.

6) NPO: ADIT balances other than PP&E where the NP Allocator is applied.

7) Labor: The ADIT balance is labor related and the W/S Allocator is applied.

C Each ADIT Item must be categorized into balances that require proration and those that do not. ADIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

D A=Actuals from most recent FERC Form 1 are used. P=A projection of the ADIT balance is calculated.

E The balance in Account 255 is directly allocated among types of depreciable plant based the amount of investment tax credit (ITC) allowed for each type of property. In accordance with the normalization requirements applicable to utilities, the Company has elected to reduce rate base by unamortized ITC rather than to reduce income tax expense by ITC amortization. Rate base is not reduced by unamortized ITC until the ITC has been utilized by the Company on its tax return.

El Paso Electric Company
Worksheet P6-1
Excess / Deficient Deferred Income Taxes ("EDIT")

Proration Used for Projected Revenue Requirement Calculation

1 **EDIT included within Accounts 182.3 & 254**

	Days in Period					Projection - Proration of Deferred Tax Activity		
2	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col b)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)
4								
5	December 31st balance Prorated Items (Worksheet P6-2.61.g)							-
6	January	31	335	365	91.78%	-	-	-
7	February	28	307	365	84.11%	-	-	-
8	March	31	276	365	75.62%	-	-	-
9	April	30	246	365	67.40%	-	-	-
10	May	31	215	365	58.90%	-	-	-
11	June	30	185	365	50.68%	-	-	-
12	July	31	154	365	42.19%	-	-	-
13	August	31	123	365	33.70%	-	-	-
14	September	30	93	365	25.48%	-	-	-
15	October	31	62	365	16.99%	-	-	-
16	November	30	32	365	8.77%	-	-	-

17	December	31	1	365	0.27%	-	-	-	
18	Total (sum of Lines 6 -17)	365				-	-		
19	Beginning Balance-Total				Worksheet P6-2.62.g			-	
20	Beginning Balance-Not Subject to Proration				Worksheet P6-2.55.g			-	
21	Beginning Balance-Subject to Proration				(Line 5, Col H)			-	
22	Ending Balance-Total				Worksheet P6-2.62.i			-	
23	Ending Balance-Not Subject to Proration				Worksheet P6-2.55.i			-	
24	Ending Balance-Subject to Proration				Worksheet P6-2.61.i			-	
25	Average Balance				Line 17 Col N + (Lines 20 + 23 Col N)/2			-	
26	Reserved				Reserved				
27	Amount for Attachment H				(Line 25 less line 26)			-	

El Paso Electric Company
Worksheet P6-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Estimated - For the 12 months ended 12/31/yyyy

		mmm-yyyy	yyyy	yyyy	mmm-yyyy		mmm-yyyy	yyyy	mmm-yyyy			
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Line No.	**Item**	**BOY Balance (Note D)**	**Current Period Amortization**	**Current Period Other Activity (Note C)**	**EOY Balance (Note D)**	**Allocator**	**BOY Allocated Amount**	**Amortization Allocated**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note B)**	**Amort Period or Method**	**Explanation (Note A)**
	NON-PLANT UNPROTECTED EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254											
1	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
2	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
3	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
4	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
5	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
6	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
7	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
8	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
9	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
10	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
11	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
12	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-

13	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
14	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
15	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
16	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
17	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
18	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
19	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
20	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
21	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
22	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
23	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
24	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
25	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
26	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
27	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
28	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
29	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
30	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
31	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
32	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
33	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
34	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-

35	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
36	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
37	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
38	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
39	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
40	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
41	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-
42	Reserved	-	-	-	NA	0.000%	-	-	-	No	-	-

El Paso Electric Company
Worksheet P6-2
Accumulated Excess Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

No.	(a)	(b)	(c)	(d)	(e)	(f)		(g)	(h)	(i)	(j)	(k)	(l)
		mmm-yyyy	yyyy	yyyy	mmm-yyyy			mmm-yyyy	yyyy	mmm-yyyy			
Line No.	Item	BOY Balance (Note D)	Current Period Amortization	Current Period Other Activity (Note C)	EOY Balance (Note D)	Allocator		BOY Allocated Amount	Amortization Allocated	EOY Allocated Amount	Prorated (Yes/No) (Note B)	Amort Period or Method	Explanation (Note A)
43	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
44	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
45	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
46	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
47	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
48	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
53	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
54	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
55	**Total Non Plant Unprotected**	-	-	-	-			-	-	-			
	PLANT EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254												
56	Reserved	-			-		0.000%	-	-	-			
57	Reserved	-			-		0.000%	-	-	-			
58	Reserved	-	-		-		0.000%	-	-	-			

59	Reserved					0.000%	-	-	-	
60	Reserved					0.000%	-	-	-	
61	**Total Plant**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	
62	**Total Excess/Deficient Deferred Income Taxes**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	

Notes:

A Each EDIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the EDIT balance.
1) Prod: The EDIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The EDIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related EDIT for which the NA Allocator is applied. Such items shall include:
- EDIT related to Pension and PBOP
- Any other EDIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
4) Trans: The EDIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The EDIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: EDIT balances other than PP&E where the NP Allocator is applied.
7) Labor: The EDIT balance is labor related and the W/S Allocator is applied.

B Each EDIT Item must be categorized into balances that require proration and those that do not. EDIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

C Includes the impact of tax rate changes enacted during the period.

D EDIT balances exclude income tax gross-ups recorded to accounts 182.3 and 254

El Paso Electric Company
Worksheet P7
Projected Adjustments to Rate Base
Estimated - For the 12 months ended 12/31/yyyy

Line No	Month (a)	Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	CWIP (d)
1	December Prior Year	-	-	-
2	January	-	-	-
3	February	-	-	-
4	March	-	-	-
5	April	-	-	-
6	May	-	-	-
7	June	-	-	-
8	July	-	-	-
9	August	-	-	-
10	September	-	-	-
11	October	-	-	-
12	November	-	-	-
13	December	-	-	-
14	Average of the 13 Monthly Balances	-	-	-

El Paso Electric Company
Schedule 1
Ancillary Services, Schedule No. 1 - Scheduling System Control and Dispatch Service
Estimated - For the 12 months ended 12/31/yyyy

Line No.	Description	Reference	Amount	
1	**Revenue Requirement**			
2	Total Load Dispatch and Scheduling (Account 561)	321.85-92.b	$	-
3	Less: Scheduling, System Control & Dispatch Services (Account 561.4)	321.88.b	$	-
4	Less: Reliability, Planning and Standards Development (Account 561.5)	321.89.b	$	-
5	Less: Transmission Service Studies (Account 561.6)	321.90.b	$	-
6	Less: Generation Interconnection Studies (Account 561.7)	321.91.b	$	-
7	Less: Reliability, Planning & Standards Development Services (Account 561.8)	321.92.b	$	-
8	Total 561 Costs for Schedule 1 Annual Rev Req	Sum Lines 2 through 7	$	-
9				
10	Less: Schedule 1 Point to Point Revenues	Company records	$	-
11				
12	Actual Schedule 1 Annual Rev Req (before True Up)	Line 8 - Line 10	$	-
13				
14	**True Up Adjustment**			
15	Actual Revenue Requirement	Line 8	$	-
16	Originally Projected Revenue Requirement without True Up Adjustment	Previous Filing (Note B)	$	-
17	True-up Amount (before interest)	Line 15 - Line 16	$	-
18	Interest Rate on True-up Amount	(Worksheet TU, Line 33)		0.0000%
19	Interest on True-up Amount	Line 17 * Line 18 * 24 / 12		-
20	True-up Adjustment	Line 17 + Line 19	$	-
21				
22	**Net Schedule 1 Annual Rev Req**	Line 12 + Line 20 (Note A)	$	-
23				
24	**Divisor**			
25	Divisor (kW)	(Worksheet P3, Line 15)		-
26				
27	**Rates**			

28	Annual		$	-	/kW-year
29	Monthly	12 months/year	$	-	/kW-month
30	Weekly	52 weeks/year	$	-	/kW-week
31	Daily On-Peak	6 days/week	$	-	/kW-day
32	Daily Off-Peak	7 days/week	$	-	/kW-day
33	Hourly On-Peak	16 hours/day	$	-	/MW-hour
34	Hourly Off-Peak	24 hours/day	$	-	/MW-hour

Notes

A Net Schedule 1 Annual Revenue Requirement projection is set to Actual amount from previous year plus Sch 1 True Up Adjustment

B Explanatory comment(s) for Originally Projected Sch 1 Rev Req without True Up Adjustment from Previous Filing:

ATTACHMENT H-2
El Paso Electric Company Formula Rate Implementation Protocols
Projections are for Rate Years – January-December
True-Ups are for Calendar Years – January-December

I. Applicability

The following procedures (the "Protocols") shall apply to El Paso Electric Company's ("EPE") calculations under its Formula Rate Template set forth in Tariff Attachment H-1 ("Formula Rate Template").

For purposes of these Protocols, the term "Interested Party" means a transmission customer of EPE, a state commission in a state where EPE serves retail customers, any entity having standing in a Federal Energy Regulatory Commission ("Commission" or "FERC") proceeding investigating the Formula Rate (as defined in Section II.1, below), and staff of FERC.

II. Annual Updates

1. The Formula Rate Template, which includes Schedule 1 – Scheduling System Control and Dispatch Service as Appendix B to Attachment H-1, and these Protocols together comprise the Transmission Provider's filed rate (collectively, the "Formula Rate") for Transmission Service under the Tariff or transmission agreements incorporating Tariff rates. The Transmission Provider will follow the instructions specified in the Formula Rate to annually calculate (project and subsequently true up as applicable) its Annual Transmission Revenue Requirement ("ATRR") and long-term firm loads to develop rates for Network Integration Transmission Service and Point-to-Point Transmission Service for posting by the Transmission Provider (hereinafter the projection and true-up process is referred to as the "Annual Update").

2. The Formula Rate shall be applicable to service on and after January 1 of a given calendar year through December 31 of the same calendar year ("Rate Year"), subject to review, challenge, and refunds or surcharges with interest, as provided herein. The Formula Rate shall initially be the effective date established by the Commission.

3. Each calendar year, the Transmission Provider shall:

   (a) By June 15 of the current year, calculate the projected ATRR, and transmission rates for the next Rate Year ("Projection") and Schedule 1 rates for the next Rate Year in accordance with the Formula Rate. The Formula Rate specifies in detail the manner in which the immediately preceding calendar year FERC Form No. 1 data and actual data from the Transmission Provider's books and records shall be used as inputs to the Formula Rate.

   (b) By June 15 of the current year, calculate the true-up of the Projection for the preceding calendar year in accordance with the Formula Rate ("True-Up Adjustment"). The True-Up Adjustment shall use the actual data for such preceding calendar year to calculate the actual charges for that calendar year. As part of the True-Up Adjustment, the Transmission Provider shall calculate the under- or over-collection of the revenue requirement for all customers taking service pursuant to the Formula Rate, as follows:

      i. At the time of the Annual Update, the Transmission Provider shall calculate the amount of under- or over-collection of its actual net

revenue requirement during the preceding Rate Year after the FERC Form No. 1 data for that Rate Year has been filed with the Commission.

ii. The True-Up Adjustment shall be calculated in the following manner. The projected net revenue requirement on the Projected Attachment H for the Rate Year will be compared to the actual net revenue requirement for the same Rate Year as determined by the population of the Formula Rate Template with actual data.

iii. Interest on any over-recovery of the actual net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R. § 35.19a. Interest on any under-recovery of the actual net revenue requirement shall be determined using the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a. An average interest rate shall be used to calculate the interest payable for the twenty-four (24) months during which the over or under recovery in the revenue requirement exists. The interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a will be determined using the average of the posted quarterly rates for the last four available quarters available at the time of posting.

iv. The True-Up Adjustment, as calculated on Worksheet TU of the Template, shall be included in the Transmission Provider's subsequent projected net revenue requirement determination.

(c) Include with the Annual Update an identification and explanation of each material change ("Material Change"). A Material Change is: (i) any change in the Transmission Provider's accounting policies, practices or procedures (including changes resulting from revisions to FERC's Uniform System of Accounts and/or FERC Form No. 1 reporting requirements and inter-company cost allocation methodologies) from those in effect during the calendar year upon which the most recent actual ATRR was based and that, in the Transmission Provider's reasonable judgment, could impact the Formula Rate, including impact to the ATRR or load divisor; and (ii) any change in the classification of any transmission facility that has been directly assigned and the dollar value of the change that the Transmission Provider has made in the applicable Projection or True-Up Adjustment; and

(d) Post such Annual Update on its OASIS by June 15, or if June 15 is a Saturday, Sunday or Federal holiday, the first business day thereafter, as well as a populated Formula Rate Template in fully functional spreadsheets showing the calculation of such Annual Update with documentation supporting such calculation and information supporting the Projection as described in Section II.3(a), above, which information shall include a narrative, and worksheets where appropriate, explaining the source and derivation of any data input to the Formula that is not drawn directly from the Transmission Provider's FERC Form No. 1, as well as the following information for all transmission facilities included in the

expected transmission plant additions: (i) expected date of completion; (ii) percent completion status as of the date of the Annual Update; (iii) a one-line diagram of facilities exceeding $5 million in cost; (iv) the estimated total installed cost of the facility; and (v) the reason for the facility addition;

(e) File such Annual Update with the Commission as an informational filing ("Informational Filing") on the Publication Date; and

(f) On the Publication Date, notify Interested Parties by email (using the last known email addresses provided to the Transmission Provider) of the website address where the Annual Update posting is located. The Transmission Provider shall use the email list developed from the most recent Annual Update and any other email addresses of individuals who have requested to be included in the Annual Update distribution list.

4. A change to the Formula Rate inputs related to unamortized abandoned plant, construction work in progress (which is currently set to zero), return on equity incentives, extraordinary property losses, return on equity, depreciation rates for each regulatory jurisdiction that are used to calculate the composite rates applied in the Formula Rate, or Post Employment Benefits Other than Pensions may not be made absent a filing with the Commission pursuant to Federal Power Act ("FPA") Sections 205 or 206.

III. Annual Review Procedures

Each Annual Update shall be subject to the following review procedures ("Annual Review Procedures"). If any of the dates provided for herein fall on a Saturday, Sunday or Federal holiday, then the due date shall be the first business day thereafter:

1. Each year, with at least fifteen (15) calendar days written notice, the Transmission Provider shall convene at least one meeting, which shall include at the Transmission Provider's option either video conferencing or webinar/internet conferencing, among Interested Parties ("Customer Meeting") during which the Transmission Provider shall present details about its Annual Update. The Customer Meeting shall provide Interested Parties the chance to seek information and clarifications from the Transmission Provider about the Annual Update. The first Customer Meeting of a Rate Year shall take place between within forty-five (45) calendar days from the Publication Date at a date and time convenient for a majority of the parties and posted on the Transmission Provider's internet website. The Transmission Provider shall also schedule subsequent Customer Meetings as appropriate ("Subsequent Meetings"). The date and time of such Subsequent Meetings shall be posted on the Transmission Provider's internet website and shall include at the Transmission Provider's option either video conferencing or webinar/internet conferencing.

2. Immediately following the Publication Date, Interested Parties may submit requests for information supporting the Annual Update. Interested Parties will have one-hundred and twenty (120) calendar days after the Publication Date to serve reasonable information requests to the Transmission Provider ("Information Request Period"). Such information requests shall be limited to that which is necessary to determine: (1) if the Transmission Provider has properly calculated the Formula Rate for the Annual Update under review; (2) whether the inputs to the True-Up Adjustment are correct and otherwise appropriate costs and revenue

credits and have been accounted for and recorded appropriately; and (3) whether there have been any Material Changes that affect the Formula Rate calculations.

3. The Transmission Provider shall make reasonable efforts to respond to information requests pertaining to the Annual Update within ten (10) business days of receipt of such requests. Such data responses shall be served on all Interested Parties identifying themselves to the Transmission Provider (as set forth in Section II.3(f)). Information requests received after 4 p.m. Mountain Prevailing Time shall be considered received the next business day. In the event the Transmission Provider believes it cannot respond within the ten (10) business day timeframe, it shall notify the requesting party and shall provide an estimate of when the Transmission Provider will provide the requested information.

4. The Transmission Provider shall make available in a central electronic location all information requests received and all responses to such requests. Each information request received by the Transmission Provider shall become available in the central electronic location within one business day of receipt of such request. Each response by the Transmission Provider shall become available in the central electronic location within one business day of distribution of such response to the party that submitted the information request.

5. To the extent the Transmission Provider and any Interested Party(ies) are unable to resolve disputes related to information requests submitted during the Information Request Period in accordance with these Protocols, the Transmission Provider or any Interested Party may petition FERC to appoint an Administrative Law Judge as a discovery master after reasonable attempts to resolve the disputes

have been made by the Transmission Provider and any Interested Parties. The discovery master shall have the authority to issue binding orders to resolve discovery disputes and compel the production of discovery, as appropriate, in accordance with the Protocols and consistent with FERC's discovery rules.

6. At any time throughout the Information Request Period and up to thirty (30) calendar days after the later of: (i) the close of the Information Request Period, or (ii) receipt of all responses to information requests submitted during the Information Request Period, any Interested Party may review the calculations ("Review Period") and notify the Transmission Provider in writing of any specific challenges to the application of the Formula Rate ("Preliminary Challenge"). Notice of such Preliminary Challenges shall be promptly posted (at the same location as the Annual Update) by the Transmission Provider.

7. Challenges to the Formula Rate itself shall not be considered within the scope of these Annual Review Procedures. Modifications to the Formula Rate itself can only be made pursuant to Sections 205 and 206 of the Federal Power Act, as set out in Article VI below.

IV. Resolution of Annual Update Challenges

1. If the Transmission Provider and any Interested Party have not resolved a Preliminary Challenge to an Annual Update within sixty (60) calendar days after written notification of a Preliminary Challenge, senior management of the Interested Parties and the Transmission Provider may attempt to resolve any outstanding issues ("Senior Management Review"). If the Transmission Provider and any Interested Party's (or Parties') senior management are unable to resolve

all issues raised in such Preliminary Challenge within thirty (30) calendar days after the Senior Management Review process begins, the Interested Party or Parties may, at any time thereafter, file a formal challenge with the Commission for a period up to three-hundred sixty five (365) calendar days after the Customer Meeting for a particular Annual Update ("Formal Challenge"). An Interested Party may not file a Formal Challenge thereafter. However, any Party may at any time within the period specified above, with or without prior Senior Management Review or submission of a Preliminary Challenge, file a Formal Challenge with the Commission regarding the Annual Update. For avoidance of doubt and as provided in Article IV hereof, nothing in this section is intended to limit the rights of any Interested Party to file a complaint under the FPA outside the Formal Challenge procedures provided by these Protocols.

2. The Transmission Provider shall promptly post notice of resolution of a Preliminary Challenge (at the same location as the notice of Preliminary Challenges) and shall notify all Interested Parties of such resolution, consistent with the procedures set forth in Section III.4, above.

3. Any and all information produced pursuant to these Protocols may be included in any proceeding concerning the El Paso Electric Company Formula Rate initiated at FERC pursuant to the FPA, including, but not limited to, a Formal Challenge. Information produced pursuant to these Protocols designated as confidential information and not otherwise publicly available shall be treated as confidential in any such proceeding referenced herein; provided that confidential treatment shall

be subject to a later determination by the presiding authority that the material is, in whole or in part, not entitled to confidential treatment.

4. Any Formal Challenge shall be served on the Transmission Provider by electronic service on the date of such filing.

5. There shall be no need for an Interested Party to make a separate Formal Challenge with respect to any action initiated by the Commission *sua sponte* regarding an Annual Update, to participate in any resulting Commission proceeding.

6. Failure to make a Preliminary Challenge or Formal Challenge as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to any subsequent Annual Update. However, no Preliminary Challenge to an Annual Update shall be permitted after the deadline for written notification of Preliminary Challenges, described in Section III.6.

7. Failure to make a Preliminary Challenge or Formal Challenge with respect to a Material Change as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to that Material Change in any subsequent Annual Update.

8. Any changes or adjustments to the True-Up Adjustment or projected ATRR resulting from the Information Exchange and Informal Challenge processes that are agreed to by El Paso Electric Company wll be reported in the Informational Filing required pursuant to Section II of these Protocols. Any such changes or adjustments agreed to by El Paso Electric Company on or before December 1 will be reflected in the projected ATRR for the upcoming Rate Year. Any changes or

adjustments agreed to by El Paso Electric Company after December 1 will be reflected in the following year's True-Up Adjustment, as discussed in Section V.

V. Changes to True-Up Adjustment or Projection

1. Except as provided in Section IV.8 of these Protocols, any changes to the data inputs, including but not limited to revisions to El Paso Electric Company's FERC Form 1, or as the result of any FERC proceeding to consider the Annual True-Up Adjustment or projected net ATRR, or as a result of the procedures set forth herein, shall be incorporated into the formula rate and the charges produced by the formula rate in the projected net ATRR for the next Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Except as otherwise specified pursuant to a Commission order, all refunds or surcharges shall be determined with interest calculated in accordance with 18 C.F.R. § 35.19a.

VI. Party's Rights and Burden of Proof

1. Nothing in these Protocols affects any rights the Transmission Provider, FERC, or any Interested Party may have under the FPA, including the right of the Transmission Provider to file a change in rates under Section 205 of the FPA or the right of an Interested Party to file a complaint that is not a Formal Challenge at any time under Section 206 of the FPA or other Commission regulation, or for an Interested Party to participate in any Commission proceeding relating to the Formula Rate. Nothing in these Protocols affects or modifies in any manner the procedural and substantive requirements, including requirements relating to the burden of proof, that are otherwise applicable under Commission precedent,

regulations, and statute, in such a proceeding. The provisions of these Protocols addressing review and challenge of the Annual Update shall not be construed as limiting the Transmission Provider's, FERC's, or any Interested Party's rights under any applicable provision of the FPA.

2. Failure to have made a Preliminary Challenge or Formal Challenge pursuant to these Protocols shall neither, in any manner, be asserted against a complainant in a proceeding instituted under Section 206 of the FPA nor prejudice or otherwise limit the complainant's right to relief that may be granted pursuant to Section 206 of the Federal Power Act.

3. Nothing herein is intended to alter the established burden(s) of going forward or burden(s) of proof as applied by the FERC at the time of any proceeding. Notwithstanding and without limiting the foregoing, in any proceeding ordered by FERC in response to a Formal Challenge raised under these Protocols or a proceeding initiated *sua sponte* by the Commission, the Transmission Provider shall have the ultimate burden of proof to establish that: (i) it reasonably applied the Formula Rate; (ii) it reasonably calculated the challenged Annual Update pursuant to the Formula Rate; and (iii) it reasonably adopted and applied any Material Change.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

	)	
El Paso Electric Company	**)**	**Docket No. ER22-___-000**
	)	

PREPARED DIRECT TESTIMONY OF

DAVID C. HAWKINS

ON BEHALF OF

EL PASO ELECTRIC COMPANY

OCTOBER 29, 2021

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

El Paso Electric Company	)))	**Docket No. ER22-___-000**

**PREPARED DIRECT TESTIMONY OF
DAVID C. HAWKINS**

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is David C. Hawkins. My business address is El Paso Electric Company, P.O. Box 982, El Paso, Texas 79960.

Q. WHO IS YOUR CURRENT EMPLOYER AND WHAT POSITION DO YOU HOLD?

A. My employer is El Paso Electric Company ("EPE"). I am the Vice President of Strategy and Sustainability.

Q. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?

A. I oversee business development and EPE business units that manage interconnection and transmission service requests, renewable and emerging technologies, resource planning, resource management, and sustainability.

Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS TESTIMONY?

A. I am testifying on behalf of EPE.

Q. PLEASE DESCRIBE YOUR BACKGROUND AND YOUR PROFESSIONAL EXPERIENCE.

A. I hold a Master of Science degree and a Bachelor of Science degree in Electrical Engineering from New Mexico State University. I have been with EPE since 2002, where I have held various positions including Vice President of Generation, System Planning and Dispatch and Vice President of Power Marketing, Fuels and Resource Planning. Before joining EPE, I served as a Wholesale Power Marketing Analyst at Public Service Company of New Mexico ("PNM").

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION ("FERC") OR BEFORE OTHER REGULATORY AGENCIES AND COURTS ON UTILITY-RELATED MATTERS?

A. I have not testified before FERC. I have previously presented written and live testimony before the Public Utility Commission of Texas and the New Mexico Public Regulation Commission.

Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY AND HOW IT IS ORGANIZED.

A. The purpose of my testimony is to:

1) Introduce the other witnesses who will be submitting testimony on behalf of EPE in this filing;

2) Describe the relevant transmission services EPE currently provides under its Open Access Transmission Tariff ("OATT"), including the services on EPE's share of transmission facilities associated with the Palo Verde Generating Station ("Palo Verde Facilities");

3) Describe the transmission services and other arrangements EPE receives from other transmission providers to meet its native and network load obligations;

4) Describe the proposed rate treatment of EPE's various transmission facilities; and

5) Describe the changes to the OATT that EPE proposes in this rate filing, including changes to implement its formula rate and the related tariff attachments establishing formula rate protocols.

Q. WAS YOUR TESTIMONY PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

A. Yes.

II. <u>IDENTIFICATION OF WITNESSES</u>

Q. WHO ARE THE OTHER EPE WITNESSES TESTIFYING IN THIS PROCEEDING IN SUPPORT OF EPE'S RATE FILING?

A. In addition to my testimony, the following witnesses are submitting testimony in this proceeding:

- James A. Schichtl, EPE's Vice President, Regulatory and Governmental Affairs, describes EPE's capital investment in transmission facilities, provides an overview of EPE's transmission plant account balance, and identifies the benefits to EPE of moving to an annual transmission formula rate;
- John Wolfram, Principal of Catalyst Consulting LLC, developed and supports the company's proposed formula rate template and protocols, the annual transmission revenue requirement ("ATRR") for the upcoming 2022

rate year, and the derivation of formula rates for network and point-to-point OATT services, as well as for Schedule 1, as part of EPE's updating of its wholesale transmission service rates under the OATT;

- Bryn T. Davis, EPE's Senior Director, Asset Management Services, describes EPE's transmission system and planned transmission projects;
- Cynthia S. Prieto, EPE's Vice President, Controller, describes EPE's general accounting practices, the actuarial study of EPE's pensions and post-retirement benefits other than pensions, and the rate base impacts associated with accumulated deferred income tax balances, including excess accumulated deferred income taxes as a result of the Tax Cuts and Jobs Act of 2017;
- Adrien M. McKenzie, CFA, President of FINCAP, Inc., describes the derivation of the cost of capital, including the capital structure and rate of return on equity to be applied in EPE's formula rate; and
- John J. Spanos, President of Gannett Fleming Valuation and Rate Consultants, LLC, ("Gannett Fleming") describes the Depreciation Study prepared by Gannett Fleming for the year ending December 31, 2019, and how the methodologies used to calculate EPE's depreciation accrual rates for transmission plant are consistent with those commonly used in the industry and with the Commission's requirements and precedent.

III. EPE'S TRANSMISSION SERVICES

Q. PLEASE PROVIDE AN OVERVIEW OF EPE'S TRANSMISSION SYSTEM AND ITS LOCATION.

A. EPE's service territory is located in west Texas and southern New Mexico, at the far southeastern corner of the Western Electricity Coordinating Council ("WECC") region within the Western Interconnection of the United States. WECC spans a geographic area that covers EPE's west Texas service territory, reaches north to include two Canadian provinces and stretches far west to include all or part of fourteen western states, as well as northern Baja California, Mexico. EPE is also connected to the Southwest Power Pool through an asynchronous High Voltage Direct Current ("HVDC") tie located near the City of Artesia in Eddy County, New Mexico. EPE is not interconnected to the Electric Reliability Council of Texas.

EPE's transmission system in its service territory interconnects with other transmission systems, including: (1) PNM at West Mesa near Albuquerque, New Mexico; (2) Southwestern Public Service Company at the Eddy County HVDC Terminal; (3) Tucson Electric Power Company at Springerville and Greenlee in Arizona, not far from the New Mexico-Arizona state line; and (4) the Comisión Federal de Electricidad at the United States-Mexico border. EPE also interconnects with the transmission system of Tri-State Generation and Transmission Association, Inc. ("Tri-State"). This Tri-State system is located within the PNM Balancing Authority Area ("BAA").

In addition to EPE's transmission system in its west Texas and southern New Mexico service territory, EPE is a co-owner of the Palo Verde Facilities located in Arizona. EPE's ownership interest in the Palo Verde Facilities is 18.7%.

The Palo Verde Facilities include three 500 kV transmission lines that extend approximately 165 miles (in total) from the Palo Verde Generating Station ("Palo Verde") to Westwing and Kyrene, both of which are near Phoenix, Arizona. Two of the three 500 kV lines extend to Westwing, and the third line extends to Kyrene. All three lines are used to transmit energy from Arizona to EPE's service territory in New Mexico and Texas through implementation of exchanges and other arrangements.

Q. PLEASE PROVIDE AN OVERVIEW OF THE WHOLESALE TRANSMISSION SERVICES PROVIDED BY EPE.

A. As a FERC-jurisdictional transmission provider, EPE provides open access transmission services. One type of open access transmission service is Network Integration Transmission Service ("NITS"), pursuant to which network resources are transmitted to serve load. The second type of open access transmission service is Point-to-Point Transmission Service ("PTP service"), pursuant to which power is transmitted from an identified point of receipt on the EPE transmission system to an identified point of delivery from the EPE transmission system to a receiving party that will either consume that power or move it on third-party transmission systems to loads located elsewhere. EPE's OATT services include firm and non-firm long-term and short-term PTP service pursuant to sections 13 and 14 of its OATT, and NITS pursuant to section 34 of the OATT. Attachment H to the OATT establishes EPE's ATRR for these services, which, as Mr. Wolfram explains, forms the basis for the formula rates proposed in EPE's filing, including those set forth for NITS and PTP services.

Q. WHEN DID EPE LAST CHANGE ITS OATT RATES?

A. EPE's currently-effective OATT rates have their origin in a black-box settlement reached when EPE implemented its first OATT in the 1990s. The settlement gave effect to an identified ATRR, and to a series of stated rates for PTP services (one set for PTP services within the EPE BAA, one set for PTP services on the transmission lines to Westwing, and one set for PTP services on the transmission line to Jojoba and Kyrene). Jojoba refers to a location between Palo Verde and Kyrene.

A. <u>NITS UNDER THE OATT</u>

Q. PLEASE PROVIDE AN OVERVIEW OF THE NITS THAT EPE PROVIDES UNDER ITS OATT.

A. EPE's NITS allows for the delivery of energy from multiple designated resources to customer load under a single transmission service contract under which the customer pays for transmission service based on the customer's network load coincident with the system peak. NITS requires EPE to plan, construct, operate, and maintain the system to ensure transmission service from designated network resources to the customer's load.

Q. WHO ARE EPE'S NITS CUSTOMERS?

A. EPE provides NITS to the Rio Grande Electric Cooperative, an electric cooperative with load-serving obligations. EPE also uses the transmission system to serve its retail load. In doing so, EPE treats itself like a NITS customer; it designates network resources and transmits those resources to its load.

Q. HOW HAS EPE REFLECTED ITS OWN SYSTEM USAGE IN DETERMINING THE TRANSMISSION COST OF SERVICE?

A. EPE has 446,027 retail and wholesale customers. In developing the transmission cost of service to be recovered under the OATT, EPE looked to its 2020 coincident peak load to assess the use of the transmission system, including EPE's use of the transmission system in serving retail load. Mr. Wolfram addresses in his testimony how he developed a comprehensive transmission cost of service upon which the revised OATT rates were developed.

B. PTP SERVICE UNDER THE OATT

Q. WHAT AMOUNT OF LONG-TERM FIRM PTP SERVICE DOES EPE PROVIDE UNDER ITS OATT?

A. At present, the total reserved capacity under long-term firm PTP service agreements entered into under EPE's OATT is 1,119 megawatts per month.

Q. DOES EPE EXPECT ANY MATERIAL CHANGE IN LONG-TERM FIRM PTP CAPACITY RESERVATIONS IN 2022?

A. No.

Q. DOES EPE PROVIDE SHORT-TERM FIRM PTP AND NON-FIRM PTP SERVICES UNDER ITS OATT?

A. Yes.

Q. HOW DOES EPE PROPOSE TO TREAT THE SHORT-TERM FIRM PTP AND NON-FIRM PTP SERVICES IN THE EPE FORMULA RATE?

A. Short-term firm PTP service and non-firm PTP service under the OATT, like long-term PTP service, are to be provided pursuant to formula rates. Mr. Wolfram addresses how those formula rates were developed in his testimony.

Q. WHAT TRANSMISSION SERVICES DOES EPE PROVIDE USING THE PALO VERDE FACILITIES?

A. EPE offers and provides, pursuant to its OATT, firm and non-firm, long-term and short-term PTP services on the Palo Verde Facilities. In addition, EPE uses the Palo Verde Facilities to serve native and network load located within the EPE BAA in New Mexico and Texas.

Q. HOW ARE THE COSTS OF THE PALO VERDE FACILITIES REFLECTED IN THE EPE OATT FORMULA RATES?

A. The costs of EPE's transmission facilities, regardless of their location (i.e., Arizona, New Mexico, and Texas), are rolled into the formula rates presented in this filing. The mechanics of how the rolled-in OATT rates were developed are addressed in Mr. Wolfram's testimony.

Q. DO EPE's PALO VERDE FACILITIES MEET THE COMMISSION'S REQUIREMENTS FOR ROLLED IN RATE TREATMENT?

A. Yes. My understanding is that to treat the Palo Verde Facilities on a rolled in basis for purposes of rate design: (1) the Palo Verde Facilities must be integrated with the rest of EPE's transmission system, and (2) EPE must be able to provide service using its Palo Verde Facilities just as it provides service using the rest of its transmission facilities.

Q. ARE THE PALO VERDE FACILITIES INTEGRATED WITH THE REST OF EPE'S TRANSMISSION SYSTEM?

A. Yes. EPE's load is served from a combination of network resources, a portion of which is located on the Palo Verde Facilities and a portion of which is located within the EPE BAA.

Q. IS PALO VERDE A DESIGNATED NETWORK RESOURCE UNDER EPE'S OATT?

A. Yes.

Q. ARE THE PALO VERDE FACILITIES INTEGRATED INTO EPE'S OPERATIONS?

A. Yes. As EPE system operators perform their duties as the Transmission Provider, they must remain vigilant in their awareness of the status of the Palo Verde Facilities. Import capability to receive Palo Verde network resources and deliver those resources to load, as load moves up and down, is an important part of the function of EPE system operations, yearly, monthly, daily, hourly, and intra-hour.

Q. DO OUTAGES ON THE PALO VERDE FACILITIES AFFECT SERVICE ON THE REST OF EPE'S TRANSMISSION SYSTEM?

A. Yes.

Q. PLEASE EXPLAIN.

A. Outages on the Palo Verde Facilities can affect EPE's service to load within its BAA. EPE's access to network resources can change as a result of outage conditions on the Palo Verde Facilities, which, in turn, increases EPE's reliance on other resources, including undesignated network resources. This can cause changes in the use and availability of OATT service within the EPE BAA. Secondary network transmission and non-firm point-to-point transmission, in particular, can be affected.

Q. DOES EPE PROVIDE OPEN ACCESS TRANSMISSION SERVICES ON THE PALO VERDE FACILITIES?

A. Yes. EPE provides open access transmission service on the Palo Verde Facilities, just as it does on the rest of its transmission system.

Q. HOW DOES EPE'S ROLLED-IN RATE DESIGN COMPARE TO THE RATE DESIGNS EMPLOYED BY THE OTHER JOINT OWNERS OF THE PALO VERDE FACILITIES?

A. EPE is one of several owners of the Palo Verde Facilities. The Palo Verde Facilities are jointly owned by a combination of entities. Certain of the co-owners are public utilities under the Federal Power Act and subject to FERC's rate jurisdiction. Other co-owners are non-public utilities. The public utility co-owners use a rolled-in rate design, i.e., each public utility co-owner rolls the costs of its share of the Palo Verde Facilities into the costs of the rest of its transmission facilities. EPE is not as familiar with the rate designs employed by the non-public utilities; however, a review of the posted rates of the non-public utilities suggests that they also are based upon a rolled-in rate design.

C. <u>INTERCONNECTION AGREEMENTS</u>

Q. DOES EPE HAVE ANY GENERATOR INTERCONNECTION AGREEMENTS?

A. Yes.

Q. ARE NETWORK UPGRADES SOMETIMES NEEDED TO RELIABLY IMPLEMENT THE REQUESTED GENERATOR INTERCONNECTIONS?

A. Yes. Network Upgrades to the EPE transmission system are sometimes necessary to accommodate interconnection services provided under generator interconnection agreements.

Q. HOW DOES EPE PROPOSE TO TREAT SUCH NETWORK UPGRADES IN THE FORMULA RATE TEMPLATE?

A. Network Upgrades constructed under EPE's generator interconnection agreements become included in EPE's transmission rate base as EPE reimburses the interconnection customers under those agreements for the costs of the Network

Upgrades initially funded by such customers. The inclusion in EPE's rate base increases the ATRR for purposes of the rates determined in the annual formula rate process. In contrast, other facilities identified in EPE's generator interconnection agreements, for example, Transmission Provider Interconnection Facilities, are directly assigned to the interconnection customer and are not considered part of EPE's transmission rate base.

IV. <u>TRANSMISSION SERVICES PURCHASED BY EPE</u>

Q. PLEASE DESCRIBE THE TRANSMISSION SERVICES EPE PURCHASES FROM OTHER TRANSMISSION PROVIDERS TO SERVE NATIVE AND NETWORK LOAD.

A. EPE purchases the following transmission services from third parties to serve native and network load:

- Salt River Project ("SRP") provides long-term firm transmission service on its system from a point of receipt on the Palo Verde Facilities to a point of delivery at Coronado in Arizona, near the New Mexico state line. SRP charges for such services under rates that are not subject to FERC's ratemaking jurisdiction.
- PNM provides long-term firm transmission service on its system from a point of receipt at Four Corners to a point of delivery at West Mesa in New Mexico, on the boundary of the EPE BAA. PNM charges its long-term firm PTP service OATT rate for such services to EPE.

In addition to the long-term services identified above, EPE sometimes purchases short-term transmission from third-party service providers.

Q. HOW DOES EPE PROPOSE TO TREAT OR ALLOCATE THE COSTS OF THIRD-PARTY TRANSMISSION SERVICES IN THE EPE FORMULA RATE CALCULATION?

A. EPE proposes to treat or allocate the cost of third-party transmission services as a transmission-related expense in the formula rate calculation.

V. EPE TRANSMISSION SYSTEM IMPROVEMENTS

Q. HAS EPE INVESTED IN ITS TRANSMISSION SYSTEM SINCE THE CURRENTLY EFFECTIVE OATT RATES WERE FILED?

A. Yes. EPE's currently-effective OATT rates have their origin in a rate filing that resulted in a black-box settlement approved by the Commission in 1998. EPE's total transmission plant account balance has grown substantially since that time, as Mr. Schichtl explains in his testimony.

Q. HOW DOES EPE DETERMINE WHEN AND WHERE TO EXPAND OR REINFORCE ITS TRANSMISSION SYSTEM?

A. EPE's expansions and improvements to its transmission system are driven by a number of factors, including the long-term transmission services subscribed by customers, the transmission system upgrades or additions identified as necessary to provide generator interconnection services, and infrastructure to maintain reliability and serve load growth. Mr. Davis discusses this in more detail in his testimony.

VI. AMENDED OATT

Q. PLEASE DESCRIBE HOW EPE'S OATT IS BEING REVISED IN THIS FILING.

A. EPE's OATT revisions are limited to the following:

1) Revisions to Attachment H to reflect EPE's updated ATRR, together with the addition of a formula rate template and accompanying protocols,

pursuant to which NITS and PTP service rates are to be charged, trued-up and adjusted prospectively.

2) Revisions to section 34 of the main body of EPE's OATT, which addresses NITS rates, to refer to the formula rate template in Attachment H.

3) Revisions to Schedule 1, to reflect adoption of a formula rate mechanism for Scheduling, System Control and Dispatch Service; and

4) Revisions to Schedules 7 and 8 to reflect adoption of rolled-in formula rates for PTP services, and to refer to the formula rate template in Attachment H.

These portions of the OATT are shown in Attachment A to the rate filing, with a marked version provided as Attachment B to the filing. EPE's witness Mr. Wolfram discusses the formula rate template, revised OATT rates and related formula rate protocols.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company) Docket No. ER22-___-000

VERIFICATION

Pursuant to 28 U.S.C. § 1746 (2000), I state under penalty of perjury that I am the David C. Hawkins referred to in the foregoing "Prepared Direct Testimony of David C. Hawkins on Behalf of El Paso Electric Company," that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Executed this 29th day of October, 2021.

David C. Hawkins

DAVID C. HAWKINS

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

	)	
El Paso Electric Company	**)**	**Docket No. ER22-___-000**
	)	

PREPARED DIRECT TESTIMONY OF

JAMES A. SCHICHTL

ON BEHALF OF

EL PASO ELECTRIC COMPANY

OCTOBER 29, 2021

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	**)))**	**Docket No. ER22-___-000**

PREPARED DIRECT TESTIMONY OF
JAMES A. SCHICHTL

I. <u>INTRODUCTION</u>

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is James A. Schichtl. My business address is El Paso Electric Company, P.O. Box 982, El Paso, Texas 79960.

Q. WHO IS YOUR CURRENT EMPLOYER AND WHAT POSITION DO YOU HOLD?

A. My employer is El Paso Electric Company ("EPE" or the "Company"). I am the Vice President of Regulatory and Governmental Affairs at EPE.

Q. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?

A. As Vice President of Regulatory and Governmental Affairs, I am responsible for the oversight and direction of EPE's Economic Research, Rate Research, and Regulatory Case Management groups, as well as EPE's Governmental Affairs unit. In my capacity as Vice President, I direct development of filings related to rate change applications and other approval actions at state regulatory agencies and at the Federal Energy Regulatory Commission ("FERC" or the "Commission"). My duties and responsibilities require knowledge of the statutory and regulatory requirements of each jurisdiction.

Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS TESTIMONY?

A. I am testifying on behalf of EPE.

Q. PLEASE DESCRIBE YOUR BACKGROUND AND YOUR PROFESSIONAL EXPERIENCE.

A. I graduated with a Bachelor of Science in Mechanical Engineering in May 1987 from the University of Texas at El Paso, where I also studied graduate level economics and econometrics. Throughout my career, I have attended and presented material for numerous seminars and workshops related to cost of service, rate and program design, and regulation.

I have been employed by EPE since February 2012, when I joined the Company as a Regulatory Case Manager. In June 2016, I was promoted from Director of Regulatory Affairs to Vice President of Regulatory Affairs. Prior to becoming Director, I was Manager of EPE's Economic & Rate Research group, responsible for EPE's jurisdictional cost of service, rate design, and development of EPE's retail rate schedules and charges. Prior to that, I was a Senior Regulatory Case Manager, responsible for the production, filing, and execution of regulatory applications before both the Public Utility Commission of Texas and the New Mexico Public Regulation Commission.

Prior to joining EPE in February 2012, I spent eighteen years in various regulatory positions at Southern California Edison Company ("SCE"), twelve of those in a managerial capacity. As Manager of Pricing Design and Research, I was responsible for SCE's rates and tariffs during deregulation and changes required following the California power crisis in 2001. I was subsequently promoted to Manager of Tariffs and Advice Letters, with broad responsibility within the regulatory functions for evaluating California statutes, rules, and regulations and managing regulatory efforts at the California Public Utilities Commission.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE FERC OR BEFORE OTHER REGULATORY AGENCIES AND COURTS ON UTILITY-RELATED MATTERS?

A. Yes. I have filed testimony before the Commission in Docket Nos. ER02-925, ER03-142, ER04-1222, and ER06-186, and I have testified many times before state regulators.

Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY AND HOW IT IS ORGANIZED.

A. The purpose of my testimony is to:

1) Identify EPE's projected capital investment in transmission facilities for the period the filed rates are proposed to be in effect;

2) Provide EPE's total transmission plant account balance for the most recent calendar year (i.e., year 2020); and

3) Describe the benefits of moving to an annual formula-based transmission rate.

Q. ARE YOU SPONSORING ANY EXHIBITS IN SUPPORT OF YOUR TESTIMONY IN THIS FILING?

A. Yes. I am sponsoring Exhibit No. EPE-0003 - EPE's Projected Transmission Plant Through Year 2022.

Q. WAS YOUR TESTIMONY PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

A. Yes.

II. EPE'S PROJECTED CAPITAL EXPENDITURES FOR TRANSMISSION

Q. WHAT ARE EPE'S UPCOMING CAPITAL EXPENDITURES FOR TRANSMISSION?

A. I have attached as Exhibit No. EPE-0003, EPE's projected transmission plant account balances through year-end 2022. Year 2022 coincides with the initial year during which EPE's proposed formula rate is expected to be in effect.

III. EPE'S TRANSMISSION PLANT ACCOUNT BALANCE

Q. HAS EPE EXPERIENCED SIGNIFICANT GROWTH IN ITS TOTAL TRANSMISSION PLANT ACCOUNT BALANCE OVER TIME?

A. Yes. At the time EPE last filed rates for its transmission services in the mid-1990s, its total transmission plant account balance was $238,822.547. Since then, EPE's total transmission plant account balance has grown to $572,495,263, as reflected in EPE's FERC Form No. 1 for the 2020 calendar year (pages 206-207 at line 58).

IV. EPE'S PROPOSED FORMULA RATE

Q. **HOW DOES EPE RECOVER ITS TRANSMISSION INVESTMENT?**

A. EPE currently recovers transmission investment through stated rates established in an Offer of Settlement ("Settlement") approved by the Commission by letter order issued in Docket No. OA96-200-004 on June 10, 1998. The Settlement resolved issues concerning rates for Point-to-Point and Network Integration Transmission Services. Such rates have not been modified until now.

Q. WHAT ARE THE BENEFITS OF MOVING TO A FORMULA RATE FROM A STATED RATE?

A. It is important to note that EPE expects to continue to incur significant transmission capital expense to provide and maintain its system. Therefore, moving to a projected formula rate will permit EPE to timely recover those capital investments and thereby avoid the regulatory lag associated with preparing, filing, litigating and resolving individual section 205 stated rate proceedings, which can be extensive and costly in both resources and time. Through a formula rate, EPE's transmission rates will more accurately and timely reflect the actual costs EPE incurs to provide transmission service.

In addition, aligning EPE's transmission rates with its costs through an updated and projected formula rate tends to reduce "rate shock" or sudden jumps in rates that can occur when stated rate cases are filed years apart. Thus, transmission formula rates allow customers greater regulatory certainty and the ability to more accurately budget for transmission costs. A formula rate should also help EPE to minimize its financing costs, which, in turn, mitigates the costs of providing service.

Finally, I note that EPE's proposed transmission formula rate structure incorporates transparency to transmission customers and the Commission. For example, the formula rate protocols require the submittal of annual information filings, as well procedures for data and information exchange regarding EPE's implementation of the formula.

Q. **WHY IS THE USE OF A FORMULA RATE HELPFUL IN KEEPING FINANCING COSTS DOWN?**

A. EPE must maintain its ability to access capital at all times to plan, construct, maintain, and operate its transmission system. To do so at reasonable cost, EPE needs to demonstrate solid capital structure ratios, predictable and stable cash flows, and a competitive and reasonable rate of return, among other factors. A formula rate will promote financial stability, enhance predictable and stable cash flows, and support the Company's debt coverage and repayment, thereby enhancing EPE's ability to access credit on reasonable terms, which is favorable to both EPE and its customers.

V. CONCLUSION

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	)	Docket No. ER22-___-000

VERIFICATION

Pursuant to 28 U.S.C. § 1746 (2000), I state under penalty of perjury that I am the James A. Schichtl referred to in the foregoing "Prepared Direct Testimony of James A. Schichtl on Behalf of El Paso Electric Company," that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Executed this 29th day of October, 2021.

JAMES A. SCHICHTL

Projected Transmission Plant Through Year-End 2022

Line	Month &Year	Projected Plant Additions	Transmission Plant in Service
	(a)	(b)	(c)
1	Dec-20		572,495,263
2	Jan-21	$ 221,000	$ 572,716,263
3	Feb-21	$ 936,000	$ 573,652,263
4	Mar-21	$ 946,000	$ 574,598,263
5	Apr-21	$ 1,695,000	$ 576,293,263
6	May-21	$ 4,234,000	$ 580,527,263
7	Jun-21	$ 870,000	$ 581,397,263
8	Jul-21	$ 958,000	$ 582,355,263
9	Aug-21	$ 874,000	$ 583,229,263
10	Sep-21	$ 1,532,000	$ 584,761,263
11	Oct-21	$ 1,138,000	$ 585,899,263
12	Nov-21	$ 1,279,000	$ 587,178,263
13	Dec-21	$ 15,987,000	$ 603,165,263
14	Jan-22	$ 1,346,000	$ 604,511,263
15	Feb-22	$ 1,238,000	$ 605,749,263
16	Mar-22	$ 1,362,000	$ 607,111,263
17	Apr-22	$ 4,589,000	$ 611,700,263
18	May-22	$ 3,528,000	$ 615,228,263
19	Jun-22	$ 1,531,000	$ 616,759,263
20	Jul-22	$ 4,936,000	$ 621,695,263
21	Aug-22	$ 1,531,000	$ 623,226,263
22	Sep-22	$ 2,652,000	$ 625,878,263
23	Oct-22	$ 2,421,000	$ 628,299,263
24	Nov-22	$ 1,538,000	$ 629,837,263
25	Dec-22	$ 35,199,000	$ 665,036,263

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

	)	
El Paso Electric Company	)	**Docket No. ER22-___-000**
	)	

PREPARED DIRECT TESTIMONY OF

JOHN WOLFRAM

ON BEHALF OF

EL PASO ELECTRIC COMPANY

OCTOBER 29, 2021

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	**)))**	**Docket No. ER22-___-000**

PREPARED DIRECT TESTIMONY OF
JOHN WOLFRAM

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is John Wolfram. I am the founder and Principal of Catalyst Consulting LLC, a rate and regulatory consulting firm. My business address is 3308 Haddon Road, Louisville, Kentucky, 40241.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of El Paso Electric Company ("EPE").

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.

A. I received the degree of Bachelor of Science in Electrical Engineering from the University of Notre Dame in South Bend, Indiana, in May 1990. I also received the Master of Science degree in Electrical Engineering from Drexel University in Philadelphia, Pennsylvania, in June 1997, with a concentration in power system modeling and engineering management.

Q. PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.

A. I began my career in 1990 with PJM Interconnection, L.L.C. ("PJM"), where I implemented Energy Management Systems ("EMS") for the reliable operation of the multi-state transmission grid. I left PJM to work with Cincinnati Gas & Electric Company in 1993 on an EMS project before returning to PJM in 1994 during the deregulation of the electric wholesale market. I implemented new practices and tools for PJM in conjunction with Federal Energy Regulatory Commission ("Commission" or "FERC") Order Nos. 888 and 889. In 1997, I joined Louisville Gas & Electric Company ("LG&E"). I worked in Energy Trading and Generation Planning before becoming the Manager of Regulatory Affairs for LG&E and Kentucky Utilities Company ("KU"). In that role, I directed strategic regulatory initiatives with the FERC and with regulators in Kentucky and Virginia, including rate cases, certificates of public convenience and necessity and transmission siting proceedings, compliance & management audits, regional transmission organization ("RTO") membership, and hydroelectric relicensing. I testified many times before the Kentucky Public Service Commission and participated as a panelist in a FERC technical conference on Standards of Conduct. I then served as Director of Customer Service & Marketing for LG&E and KU, where I was responsible for all facets of customer interaction, including marketing, major accounts, walk-in offices, call centers, customer inquiries, economic development, and energy efficiency program design and implementation.

In 2009, I joined The Prime Group, LLC, a rate and regulatory consulting firm, as a Senior Consultant. In that role, I provided consulting services to investor-owned utilities, municipal utilities, and electric cooperatives on matters related to rate design, formula rates, cost of service studies, revenue requirements, open access transmission tariffs, RTO membership, and special rate structures. In 2012, I founded Catalyst Consulting LLC, a rate and regulatory consulting firm specializing in utility rate cases, tariffs, transmission formula rates, and complex regulatory matters.

Q. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?

A. I provide consulting services to electric utilities on matters relating to rate design, cost of service, revenue requirements, special rate structures, and other regulatory matters. I have provided advice on pricing matters and rate design to several transmission-only entities as well as to traditional investor-owned utilities, electric cooperatives, and municipal utilities. I have advised utilities on transmission issues associated with FERC regulation of open access transmission service. I have provided consulting service to transmission-owning members of the Midcontinent Independent System Operator, Inc., PJM, and Southwest Power Pool, Inc. I have advised these clients on transmission formula rates, transmission pricing, transmission planning, cost allocation, and other broad transmission policy initiatives.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE FERC OR BEFORE OTHER REGULATORY AGENCIES ON UTILITY-RELATED MATTERS?

A. Yes. I have filed testimony before the Commission in several proceedings and have testified many times before state regulators. A detailed summary of my experience and previous testimony is provided in Exhibit No. EPE-0005.

Q. WAS YOUR TESTIMONY PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

A. Yes.

II. BACKGROUND

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been requested to develop a formula rate ("Formula Rate Template" or "Template") for determining the Annual Transmission Revenue Requirement ("ATRR") and support the development of the accompanying formula rate protocols ("Protocols") (collectively, the "Formula Rate") for EPE, a transmission-owning electric utility within the footprint of the Western Electric Coordinating Council. The purpose of my testimony is to:

1) Describe the Formula Rate Template (Exhibit No. EPE-0006) proposed by EPE in this proceeding as a new Attachment H-1 to the EPE Open Access Transmission Tariff ("OATT") and, through my testimony, show that it produces a just and reasonable rate on both a locked-in basis from the effective date of this filing until the effective date of the next annual update submitted under the Protocols, as well as on a prospective basis;

2) Describe how the proposed Formula Rate Template and the associated worksheets operate to calculate the projected net revenue requirement;

3) Describe the Protocols proposed by EPE as new Attachment H-2 to the EPE OATT (Exhibit No. EPE-0007) and show that they are transparent and provide EPE's current and future customers and the Commission with procedural safeguards and sufficient information to facilitate the annual review of the inputs to the Formula Rate Template, consistent with Commission requirements;

4) Sponsor a fully populated Template (Exhibit No. EPE-0008) that supports the proposed rates for Network Integration Transmission Service ("NITS"), long-term and short term, firm and non-firm point-to-point transmission service ("PTP service"), and Scheduling, System Control and Dispatch Service (Schedule 1 to the OATT) during the first rate period (calendar year 2022); and

5) Sponsor a summary comparing sales and services and revenues from sales and services under EPE's current OATT versus the fully-populated Template during the locked-in first rate period for each class of service, specifically a comparison of the proposed rate versus the existing stated rates for long-term and short-term firm and non-firm PTP service under Schedule 7 and Schedule 8 for relevant delivery points, including the transmission facilities connecting the Palo Verde Generating Station ("Palo Verde") and the Westwing and Kyrene switching stations ("Palo Verde Facilities") (Exhibit No. EPE-0009).

Q. ARE YOU SPONSORING ANY EXHIBITS IN SUPPORT OF YOUR TESTIMONY IN THIS CASE?

A. Yes. These include:

1)	Exhibit No. EPE-0005	John Wolfram's Curriculum Vitae
2)	Exhibit No. EPE-0006	Attachment H-1, Formula Rate Template
3)	Exhibit No. EPE-0007	Attachment H-2, Formula Rate Implementation

4) Exhibit No. EPE-0008 — Populated Formula Rate Template for First Rate Period; and

5) Exhibit No. EPE-0009 — Effects of Rate Change.

Q. PLEASE DESCRIBE EPE'S EXISTING TRANSMISSION RATES AND REVENUE REQUIREMENT.

A. EPE currently recovers transmission investment at stated rates established through its OATT, which resulted from an Offer of Settlement ("Settlement") submitted in Docket No. OA96-200 and accepted by the Commission in a letter order.[1] The Settlement resolved issues concerning rates for PTP service and NITS. The Settlement provided an ATRR of $31,300,000 and established NITS and PTP service rates. EPE's ATRR and attendant rates have not been modified since.

Q. WHY IS IT REASONABLE FOR EPE TO TRANSITION TO A FORMULA RATE?

A. EPE is proposing to replace the currently effective stated revenue requirement in Attachment H of its OATT with a forward-looking formula rate to account for EPE's current costs and its increasing transmission system investments in the upcoming years. The use of a forward-looking formula rate instead of stated rates will allow EPE to collect a transmission revenue requirement that is representative of the costs of those transmission system investments in the current period, provide greater certainty for cost recovery of capital expenditures, and ensure that customers pay the costs to serve them over the lives of the transmission projects.

[1] The Commission accepted the Settlement in a Letter Order dated June 10, 1998, in Docket No. OA96-200-004.

Moreover, similar formulas and true-up mechanisms have been approved by the Commission in numerous proceedings, including *PJM Interconnection, L.L.C.*, 155 FERC ¶ 61,097 (2016), *NextEra Energy Transmission W., LLC*, 154 FERC ¶ 61,009 (2016), and *PJM Interconnection, L.L.C.*, 152 FERC ¶ 61,180 (2015), among many others. For these reasons, the adoption of a forward-looking formula rate will help EPE prospectively maintain wholesale transmission rates that more closely reflect the costs of providing service and, therefore, are fair, just, and reasonable.

Q. PLEASE DESCRIBE THE PALO VERDE FACILITIES.

A. The Palo Verde Facilities consist of three 500 kV lines, and related facilities, that extend 165 miles in total from Palo Verde near Phoenix, Arizona, with two of the lines extending to the Westwing switching station and one extending to the Kyrene switching station, all facilities located entirely in Arizona. EPE is one of several owners of the Palo Verde Facilities. Additional technical details of the Palo Verde Facilities are provided in the Direct Testimony of Mr. David C. Hawkins. *See* Exhibit No. EPE-0001.

Q. HOW DOES EPE CURRENTLY ADDRESS THE PALO VERDE FACILITIES?

A. EPE provides incrementally priced, i.e., separate from the pricing for service on the portion of EPE's transmission system located in Texas and New Mexico, firm and non-firm, long-term and short-term transmission service on the Palo Verde Facilities pursuant to the current OATT.

Q. HOW DOES EPE PROPOSE TO ADDRESS THE PALO VERDE FACILITIES IN ITS FORMULA RATE?

A. The Palo Verde Facilities are included in the calculations of the overall ATRR. In other words, the costs of all of EPE's transmission facilities, including the Palo Verde Facilities, are reflected in the formula rates presented in this filing, so that the formula rates as designed roll in the costs of all EPE transmission facilities.

III. OVERVIEW OF FORMULA RATE OPERATION

Q. PLEASE PROVIDE AN OVERVIEW OF EPE'S FORMULA RATE FILING IN THIS DOCKET.

A. The proposed Formula Rate consists of the Formula Rate Template and Protocols. In the EPE OATT, Section 34, Schedules 1, 7, and 8, and the current Attachment H will be revised. The Formula Rate Template will be added to the OATT as Attachment H-1 and the Protocols as Attachment H-2 (collectively, "Attachment H"). In place of the currently effective rate for NITS in the current OATT, per-unit charges derived from the Formula Rate Template and Protocols will be specified on page 1 of the Projected Attachment H. Schedules 7 and 8 for firm and non-firm PTP service, respectively, will be revised to replace the respective stated rates with references that the rate will be derived pursuant to the Formula Rate Template and Protocols and a description of how those rates will be calculated in accordance with the Formula Rate Template. Schedule 1 also is revised to reference rates derived from the Formula Rate Template and Protocols.

OATT Attachment H-1, the Formula Rate Template shown in Exhibit No. EPE-0006, is an unpopulated formula rate template that EPE will use to calculate its ATRR. The Formula Rate Template is a forward-looking formula rate for which

EPE will primarily utilize the previous year's FERC Form No. 1 data as inputs (except for instances in which EPE will use 13-month average balances for certain rate base items where the data necessary to calculate the ATRR is not directly available in the prior year's FERC Form No. 1), and will project changes for the upcoming twelve month period for capital project additions, net plant, and certain rate base items, operations and maintenance ("O&M") and administrative and general ("A&G") expense, depreciation expense, taxes other than income taxes ("Other Taxes"), allocators, and the load divisor (referred to in the Protocols as the "Annual Projection"). Each twelve month period from January 1 through December 31 in the Formula Rate Template is a "Rate Year." The resulting projected net revenue requirement from the populated Formula Rate Template will be charged to customers in accordance with the terms and conditions of the EPE OATT throughout that Rate Year.

No later than June 15 following the Rate Year, EPE will calculate the difference between the actual transmission revenues recorded by EPE and EPE's actual net revenue requirement for the Rate Year ("True-Up Amount"). EPE will apply the True-Up Amount (referred to in the Protocols as the "True-Up Adjustment") to the next Rate Year's projected net revenue requirement and resultant rates. The True-Up Adjustment will include an interest component, in accordance with 18 C.F.R. § 35.19a. This overall process will repeat every year and is specified in detail in the proposed Protocols.

The Protocols, which are more fully discussed in Section V of my testimony, set forth the procedures and timelines upon which EPE shall annually implement the Formula Rate Template for each Rate Year. This includes, among other things, mechanisms for (i) providing interested parties advance notice of EPE's implementation of its formula rate through notifications and holding annual "Customer Meetings"; (ii) providing opportunities for interested parties to submit information and document requests related to EPE's posted implementation of its formula rate; (iii) governing both informal and formal challenges by interested parties on EPE's formula rate implementation; and (iv) annually submitting an informational filing to the Commission pertaining to EPE's implementation of its Annual Projection and True-Up Adjustment for a given Rate Year.

Q. WILL THERE BE A NEW EFFECTIVE LOCKED-IN PERIOD FOR THE RATES?

A. Yes. EPE is supporting in this filing rates for the 2022 calendar year by populating the Formula Rate Template with 2020 FERC Form No. 1 data, updated with capital project additions that have occurred in 2021 or are projected to occur in the remainder of 2021 and 2022, along with projections for 2022 of other items subject to estimate, specifically certain rate base items, O&M, A&G, depreciation expense, Other Taxes, allocators, and the load divisor. This means that EPE is essentially performing the steps outlined in the proposed Protocols to populate the Formula Rate Template and develop an initial set of proposed rates.

Q. WHAT IS THE PROPOSED EFFECTIVE DATE FOR THE 2022 CALENDAR YEAR RATES?

A. EPE seeks an effective date of January 1, 2022, for the 2022 calendar year rates.

Q. HOW WILL THE FORMULA RATE OPERATE ON AN ANNUAL BASIS?

A. By June 15 each year, EPE will project the annual revenue requirement (as stated above based on the previous year's FERC Form No. 1 data as inputs, along with projected changes for capital project additions, net plant, certain rate base items, O&M and A&G expense, depreciation and amortization expenses, income taxes, other taxes, allocators, the load divisor, and return on rate base) for the upcoming Rate Year (as I noted earlier, this is referred to in the Protocols as the "Annual Projection"). Using this Annual Projection, EPE will then calculate the rate to be placed in effect for the upcoming Rate Year pursuant to the Formula Rate Template.

After the Rate Year, by no later than June 15, EPE will calculate the actual revenue requirement (based on actual rate base and expenses noted in the FERC Form No. 1 and company books and records and a calculation of actual return on rate base) and the difference between the actual transmission revenues recorded by EPE and the actual net revenue requirement for the Rate Year ("True-Up Amount"). EPE will use this True-Up Amount, plus appropriate interest, to adjust the projected revenue requirement for the subsequent Rate Year (as I noted earlier, this is referred to in the Protocols as the "True-Up Adjustment").

Q. PLEASE PROVIDE AN EXAMPLE OF HOW THE FORMULA WOULD FUNCTION.

A. As an example, after implementing the calendar year 2022 rates in this filing, EPE will:

- By no later than June 15, 2022:
  - project the revenue requirement for the Rate Year from January 1, 2023, through December 31, 2023, by fully populating

the Formula Rate Template with EPE's actual costs and expenses for the 2021 Rate Year.

- From January 1, 2022 through December 31, 2022:
  - collect the projected net revenue requirement from its customers pursuant to the terms and conditions of the EPE OATT.
- By no later than June 15, 2023:
  - calculate the True-Up Adjustment for the 2022 Rate Year by populating the Formula Rate Template with EPE's actual 2022 costs and expenses, comparing that to the actual transmission revenues recorded by EPE for the 2022 Rate Year, and incorporating that difference plus interest into the projected net revenue requirement for the 2024 Rate Year.

The time frames listed above are specifically set forth in the proposed Protocols.

Q. PLEASE EXPLAIN WHY THE PROPOSED FORMULA IS REASONABLE.

A. The proposed Formula Rate is based on the traditional cost-of-service formula of return on rate base plus O&M, A&G, depreciation, Other Taxes, income taxes, less other operating revenues, and is similar to the templates, protocols, and true-up mechanisms approved by the Commission in numerous other proceedings, including *PJM Interconnection, L.L.C.*, 155 FERC ¶ 61,097 (2016), *NextEra Energy Transmission W., LLC*, 154 FERC ¶ 61,009 (2016), and *PJM Interconnection, L.L.C.*, 152 FERC ¶ 61,180 (2015). The proposed Formula Rate allows EPE to collect a rate that: (1) is representative of the costs of transmission system investment EPE incurs in the current, relevant period; (2) provides for greater certainty for cost recovery of transmission capital expenditures; and (3) ensures that customers pay the actual cost to serve them over the lives of the facilities.

Q. PLEASE EXPLAIN THE PROPOSED INTEREST CALCULATION AND WHY IT IS REASONABLE.

A. As mentioned above, the interest on any over- or under-recovery of the net revenue requirement would be calculated based on the interest rates set forth in section 35.19a of the Commission's regulations. EPE proposes to use the average of the Commission's four most recently posted annual interest rates, converted to an average monthly interest rate, to calculate the interest payable for the months during which the over- or under-recovery in the ATRR exists.

Q. HOW DOES THE INITIAL IMPLEMENTATION OF THE FORMULA RATE FOR THE FIRST RATE YEAR, 2021, COMPARE TO THE STATED RATES AS OF THE DATE OF THIS FILING?

A. It is important to note that EPE has not filed for a rate change of its NITS or PTP transmission services since its initial OATT rate was approved in 1998. Therefore, as expected, the implementation of the formula rate for 2022 represents a rate increase for EPE's NITS and PTP transmission services. The estimate of the annual effect on customer rates is provided in Exhibit No. EPE-0009 - Effects of Rate Change.

IV. <u>DESCRIPTION OF FORMULA RATE METHODOLOGY</u>

Q. PLEASE DESCRIBE IN DETAIL THE ACTUAL APPLICATION OF THE PROPOSED FORMULA RATE.

A. The Formula Rate Template includes all of the corresponding worksheets that EPE incorporates into Attachment H-1 of its OATT. The Template includes the determination of the ATRR, which produces the resultant NITS rates found on Attachment H, the PTP service rates found in Schedules 7 and 8 of the OATT, and the Scheduling, System Control and Dispatch rates found in Schedule 1. EPE includes the Attachment H-1, Formula Rate Template in this filing as Exhibit No. EPE-0006.

The proposal replaces the current stated revenue requirements set forth in Attachment H of the OATT with the Template, which is presented first on an actual basis (labeled Actual Attachment H) and then on a projected basis (labeled Projected Attachment H). (Because the Projected Attachment H and the Actual Attachment H are similarly structured, I will refer to them collectively in my testimony as "Attachment H" unless specified otherwise.)

Q. PLEASE FURTHER DESCRIBE ATTACHMENT H.

A. Page 1 of Attachment H summarizes the ATRR calculations for EPE. Pages 2 and 3 of Attachment H calculate the traditional net plant revenue requirement for all transmission facilities for EPE. The gross revenue requirement is the sum of O&M, depreciation expense, other taxes, income taxes, and return on rate base. The underlying cost data reflect EPE's costs of service (as projected and later trued-up to data reported in the FERC Form No. 1 and other inputs to the formula).

Attachment H also includes, beginning on page 4, a listing of "Supporting Calculations and Notes" that are inputs to the basic formula on pages 1 through 3, specifically: (a) the Transmission Plant allocator (page 4, line 5); (b) the Transmission Expense allocator (page 4, line 11); (c) the Wages & Salaries allocator (page 4, line 16); (d) the Common Plant allocator (page 4, line 17); and

(e) the capital structure and overall Rate of Return ("R") (page 4, lines 21-31). These supporting calculations and notes are followed by explanatory notes on page 5. Note that allocators for Gross Plant and Net Plant are determined on page 2 (lines 6 and 18 respectively).

On Attachment H and its associated worksheets, the data is presented in rows with a title, description, source (which is often a page reference to the FERC Form No. 1 or an attached worksheet), total company value, allocation factor to be applied, and the transmission-related amount that results from the application of the allocation factor to the total company value.

Q. YOU NOTED THE USE OF ALLOCATION FACTORS IN ATTACHMENT H AND VARIOUS WORKSHEETS, PLEASE DISCUSS FURTHER.

A. The application of allocation factors to total company values adheres to accepted practices for cost functionalization and classification in transmission formula rates. Allocators are calculated and applied in Attachment H, as described below. These include allocators for Gross Plant, Net Plant, Transmission Plant, Transmission Expense, Wages & Salaries, and Common Plant.

Q. DISCUSS THE WORKSHEETS SUPPORTING ATTACHMENT H.

A. Attachment H is supported by numerous other worksheets. The worksheets are largely split between those including actual or historical data (labeled as Worksheets A1 through A9) and those including projected data (labeled as Worksheets P1 through P7), with Worksheet TU bridging the actuals and projection by calculating the True-Up Adjustment. The worksheets support the calculations in Attachment H with respect to revenue requirements, rate base, True-Up Adjustment, revenue credits, depreciation, peak demand, and other items.

Q. PLEASE DESCRIBE EACH OF THE WORKSHEETS THAT SUPPORT ATTACHMENT H.

A. Descriptions are provided as follows:

- Worksheet A1 calculates the revenue credits associated with Accounts 454 (Rent from Electric Property) and 456.1 (Other Electric Revenues).
- Worksheet A2 provides support for certain A&G expense items, including Electric Power Research Institute ("EPRI") dues, regulatory commission expenses and safety-related advertising.
- Worksheet A3-1 provides supporting data for the accumulated deferred income tax ("ADIT") values.
- Worksheet A3-2 presents additional details and supporting data for the actual ADIT and Accumulated Deferred Investment Tax Credits.
- Worksheet A4 provides supporting data for the rate base adjustments.
- Worksheet A5 lists the depreciation rates.
- Worksheet A6 presents the actual transmission load that is used in the divisor of the per-unit rate calculations for the actual ATRR.
- Worksheet A7 presents the actual "incentive plant" data for any future projects for which EPE may seek and the Commission may approve a return on equity ("ROE") incentive adder; for now this worksheet will remain unpopulated.
- Worksheets A8-1 and A8-2 present the actual Excess/Deficient Deferred Income Tax ("EDIT") calculations.
- Worksheet A9 presents the actual cost of capital calculations.

- Worksheet TU calculates the True-Up Amount before interest and the True-Up Adjustment (which includes interest).
- Worksheet P1 presents the projected transmission plant additions and associated accumulated depreciation amounts.
- Worksheet P2 calculates the projected O&M expenses.
- Worksheet P3 calculates the projected transmission network load that is used in the divisor of the per-unit rate calculations for the Projected ATRR.
- Worksheet P4 presents the projected "incentive plant" data for any future projects for which EPE may seek and the Commission may approve an ROE incentive adder in the future; for now this worksheet will remain unpopulated.
- Worksheet P5-1 presents the projected ADIT calculations.
- Worksheet P5-2 presents additional details and supporting data for the projected ADIT and Accumulated Deferred Investment Tax Credits.
- Worksheets P6-1 and P6-2 present the projected EDIT calculations.
- Worksheet P7 presents the projected adjustments to rate base.

Q. PLEASE DESCRIBE HOW RATE BASE IS CALCULATED PURSUANT TO THE FORMULA RATE TEMPLATE.

A. Rate base is calculated as the sum of total net plant, adjustments to rate base, land held for future use, and total working capital.

Q. PLEASE DESCRIBE HOW THE NET PLANT COMPONENT OF RATE BASE IS DETERMINED.

A. Net plant is determined as the difference between gross plant (excluding asset retirement costs) and accumulated depreciation and amortization. All plant balances are calculated based on 13-month averages, for which the details are developed in Worksheet A4. Thereafter, transmission plant is allocated using the Transmission Plant allocator. General and Intangible Plant are functionalized using the Wages & Salaries allocator. Common plant is functionalized using the Common Plant allocator.

Q. PLEASE DISCUSS ANY ADJUSTMENTS MADE TO RATE BASE AND HOW THEY ARE DETERMINED.

A. Adjustments to rate base are calculated on Worksheet A4. ADIT and Accumulated Deferred Investment Tax Credits are calculated on Worksheets A3-1 and A3-2 respectively. I describe these later in my testimony. Construction Work In Progress ("CWIP"), unamortized balances for regulatory assets, and unfunded reserves are calculated on Worksheet A4. EDIT is calculated on Worksheets A8-1 and A8-2. Working capital is detailed on Actual Attachment H, page 2, lines 28-31 and includes Cash Working Capital (calculated as one-eighth of total O&M and A&G expenses, consistent with Commission practice), Materials & Supplies (detailed on Worksheet A4), and Prepayments (also detailed on Worksheet A4). Land Held for Future Use is also included on Worksheet A4. All of the amounts on Worksheet A4 are calculated as the average of the 13-month balances.

The Formula Rate Template also includes placeholders for future incentive rate treatments. CWIP is included in the Formula Rate Template at Actual Attachment H, page 2, line 19, and reflects any Commission-approved 13-month average balances as shown on Worksheet A4. Currently, CWIP serves as a placeholder in the Formula Rate Template and any amounts included in CWIP would first be authorized by a specific Commission order.

All of these items are included on page 2 of Actual Attachment H.

Q. PLEASE DISCUSS THE DEVELOPMENT OF O&M EXPENSES.

A. The total O&M expense is determined in Actual Attachment H on page 3. Transmission O&M is allocated using the Transmission Expense allocator, property insurance is allocated using the Gross Plant allocator, and all other A&G expense is functionalized to transmission using the Wages & Salaries allocator. A&G expense is adjusted to remove regulatory commission expenses, EPRI dues, and promotional advertising. Regulatory commission expenses directly related to transmission are added back on line 4c. Ancillary Service costs in Account 561 and items booked to Account 565 (Transmission by Others) are excluded. These items are detailed on Worksheet A2.

The Post-Retirement Benefits Other Than Pensions ("PBOP") rates are supported by an actuarial report performed by an independent third party as described in the Direct Testimony of Ms. Cynthia S. Prieto. *See* Exhibit No. EPE-0012. As reflected in the Template on Actual Attachment H, page 3, the stated PBOP amounts may only be changed subsequently from these levels pursuant to a separate Federal Power Act ("FPA") section 205 or section 206 filing. This treatment is consistent with *Trans-Allegheny Interstate Line Co*., 124 FERC ¶ 61,075 (2008). In particular, the amount included in Actual Attachment H, page 3, line 4d is the sum of EPE's classified and unclassified net periodic benefit costs, which are found in the actuarial report provided in Ms. Prieto's Exhibit No. EPE-0013.

Q. HOW IS EPE SEEKING TO RECOVER ITS REGULATORY EXPENSES ASSOCIATED WITH THIS PROCEEDING?

A. EPE projects that it will incur regulatory expenses associated with this rate filing including attorney's fees, and consultant fees. EPE will amortize this amount over three years as reflected in Worksheet A2, line 10 and/or Worksheet P2, line 10a. This is a reasonable amortization period consistent with similar filings. This amount will be subject to true-up for actual costs in accordance with the Protocols upon a final, non-appealable order on EPE's rate filing.

Q. PLEASE DESCRIBE HOW EPE ACCOUNTS FOR A&G AND HOW THOSE EXPENSES ARE DETERMINED IN THE FORMULA RATE TEMPLATE.

A. I rely on the testimony of Ms. Cynthia S. Prieto in Exhibit No. EPE-0012 that describes the accounting procedures and practices for EPE related to A&G expense, the extent to which A&G expenses are directly assigned to particular functions, and how the accounting practices are consistent with the Commission's Uniform System of Accounts. The A&G expenses are allocated to transmission pursuant to the standard Wages & Salaries allocator.

Q. PLEASE DESCRIBE HOW DEPRECIATION AND AMORTIZATION EXPENSES ARE DETERMINED IN THE FORMULA RATE TEMPLATE.

A. Total Transmission Depreciation and Amortization Expense is shown on Attachment H on page 3. It is the sum of transmission plant depreciation and amortization expense plus general plant depreciation and intangible plant amortization, plus Common Plant, plus amortization of abandoned plant cost, functionalized to transmission.

The depreciation rates that yield those depreciation expenses are presented on Worksheet A5 and cannot be changed subsequently absent Commission approval. The transmission depreciation rates proposed by EPE are supported in the Direct Testimony of John J. Spanos in Exhibit No. EPE-0029.

General and Intangible Depreciation is functionalized to transmission by the Wages & Salaries allocation factor. Common plant, if any, is functionalized to transmission by the Common Plant allocation factor (developed on Attachment H page 4 as the transmission plant percent of total plant times the transmission Wages & Salaries allocator). The Formula Rate Template also includes a provision for including the amortization of any unrecovered abandoned plant costs; this amortization is directly assigned to the transmission function. Currently, this serves as a placeholder in the Formula Rate Template and any amounts included for amortization of abandoned plant would need to first be authorized by a specific Commission order.

Q. PLEASE DISCUSS HOW THE FORMULA DEVELOPS TAXES OTHER THAN INCOME TAXES.

A. Other Taxes are functionalized to transmission and specified at Attachment H, page 3, lines 13-20. Labor-related taxes are functionalized by the Wages & Salaries allocator (page 3, lines 13-14). Real and personal property taxes are functionalized by the Net Plant allocator. Gross receipts taxes are excluded (page 3, line 17).

Q. PLEASE DISCUSS HOW THE FORMULA DEVELOPS INCOME TAXES.

A. Federal and state income taxes (Attachment H, page 3, lines 21-27) are calculated using a comprehensive formula that has been accepted by the Commission in numerous formula rates. The tax components are the State Income Tax Rate (or

Composite) ("SIT"), Federal Income Tax Rate ("FIT"), and the percent ("p"), if any, of federal income tax deductible in the calculation of state income tax. These components are specified in Note K. The FIT, SIT, and the p are all data enterable fields. In other words, the FIT and SIT will reflect the currently effective FIT and SIT on October 1 for the upcoming Rate Year. The composite federal/state income tax rate ("T") is calculated on line 21, where:

$$T = 1-\{[(1-SIT) * (1-FIT)] / (1-SIT * FIT * p)\}$$

The Income tax Gross Up Rate, 1/(1-T), is calculated on line 23.

The EDIT and the Permanent Differences Tax adjustments ("Tax Adjustments") are shown at lines 24 through 25. The respective revenue effects of the Tax Adjustments are calculated by multiplying each of them by the Income Tax Gross Up Rate, the products of which are functionalized to transmission using the Net Plant Allocator.

The income tax component is calculated as the product of (T/1-T) times the portion of the investment return that is taxable times the investment return.

Total income taxes (line 27) are the sum of the income tax component (line 26) and the Tax Adjustments.

Q. DOES THE FORMULA RATE TEMPLATE INCLUDE PERMANENT WORKSHEETS FOR SPECIFIC ADIT AND EDIT INFORMATION PURSUANT TO FERC ORDER NO. 864?

A. Yes. The Formula Rate Template includes permanent worksheets to incorporate ADIT and EDIT information into the formula rate, consistent with the requirements of FERC Order No. 864. Worksheets A3-1, A3-2, A8-1, and A8-2 provide the specified ADIT and EDIT information for the actual rate year and Worksheets P5-1, P5-2, P6-1 and P6-2 provide similar information for the projected test year.

Q. PLEASE DISCUSS HOW THE FORMULA DEVELOPS THE RETURN ON RATE BASE.

A. The return on rate base is the transmission rate base multiplied by the overall rate of return ("R"), which is determined on page 4 of Attachment H. R is the sum of the weighted cost rates for long term debt, preferred stock (if any), and common stock. The amounts of proprietary capital, preferred stock, and long term debt are based on 13-month average balances presented on Worksheet A9. The ROE and capital structure used in the Formula Rate Template are supported in the Direct Testimony of Mr. Adrien M. McKenzie. *See* Exhibit No. EPE-0016. ROE is proposed as a fixed entry in Attachment H-1 and cannot be changed subsequently absent a FPA section 205 filing or 206 proceeding and an accompanying order by the Commission. Capital structure and cost of debt will reflect the prior year's FERC Form No. 1 data adjusted to reflect any projected changes for an upcoming Rate Year.

Q. PLEASE DESCRIBE HOW THE FORMULA RATE TEMPLATE IDENTIFIES AND ALLOCATES REVENUE CREDITS.

A. EPE credits against the ATRR the revenues received for rent from electric property in Account 454 and other electric revenues in Account 456.1. Those revenue credits are allocated based on the nature of individual line items, as provided on Worksheet A2.

Q. PLEASE EXPLAIN HOW RATES FOR EPE'S VARIOUS SERVICES ARE DETERMINED FROM THE ATRR.

A. EPE utilizes the standard 12 coincident peak (12-CP) method, i.e., costs are allocated to services based on the average of the twelve month peaks coincident with the system peak or the contract demand. This is consistent with the conventional Commission practice for developing transmission rates.

Q. PLEASE DISCUSS HOW THE PROJECTED NET REVENUE REQUIREMENT IS DETERMINED IN THE FORMULA RATE TEMPLATE.

A. The ATRR presented on the Projected Attachment H ("Annual Projection") incorporates EPE's anticipated transmission project additions and forecasted system load. The Projected Attachment H structure resembles the Actual Attachment H, in that the ATRR calculation includes O&M, depreciation, Other Taxes, income taxes, and a return on rate base. The rate base is calculated by adding the transmission plant that EPE expects to place in service before the end of the projected Rate Year to the existing rate base. The anticipated transmission plant additions and accumulated depreciation are summarized on Worksheet P1. The projected O&M and A&G data items are provided on Worksheet P2.

Thereafter, EPE uses the projected system load data to calculate the per-unit charges on page 1 of the Projected Attachment H. EPE provides the load data on Worksheet P3. All of this is consistent with the Commission-accepted methods for determining the Projected ATRR.

Q. PLEASE EXPLAIN IN DETAIL HOW EACH COMPONENT SUBJECT TO A PROJECTION WILL BE ESTIMATED FOR THE UPCOMING RATE YEAR?

A. Gross plant, accumulated depreciation, net plant in service, and certain other rate base items, including ADIT, will be projected based on projected plant expected to be placed into service in the upcoming Rate Year. The projected change in O&M, A&G, and Other Taxes is based on the percentage change in net plant for the projected rate year relative to the actual Rate Year. The projected divisor is based on EPE's projected load for the upcoming year.

Q. WHAT IS THE PROCESS FOR DETERMINING THE PROJECTED PLANT IN SERVICE IN THE UPCOMING RATE YEAR?

A. The projected plant will be based on EPE's annual corporate budgeting process. The results of this budgeting process, as well as other transmission planning processes, will form the basis for the projected plant to be included in the Rate Year.

Q. HOW DOES THE FORMULA RATE ADDRESS INCENTIVE RATE TREATMENTS FOR EPE PROJECTS?

A. As discussed throughout my testimony, the Template includes data fields for particular transmission incentive rate treatments. These include CWIP and incentive ROE adders. At this time, the CWIP and ROE incentives are merely placeholders in the Template. The CWIP incentive is included in Actual Attachment H, page 2, line 19 and in Projected Attachment H, page 2, line 10. The incentive ROE adders are addressed on Worksheets A7 and P4. These and other incentive rate treatments must be separately approved by the Commission and, absent such approval, the appropriate fields in the Template shall remain set to zero.

Q. HOW IS THE TRUE-UP ADJUSTMENT DETERMINED IN THE FORMULA RATE?

A. The True-Up Amount is calculated as the difference between actual transmission revenues recorded by EPE for the Rate Year and the Actual ATRR for the Rate Year in question (absent any previous true-up adjustments). The True-Up Adjustment is the True-Up Amount plus the interest calculated in accordance with 18 C.F.R. § 35.19a. The True-Up Adjustment is determined on Worksheet TU, consistent with the proposed Protocols.

Q. DO THE INITIAL RATES INCLUDE A TRUE-UP ADJUSTMENT?

A. No; for the initial Rate Year, the True-Up Adjustment is zero. Because this filing represents the first year of a transition from stated rates to a formula rate template, there is no historical rate year that qualifies for a True-Up Adjustment pursuant to the proposed Protocols. If this filing is made effective on January 1, 2022, the true-up will first be calculated in 2023 and will be adjusted on pro-rata basis as described in the Protocols, for inclusion in the projected rates for Rate Year 2024.

Q. HOW DOES THE FORMULA RATE ADDRESS TRANSMISSION FACILITIES DIRECTLY ASSIGNED TO SPECIFIC CUSTOMERS?

A. The cost of facilities that are the responsibility of (and therefore are directly assigned to) specific customers are not included in the Formula Rate Template. The cost of facilities that are not directly assigned to specific customers are included in the Formula Rate Template.

Q. PLEASE DESCRIBE HOW THE FORMULA RATE TEMPLATE CALCULATES THE ANCILLARY SERVICE SCHEDULE 1 RATE FOR SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE.

A. Schedule 1 calculates the total costs recorded in Account 561 for load dispatch and scheduling, less the Short Term PTP service revenues. The net amount is the Schedule 1 annual revenue requirement before true-up. That amount is subject to a true-up which compares the previously-projected Schedule 1 revenue requirement to the actual revenues, and the difference is rolled into the "Net Schedule 1 Annual Revenue Requirement." Interest is applied in the same manner as it is applied on Worksheet TU described before in my testimony. The annual rate is determined as the Net Schedule 1 Annual Revenue Requirement divided by the projected divisor from Worksheet P3.

V. <u>FORMULA RATE PROTOCOLS</u>

Q. PLEASE PROVIDE AN OVERVIEW OF THE PROPOSED FORMULA RATE PROTOCOLS.

A. Consistent with Commission precedent, the Protocols describe the timing of the True-Up Adjustment and Annual Projection, including associated posting requirements; Information Exchange Procedures for both the True-Up Adjustment and Annual Projection; Challenge Procedures for the True-Up Adjustment; and Changes to the True-Up Adjustment. Informational filings will be made with the Commission for the True-Up Adjustment.

Q. PLEASE DESCRIBE THE PROCESSES IDENTIFIED ABOVE IN MORE DETAIL.

A. The Protocols require EPE, annually by June 15th, to post a populated version of the Formula Rate Template and supporting information, in electronic spreadsheet form and with formulas intact, on EPE's OASIS for both the Annual Projection and the True-Up Adjustment. EPE will provide notice of such postings to interested parties and will hold open meetings with interested parties to discuss the data, inputs, and rates in these postings.

The Protocols establish timelines for the interested parties to serve reasonable information requests and for EPE to provide responses. The Protocols also describe the steps for informal and formal challenges. The Protocols neither limit the rights of EPE to file changes to the Formula Rate pursuant to section 205 of the FPA, nor do they limit the rights of any party to file a complaint requesting changes to the Formula Rate pursuant to section 206 of the FPA.

Q. WHY ARE THE PROPOSED PROTOCOLS JUST AND REASONABLE?

A. The proposed Protocols are just and reasonable because they provide a process pursuant to which EPE recovers the cost of providing transmission services under its OATT. The Protocols provide an opportunity for broad participation by interested parties, with the requisite level of transparency to interested parties and the Commission and provide EPE's customers and other interested parties with procedural safeguards and sufficient information to facilitate the annual review of the inputs to the Formula Rate Template. Consistent with the Commission's instructions to other entities with forward-looking formula rates, EPE's Protocols satisfy the Commission's concerns with respect to: (i) scope of participation in EPE's information exchange process; (ii) the transparency of the information exchange; and (iii) the ability of interested parties to challenge EPE's implementation of the Formula Rate True-Up Adjustment as a result of the information exchange.

VI. CONCLUSION

Q. WHAT IS YOUR RECOMMENDATION TO THE COMMISSION IN THIS PROCEEDING?

A. For the reasons discussed above, the Commission should accept the proposed Formula Rate Template and Protocols as filed. EPE is proposing to implement a formula rate with a Template and Protocols that support Commission policies and comply with Commission precedent. The allocation factors used to functionalize and classify costs in the formula rate reflect Commission ratemaking methods. The use of a projected revenue requirement and the true-up mechanism based on the actual revenue requirement are also consistent with Commission precedent. The data used in the formula rate is sourced from the FERC Form No. 1 or for items for which more granular detail is required, from company records noted on the worksheets included with Attachment H-1, the Formula Rate Template. The proposed Protocols provide transparency, as well as procedural safeguards and sufficient information to EPE's current and future customers to facilitate the annual review of the inputs to the Formula Rate Template, consistent with Commission requirements.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	)	Docket No. ER22-___-000

VERIFICATION

Pursuant to 28 U.S.C. § 1746 (2000), I state under penalty of perjury that I am the John Wolfram referred to in the foregoing "Prepared Direct Testimony of John Wolfram on Behalf of El Paso Electric Company," that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Executed this 29th day of October, 2021.

____
JOHN WOLFRAM

JOHN WOLFRAM

Summary of Qualifications

Provides consulting services to investor-owned utilities, rural electric cooperatives, and municipal utilities regarding utility rate and regulatory filings, cost of service studies, wholesale and retail rate designs, tariffs and special contracts, formula rates, and other analyses.

Employment

CATALYST CONSULTING LLC — June 2012 – Present
Principal

Provide consulting services in the areas of tariff development, formula rates, regulatory analysis, economic development, revenue requirements, cost of service, rate design, special rates, audits, rate filings, and other utility regulatory areas.

THE PRIME GROUP, LLC — March 2010 – May 2012
Senior Consultant

LG&E and KU, Louisville, KY — 1997 - 2010
(Louisville Gas & Electric Company and Kentucky Utilities Company)
Director, Customer Service & Marketing (2006 - 2010)
Manager, Regulatory Affairs (2001 - 2006)
Lead Planning Engineer, Generation Planning (1998 - 2001)
Power Trader, LG&E Energy Marketing (1997 - 1998)

PJM INTERCONNECTION, LLC, Norristown, PA — 1990 - 1993; 1994 - 1997
Project Lead – PJM OASIS Project
Chair, Data Management Working Group

CINCINNATI GAS & ELECTRIC COMPANY, Cincinnati, OH — 1993 - 1994
Electrical Engineer - Energy Management System

Education

Bachelor of Science Degree in Electrical Engineering, University of Notre Dame, 1990
Master of Science Degree in Electrical Engineering, Drexel University, 1997
Leadership Louisville, 2006

Associations

Senior Member, Institute of Electrical and Electronics Engineers (“IEEE”) & Power Engineering Society

Expert Witness Testimony & Proceedings

FERC: Submitted direct testimony for TransCanyon Western Development, LLC in FERC Docket No. ER21-1065 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Cleco Power LLC in FERC Docket No. ER21-370 regarding a proposed rate schedule for Blackstart Service under Schedule 33 of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff.

Submitted direct testimony for Constellation Mystic Power, LLC in FERC Docket No. ER18-1639-005 supporting a compliance filing for a cost-of-service rate for compensation for the continued operation of power plants in ISO New England.

Submitted direct testimony for DATC Path 15, LLC in FERC Docket No. ER20-1006 regarding a proposed wholesale transmission rate.

Submitted direct testimony for Tucson Electric Power Company in FERC Docket No. ER19-2019 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Cheyenne Light, Fuel & Power Company in FERC Docket No. ER19-697 regarding a proposed Transmission Formula Rate.

Supported Kansas City Power & Light in FERC Docket No. ER19-1861-000 regarding revisions to fixed depreciation rates in the KCP&L SPP Transmission Formula Rate.

Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket No. ER19-269-000 regarding revisions to fixed depreciation rates in the Westar SPP Transmission Formula Rate.

Submitted direct testimony for Midwest Power Transmission Arkansas, LLC in FERC Docket No. ER15-2236 regarding a proposed Transmission Formula Rate.

Submitted direct testimony for Kanstar Transmission, LLC in FERC Docket No. ER15-2237 regarding a proposed Transmission Formula Rate.

Supported Westar Energy and Kansas Gas & Electric Company in FERC Docket Nos. FA15-9-000 and FA15-15-000 regarding an Audit of Compliance with Rates, Terms and Conditions of Westar's Open Access Transmission Tariff and Formula Rates, Accounting Requirements of the Uniform System of Accounts, and Reporting Requirements of the FERC Form No. 1.

Submitted direct testimony for Westar Energy in FERC Docket Nos. ER14-804 and ER14-805 regarding proposed revisions to a Generation Formula Rate.

Supported Intermountain Rural Electric Association and Tri-State G&T in FERC Docket No. ER12-1589 regarding revisions to Public Service of Colorado's Transmission Formula Rate.

Supported Intermountain Rural Electric Association in FERC Docket No. ER11-2853 regarding revisions to Public Service of Colorado's Production Formula Rate.

Supported Kansas Gas & Electric Company in FERC Docket No. FA14-3-000 regarding an Audit of Compliance with Nuclear Plant Decommissioning Trust Fund Regulations and Accounting Practices.

Supported LG&E Energy LLC in FERC Docket No. PA05-9-000 regarding an Audit of Code of Conduct, Standards of Conduct, Market-Based Rate Tariff, and MISO's Open Access Transmission Tariff at LG&E Energy LLC.

Submitted remarks and served on expert panel in FERC Docket No. RM01-10-000 on May 21, 2002 in Standards of Conduct for Transmission Providers staff conference, regarding proposed rulemaking on the functional separation of wholesale transmission and bundled sales functions for electric and gas utilities.

Kansas: Submitted report for Westar Energy, Inc. in Docket No. 21-WCNE-103-GIE regarding plans and options for funding the decommissioning trust fund, depreciation expenses, and overall cost recovery in the event of premature closing of the Wolf Creek nuclear plant.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 18-WSEE-328-RTS regarding overall rate design, prior rate case settlement commitments, lighting tariffs, an Electric Transit rate schedule, Electric Vehicle charging tariffs, and tariff general terms and conditions.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 18-KG&E-303-CON regarding the Evaluation, Measurement and Verification (“EM&V”) of an energy efficiency demand response program offered pursuant to a large industrial customer special contract.

Submitted report for Westar Energy, Inc. in Docket No. 18-WCNE-107-GIE regarding plans and options for funding the decommissioning trust fund, depreciation expenses, and overall cost recovery in the event of premature closing of the Wolf Creek nuclear plant.

Submitted direct and rebuttal testimony for Westar Energy, Inc. in Docket No. 15-WSEE-115-RTS regarding rate designs for large customer classes, establishment of a balancing account related to new rate options, establishment of a tracking mechanism for costs related to compliance with mandated cyber and physical security standards, other rate design issues, and revenue allocation.

Kentucky: Submitted direct testimony on behalf of Jackson Purchase Energy Corporation in Case No. 2021-00358 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony and responses to data requests on behalf of Big Rivers Electric Corporation in Case No. 2021-00289 regarding a Large Industrial Customer Standby Service Tariff.

Submitted direct testimony on behalf of Big Rivers Electric Corporation and Jackson Purchase Energy Corporation in Case No. 2021-00282 regarding a marginal cost of service study in support of an economic development rate for a special contract.

Submitted direct testimony, responses to data requests, and rebuttal testimony on behalf of sixteen distribution cooperative owner-members of East Kentucky Power Cooperative in Case Nos. 2021-00104 through 2021-00119 regarding rate design for the pass-through of a proposed wholesale rate revision.

Submitted direct testimony and responses to data requests on behalf of Kenergy Corp. in Case No. 2021-00066 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony on behalf of Big Rivers Electric Corporation in Case No. 2021-00061 regarding two cost of service studies in a review of the Member Rate Stability Mechanism Charge for calendar year 2020.

Submitted direct testimony and responses to data requests on behalf of Licking Valley R.E.C.C. in Case No. 2020-00338 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Cumberland Valley Electric in Case No. 2020-00264 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Taylor County R.E.C.C. in Case No. 2020-00278 regarding the cost support and tariff changes for the implementation of a Prepay Metering Program.

Submitted direct testimony and responses to data requests on behalf of Meade County R.E.C.C. in Case No. 2020-00131 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Clark Energy Cooperative in Case No. 2020-00104 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Big Rivers Electric Corporation in Case No. 2019-00435 regarding an Environmental Compliance Plan and Environmental Surcharge rate mechanism.

Submitted direct testimony and responses to data requests on behalf of Jackson Energy Cooperative in Case No. 2019-00066 regarding revenue requirements, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and responses to data requests on behalf of Jackson Purchase Energy Corporation in Case No. 2019-00053 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a streamlined rate case.

Submitted direct testimony and data request responses on behalf of Big Rivers Electric Corporation in Case No. 2018-00146 regarding ratemaking issues associated with the anticipated termination of contracts regarding the operation of an electric generating plant owned by the City of Henderson, Kentucky.

Submitted direct testimony on behalf of fifteen distribution cooperative owner-members of East Kentucky Power Cooperative in Case No. 2018-00050 regarding the economic evaluation of and potential cost shift resulting from a proposed member purchased power agreement.

Submitted direct testimony on behalf of Big Sandy R.E.C.C. in Case No. 2017-00374 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct testimony on behalf of Progress Metal Reclamation Company in Kentucky Power Company Case No. 2017-00179 regarding the potential implementation of a Load Retention Rate or revisions to an Economic Development Rate.

Submitted direct testimony on behalf of Kenergy Corp. and Big Rivers Electric Corporation in Case No. 2016-00117 regarding a marginal cost of service study in support of an economic development rate for a special contracts customer.

Submitted rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2014-00134 regarding ratemaking treatment of revenues associated with proposed wholesale market-based-rate purchased power agreements with entities in Nebraska.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2013-00199 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00535 regarding revenue requirements, pro forma adjustments, cost of service and rate design in a base rate case.

Submitted direct and rebuttal testimony on behalf of Big Rivers Electric Corporation in Case No. 2012-00063 regarding an Environmental Compliance Plan and Environmental Surcharge rate mechanism.

Submitted direct, rebuttal, and rehearing direct testimony on behalf of Big Rivers Electric Corporation in Case No. 2011-00036 regarding revenue requirements and pro forma adjustments in a base rate case.

Submitted direct testimony for Louisville Gas & Electric Company in Case No. 2009-00549 and for Kentucky Utilities Company in Case No. 2009-00548 for adjustment of electric and gas base rates, in support of a new service offering for Low Emission Vehicles, revised special charges, and company offerings aimed at assisting customers.

Submitted discovery responses for Kentucky Utilities and/or Louisville Gas & Electric Company in various customer inquiry matters, including Case Nos. 2009-00421, 2009-00312, and 2009-00364.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2008-00148 regarding the 2008 Joint Integrated Resource Plan.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Administrative Case No. 2007-00477 regarding an investigation of the energy and regulatory issues in Kentucky's 2007 Energy Act.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00319 for the review, modification, and continuation of Energy Efficiency Programs and DSM Cost Recovery Mechanisms.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2007-00067 for approval of a proposed Green Energy program and associated tariff riders.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00467 and 2005-00472 regarding a Certificate of Public Convenience and Necessity for the construction of transmission facilities.

Submitted discovery responses for Kentucky Utilities in Case No. 2005-00405 regarding the transfer of a utility hydroelectric power plant to a private developer.

Submitted discovery responses for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2005-00162 for the 2005 Joint Integrated Resource Plan.

Presented company position for Louisville Gas & Electric Company and Kentucky Utilities Company at public meetings held in Case Nos. 2005-00142 and 2005-00154 regarding routes for proposed transmission lines.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of Fuel Procurement practices by Liberty Consulting in 2004.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in an Investigation into their Membership in the Midwest Independent Transmission System Operator, Inc. (“MISO”) in Case No. 2003-00266.

Supported Louisville Gas & Electric Company and Kentucky Utilities Company in a Focused Management Audit of its Earning Sharing Mechanism by Barrington-Wellesley Group in 2002-2003.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00381 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

Submitted direct testimony for Louisville Gas & Electric Company and Kentucky Utilities Company in Case No. 2002-00029 regarding a Certificate of Public Convenience and Necessity for the acquisition of two combustion turbines.

Virginia: Submitted direct testimony for Kentucky Utilities Company d/b/a Old Dominion Power in Case No. PUE-2002-00570 regarding a Certificate of Public Convenience and Necessity for the acquisition of four combustion turbines.

Presentations

“Revisiting Rate Design Strategies” presented to APPA Public Power Forward Summit, November 2019.

“Utility Rates at the Crossroads” presented to APPA Business & Financial Conference, September 2019.

“New Developments in Kentucky Rate Filings” presented to Kentucky Electric Cooperatives Accountants' Association Summer Meeting, June 2019.

“Electric Rates: New Approaches to Ratemaking” presented to CFC Statewide Workshop for Directors, January 2019.

“The Great Rate Debate: Residential Demand Rates” presented to CFC Forum, June 2018.

“Benefits of Cost of Service Studies” presented to Tri-State Electric Cooperatives Accountants’ Association Spring Meeting, April 2017.

“Proper Design of Utility Rate Incentives” presented to APPA/Area Development’s Public Power Consultants Forum, March 2017.

“Utility Hot Topics and Economic Development” presented to APPA/Area Development’s Public Power Consultants Forum, March 2017.

“Emerging Rate Designs” presented to CFC Independent Borrowers Executive Summit, November 2016.

“Optimizing Economic Development” presented to Grand River Dam Authority Municipal Customer Annual Meeting, September 2016.

“Tomorrow’s Electric Rate Designs, Today” presented to CFC Forum, June 2016.

“Reviewing Rate Class Composition to Support Sound Rate Design” presented to EEI Rate and Regulatory Analysts Group Meeting, May 2016.

“Taking Public Power Economic Development to the Next Level” presented to APPA/Area Development’s Public Power Consultants Forum, March 2016.

“Ratemaking for Environmental Compliance Plans” presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, September 2015.

“Top Utility Strategies for Successful Attraction, Retention & Expansion” presented to APPA/Area Development’s Public Power Consultants Forum, March 2015.

“Economic Development and Load Retention Rates” presented to NARUC Staff Subcommittee on Accounting and Finance Fall Conference, September 2013.

“Rates for Distributed Generation” presented to 2010 Electric Cooperative Rate Conference, October 2010.

“What Utilities Can Do to Advance Energy Efficiency in Kentucky” panel session of Second Annual Kentucky Energy Efficiency Conference, October 2007.

Articles

“FERC Formula Rate Resurgence” *Public Utilities Fortnightly*, Vol. 158, No. 9, July 2020, 34-37.

“Economic Development Rates: Public Service or Piracy?” *IAEE Energy Forum*, International Association for Energy Economics, 2016 Q1 (January 2016), 17-20.

El Paso Electric Company ("EPE")
Transmission Formula Rate Template

Table of Contents

Overview

The formula is calculated in two steps. The first step is to fill out the A tabs, and the Actual Attachment H tab with data from the previous year's Form 1 information. This information is used to update the formulas in the Actual Net Rev Req tab to calculate the Actual Revenue Requirement (Actual ATRR) for the previous year.

The TU (True-up) tab uses the revenue requirement from the Actual Attachment H tab and compares it to the revenue requirement from the Projected Attachment H tab that customers were billed for the same period. Interest is added to the difference and the amount is added to the Projected Attachment H tab via the True Up Adjustment line.

The projected O&M and plant balances are calculated on the P Tabs. These sheets feed into the Projected Attachment H tab for determining the Projected Annual Transmission Revenue Requirement. The EPE tariff rates are calculated based on the EPE Revenue Requirements and the specific point-to-point charges are shown on the same tab.

Cells highlighted in yellow are data input cells, however, some cells may reference the results from other worksheets in the formula. Such cell references may change from year to year requiring manual adjustment of the reference or the direct entry of the proper value.

Cells highlighted in green signify that the data is sourced from other worksheets in the formula and that the reference is static.

El Paso Electric Company
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Actuals - For the 12 months ended 12/31/yyyy

Line No.			Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)					$ -
	REVENUE CREDITS	(Note S)	Total	Allocator		
2	Account No. 454	(Worksheet A1, Page 1, Line 17, Col. (f)	-	TP	0.00000	-
3	Account No. 456.1	(Worksheet A1, Page 2, Line 15, Col. (h)	-	TP	0.00000	-
4	Held for Future Use		-	TP	0.00000	-
5	Held for Future Use		-	TP	0.00000	-
6	TOTAL REVENUE CREDITS (sum lines 2-5)					-
7	NET REVENUE REQUIREMENT	(Line 1 minus Line 6)				$ -
	DIVISOR					
8	Divisor (kW)	(Worksheet A6, Line 14) x 1000				-
9						
10	RATES					
11	Annual		$ -	/kW-year		
12	Monthly	12 months/year	$ -	/kW-month		
13	Weekly	52 weeks/year	$ -	/kW-week		
14	Daily On-Peak	6 days/week	$ -	/kW-day		
15	Daily Off-Peak	7 days/week	$ -	/kW-day		
16	Hourly On-Peak	16 hours/day	$ -	/MW-hour		
17	Hourly Off-Peak	24 hours/day	$ -	/MW-hour		

El Paso Electric Company
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Actuals - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	RATE BASE: (Note A, V)					
	GROSS PLANT IN SERVICE (Note A)					
1	Production	Worksheet A4, Page 1, (Line 14 - 28) , Col. (b)	-	NA		-
2	Transmission	Worksheet A4, Page 1, (Line 14 - 28), Col. (c)	-	TP	0.00000	-
3	Distribution	Worksheet A4, Page 1, (Line 14 - 28), Col. (d)	-	NA		-
4	General & Intangible	Worksheet A4, Page 1, (Line 14 - 28), Cols. (e) + (f)	-	W/S	0.00000	-
5	Common	Worksheet A4, Page 1, (Line 14 - 28), Col. (h)	-	CE	0.00000	-
6	TOTAL GROSS PLANT	(Sum of Lines 1 through 5)	-	GP=	0.00000	-
	ACCUMULATED DEPRECIATION (Note A)					
7	Production	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (b)	-	NA		-
8	Transmission	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (c)	-	TP	0.00000	-
9	Distribution	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (d)	-	NA		-
10	General & Intangible	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col.s (e) + (f)	-	W/S	0.00000	-
11	Common	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (h)	-	CE	0.00000	-
12	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 7 through 11)	-			-
	NET PLANT IN SERVICE					
13	Production	(Line 1 - Line 7)	-			-
14	Transmission	(Line 2 - Line 8)	-			-
15	Distribution	(Line 3 - Line 9)	-			-
16	General & Intangible	(Line 4 - Line 10)	-			-
17	Common	(Line 5 - Line 11)	-			-
18	TOTAL NET PLANT	(Sum of Lines 13 through 17)	-	NP=	0.00000	-
19	CWIP Approved by FERC Order	Worksheet A4, Page 3, Line 14, Col. (d) (Note Q)	-	DA	1.00000	-
	ADJUSTMENTS TO RATE BASE					
20	Accumulated Deferred Income Taxes (Accounts 190, 281-283)	Worksheet A3-1, Page 3, Line 82, Col. (n) (Note F)	-	DA	1.00000	-
21	Accumulated Deferred Investment Tax Credit (Account 255)	Worksheet A3-2, Page 4, Line 138, Col. (g)	-	DA	1.00000	-
22	Excess / Deficient Deferred Income Taxes	Worksheet A8-1, Line 27, Col. (n)	-	DA	1.00000	-
23	Unamortized Regulatory Asset	Worksheet A4, Page 3, Line 14, Col. (b) (Notes P & U)	-	DA	1.00000	-
24	Unamortized Abandoned Plant	Worksheet A4, Page 3, Line 14, Col. (c) (Notes T, N & U)	-	DA	1.00000	-
25	Unfunded Reserves	Worksheet A4, Page 4, Line 10, Col. (d) (Note R)	-	DA	1.00000	-
25a	Hold Harmless Adjustment	Company Records (Note V)	-	DA	1.00000	-
26	TOTAL ADJUSTMENTS	(Sum of Lines 20 through 25a)	-			-
27	LAND HELD FOR FUTURE USE	Worksheet A4, Page 3, Line 14, Col. (e) (Note G)	-	TP	0.00000	-
	WORKING CAPITAL	(Note H)				
28	Cash Working Capital	1/8*(Page 3, Line 7)	-			-
29	Materials & Supplies	Worksheet A4, Page 3, Line 28, Col. (e)	-	TP	0.00000	-
30	Prepayments (Account 165)	Worksheet A4, Page 3, Line 28, Col. (f)	-	GP	0.00000	-
31	TOTAL WORKING CAPITAL	(Sum of Lines 28 through 30)	-			-
32	RATE BASE	(Sum Lines 18, 19, 26, 27, & 31)	-			-

Actual Attachment H
Page 3 of 5
Actuals - For the 12 months ended 12/31/yyyy

El Paso Electric Company
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M					
1	Transmission	321.112.b	-	TE	0.00000	-
2	Less Account 561.1-561.8	Worksheet A2, Line 23	-	TE	0.00000	-
2a	Less Account 565	321.96.b	-	TE	0.00000	-
3	A&G	323.197.b	-	W/S	0.00000	-
4	Less EPRI/Reg. Comm. Exp./Non-safety Ad. (Note I)	Worksheet A2, Line 6	-	W/S	0.00000	-
4a	Less Property Insurance Acct 924	323.185.b	-	W/S	0.00000	-
4b	Plus Property Insurance Acct 924	323.185.b	-	GP	0.00000	-
4c	Plus Transmission Related Reg. Comm. Exp. (Note G)	Worksheet A2, Line 12	-	TE	0.00000	-
4d	Plus: Fixed PBOP expense	Company Records (Note J & B)	-	W/S	0.00000	-
4e	Less: Actual PBOP expense	Company Records (Note J & B)	-	W/S	0.00000	-
5	Common	356.1	-	CE	0.00000	-
6	Hold Harmless Expense Adjustment	Company Records (Note V)	-	DA	1.00000	-
7	TOTAL O&M (sum lines 1, 3, 4b, 4c,4d, 5, 6 less lines 2, 2a, 4, 4a, 4e)		-			-
	DEPRECIATION AND AMORTIZATION EXPENSE (Note A)					
8	Transmission	336.7.f - 336.7.c	-	TP	0.00000	-
9	General & Intangible	336.10.f & 336.1.f - 336.10.c & 336.1.c	-	W/S	0.00000	-
10	Common	336.11.f - 336.11.c	-	CE	0.00000	-
11a	Amortization of Regulatory Asset	Company Records (Note P)	-	DA	1.0000	-
11b	Amortization of Abandoned Plant	Company Records (Note N)	-	DA	1.0000	-
12	TOTAL DEPRECIATION & AMORTIZATION	(Sum of Lines 8 through 11)	-			-
	TAXES OTHER THAN INCOME TAXES (Note D)					
	LABOR RELATED					
13	Payroll	263.i	-	W/S	0.00000	-
14	Highway and vehicle	263.i	-	W/S	0.00000	-
15	PLANT RELATED					
16	Property	263.i	-	NP	0.00000	-
17	Gross Receipts	263.i	-	NA	0.00000	-
18	Other	263.i	-	GP	0.00000	-
19	reserved		-			
20	TOTAL OTHER TAXES	(Sum of Lines 13 through 19)	-			-
	INCOME TAXES	(Note K)				
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		0.000%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.000%			
	and FIT, SIT & p are as given in Note K.					
23	Income Tax Gross Up Rate: 1 / (1 - T) = (from line 21)		-			
24	Excess / Deficient Deferred Income Taxes Amortization	Worksheet A8.2, Line 62, Col. (c) (Note W)	-			
24a	Excess / Deficient Deferred Income Tax Adjustment	(Line 23 times Line 24)	-	DA	1.00000	-
25	Permanent Differences	Company Records (Note X)	-			
25a	Permanent Differences Tax Adjustment	(Line 21 times 23 times Line 25)	-	NP	-	-
26	Income Tax on Equity and Incentive Return	(Line 22 times Line 28)	-			-
27	Total Income Taxes	(Sum of Lines 24a, 25a, 25c, 26)	-			-
	RETURN					
28	Rate Base * Rate of Return plus Incentive Return	(Page 2, Line 32, Col. (3) x Page 4, Line 31, Col. (5)) + Page 4, Line 32	-			-
29	REV. REQUIREMENT	(Sum of Lines 7, 12, 20, 27, 28)	-			-

El Paso Electric Company
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Actual Attachment H
Page 4 of 5
Actuals - For the 12 months ended 12/31/yyyy

SUPPORTING CALCULATIONS AND NOTES

Line No.	(1)	(2)	(3)	(4)		(5)		
	TRANSMISSION PLANT INCLUDED IN RATES							
1	Total transmission plant	(Page 2, Line 2, Col. 3)				-		
2	Less transmission plant excluded from Wholesale Rates	Company Records (Note L)				-		
3	Less transmission plant included in OATT Ancillary Services	Company Records (Note M)				-		
4	Transmission plant included in Wholesale Rates	(Line 1 less Lines 2 & 3)				-		
5	Percentage of transmission plant included in Wholesale Rates	(Line 4 divided by Line 1)			TP=	0.00000		
	TRANSMISSION EXPENSES							
6	Total transmission expenses	(Page 3, Line 1, Col. 3)				-		
7	Less transmission expenses included in OATT Ancillary Services	Company Records (Note E)				-		
8	Included transmission expenses	(Line 6 less Line 7)				-		
9	% of transmission expenses after adjustment	(Line 8 divided by Line 6)				0.00000		
10	% of transmission plant included in wholesale Rates	(Line 5)			TP	0.00000		
11	% of transmission expenses included in wholesale Rates	(Line 9 times Line 10)			TE=	0.00000		

Line No.	WAGES & SALARY ALLOCATOR (W&S)	Form 1 Reference	$	TP	Allocation		W&S Allocator ($ / Allocation)	
12	Production	354.20.b	-	0.00	0			
13	Transmission	354.21.b	-	0.00	0			
14	Distribution	354.23.b	-	0.00	0			
15	Other	354.24, 25, 26.b	-	0.00	0			
16	Total	(Sum of Lies 12-15)	-		0	=	0.00000	= WS

Line No.	COMMON PLANT ALLOCATOR (CE)		$	% Electric (line 17 / line 20)		W&S Allocator (line 16)		CE
17	Electric	200.3.c	-					
18	Gas	201.3.d	-	0.00000	*	0.00000	=	0.00000
19	Other	201.3.e	-					
20	Total	(Sum of Lines 17-19)	-					

Line No.	RETURN (R)				$
21	Long Term Interest	117, Col. c, Lines 62+63+64-65-66+67			-
22	Preferred Dividends	118.29.c (positive number)			-
	<u>Development of Common Stock:</u>				
23	Proprietary Capital	Worksheet A9 Line 14, Col. (e)			-
24	Less Preferred Stock	Worksheet A9 Line 14, Col. (b) (enter negative)			-
25	Less Other Comprehensive Income	Worksheet A9 Line 14, Col. (d) (enter negative)			-
26	Less Account 216.1	Worksheet A9 Line 14, Col. (c) (enter negative)			-
27	Common Stock	(Sum of Lines 23-26)			-

Line No.			$	%	Cost (Notes C & O)	Weighted	
28	Long Term Debt	Worksheet A9 Line 28, Col. (k)	-	0.00%	-	-	=WCLTD
29	Preferred Stock	112.3.c	-	0.00%	-	-	
30	Common Stock	Line 27	-	0.00%	0.1038	-	
31	Total	(Sum of Lines 28-30)	-			-	=R
32	Incentive Return	Worksheet A7, Col. (e)				$ -	

El Paso Electric Company
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Actuals - For the 12 months ended 12/31/yyyy

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note Letter	
A	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.
B	Workpapers for this calculation will be included in supporting documentation.
C	Debt cost rate = long-term interest (line 21) / long term debt (line 28). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 29).
D	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded.
E	Removes dollar amount of transmission expenses included in the OATT ancillary services rates. FERC 561 accounts are not included in this line as they are separately removed from O&M.
F	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules A8-1 and A8-2 and presented in Att-H separately from ADIT.
G	Identified in Form 1 as being only transmission related.
H	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at Page 3, Line 7, Column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111 Line 57 in the Form 1.
I	EPRI expenses listed in Form 1 at 352.f, all Regulatory Commission Expenses itemized at 350.d, and non-safety-related advertising included in Account 930.1.
J	Depreciation rates and Post-Employment Benefits Other than Pensions (PBOP) are fixed amounts that can be changed only through a Section 205 filing. The fixed PBOP expense will be used in lieu of the actual PBOP expense incurred in the year absent an appropriate filing with FERC. The Company reviews internal records and identifies the PBOP expenses to be removed from A&G.
K	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". Since the utility is taxed in more than one state it shall attach a work paper showing the name of each state and how the blended or composite SIT was developed.

Inputs Required:			
	FIT =	0.000%	(Federal Income Tax Rate)
	SIT=	0.000%	(Composite State Income Tax Rate)
	p =	0.000%	(Percent of federal income tax deductible for state purposes)

L	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
M	Removes dollar amount of generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
N	Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Utility must submit a Section 205 filing to recover the cost of abandoned plant.
O	No change in ROE may be made absent a filing with FERC.
P	Recovery of any regulatory assets requires authorization from the Commission.
Q	AFUDC ceases when CWIP is included in rate base. No CWIP will be included in rate base on line 19 absent FERC authorization.
R	The Formula Rate shall include a credit to rate base for all unfunded reserves within accounts 228.2, 242, and 253 (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Reserves can be created by capital contributions from customers, by debiting the reserve and crediting a liability, or a combination of customer capital contribution and offsetting liability. Only the portion of a reserve that was created by customer contributions should be a reduction to rate base. Amounts will be calculated on 13-month average balances. See Worksheet A4, Note G.
S	The revenues credited shall include only the amounts received directly for service under this tariff reflecting EPE's integrated transmission facilities provided that revenue credits shall not include revenues associated with transmission service for which loads are included in the rate divisor on Actual Attachment H, page 1, line 8. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) that are not recovered under this Rate Formula Template.
T	Page 2 Line 24 includes any unamortized balances related to the recovery of abandoned plant costs approved by FERC under a separate docket. Page 3, Line 11b includes the Amortization expense of abandonment costs. These are shown in the workpapers required pursuant to the Annual Rate Calculation and True-up Procedures.
U	Calculate using 13 month average balance, reconciling to FERC Form No. 1 by Page, Line, and Column as shown in Worksheet A4 for inputs on page 2 of 5 above.
V	If applicable, a separate workpaper will be provided and posted with other supporting documentation.
W	Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense by the amount of the excess or deficiency multiplied by (1/1-T).
X	Includes the annual income tax cost or benefits due to permanent differences between expenses or revenues recognized for ratemaking purposes and for income tax purposes and depreciation of amounts capitalized to plant for book purposes related to the accrual of the Allowance for Other Funds Used During Construction. T multiplied by the amount of permanent differences and depreciation expense associated with Allowance for Other Funds Used During Construction will increase or decrease tax expense by the amount of the expense or benefit included on line 25 multiplied by (1/1-T).

El Paso Electric Company
Worksheet A1
Revenue Credits
Actuals - For the 12 months ended 12/31/yyyy

ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)

Line #	Description		Total	Explanation (Note A)	Allocation	Allocation Factor	Total Revenue Credit
	(a)		(b)	(c)	(d)	(e)	(f)
1						0.000%	$0
2	Reserved					0.000%	$0
3	Reserved					0.000%	$0
4	Reserved					0.000%	$0
5	Reserved					0.000%	$0
6	Reserved					0.000%	$0
7	Reserved					0.000%	$0
8	Reserved					0.000%	$0
9	Reserved					0.000%	$0
10	Reserved					0.000%	$0
11	Reserved					0.000%	$0
12	Reserved					0.000%	$0
13	Reserved					0.000%	$0
14	Reserved					0.000%	$0
15	Reserved					0.000%	$0
16	Reserved					0.000%	$0
17	Total 454	300.19.b	$ -				$ -

El Paso Electric Company
Worksheet A1
Revenue Credits
Actuals - For the 12 months ended 12/31/yyyy

ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note B)

Line #	Type	Description	Service Type	PTP Trans Sched 7 & 8	Network Transm Sched 9	Ancillary Services	Other	Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13		Total		0	0	0	0	0	
								300.22.b	
14	**Summarized by Type:**								
15	Credit			0	0	0	0	0	
16	Divisor			0	0	0	0	0	
17	Ancillary			0	0	0	0	0	
18	Other			0	0	0	0	0	
19	Total			0	0	0	0	0	300.22.B
20									
21	Revenue Types:								
22	Ancillary	Ancillary services includes regulation & frequency, control & dispatch, voltage control, reactive, spinning reserve, and scheduling; no revenue credit.							
23	Divisor	Load associated with these revenues are included in the formula divisor; no revenue credit.							
24	Credit	Revenue credit because the load is not included in divisor.							

Notes

A Each FERC 0454 item is categorized into 1 of 5 categories. The selected category will determine the Allocator applied to the FERC 0454 balance.
1) Prod: The FERC 0454 balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The FERC 0454 balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related FERC 0454 for which the NA Allocator is applied.
4) Trans: The FERC 0454 balance is 100% related to transmission operations and the DA Allocator is applied.
5) Labor: The FERC 0454 balance is labor or general and intangible plant related, and the W/S Allocator is applied.

B PTP Revenue credits from Line 15, Column (h) populate Actual Attachment H, page 1, line 3.

El Paso Electric Company
Worksheet A2
Actual Operation and Maintenance Expenses
Actuals - For the 12 months ended 12/31/yyyy

Line No.	(a) Item	(b) Form No. 1 Page, Line, Col.	(c) Company Total
1	EPRI Annual Membership Dues	353.x.f (Note C)	$ -
2	Regulatory Commission Expenses	350.46.d	$ -
3	Account No. 930.1	323.191.b	$ -
4	Less: Safety Related Advertising	Company Records (Note A)	$ -
5	Account No. 930.1 less Safety Related Advertising	Line 3 - Line 4	$ -
6	EPRI & Reg. Comm. Exp. & Non-safety Ad.	Sum of Lines 1, 2, & 5	$ -
7			
8	**Transmission Related Regulatory Expense**	(Note B)	
9			
10	Reserved for use in the event of transmission rate filings	Company Records	$ -
11	Transmission Related Reg. Comm. Exp.	350.x.d	$ -
12	Transmission Related Regulatory Expense	Sum of Lines 10-11	$ -
13			
14	**Actual Ancillary Expenses**		
15	561.1 Load Dispatch-Reliability	321.85.b	$ -
16	561.2 Load Dispatch-Monitor and Operate Transmission System	321.86.b	$ -
17	561.3 Load Dispatch-Transmission Service and Scheduling	321.87.b	$ -
18	561.4 Scheduling, System Control and Dispatch Services	321.88.b	$ -
19	561.5 Reliability, Planning and Standards Development	321.89.b	$ -
20	561.6 Transmission Service Studies	321.90.b	$ -
21	561.7 Generation Interconnection Studies	321.91.b	$ -
22	561.8 Reliability, Planning and Standards Development	321.92.b	$ -
23	Total Ancillary Expenses	Sum of Lines 15-22	$ -

Notes

A For FERC account no. 930.1, the Company reviews all entries and identifies those that are safety related advertising.

B Limited to Transmission-related regulatory expenses itemized from total amounts on FERC Form No. 1 page 350-351.

C Limited to amounts in O&M accounts that are included in the formula rate.

El Paso Electric Company
Worksheet A3-1
Accumulated Deferred Income Taxes
Actuals - For the 12 months ended 12/31/yyyy

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
	Proration Used for Projected Revenue Requirement Calculation								**Proration Used for True-up Revenue Requirement Calculation**					
1	**Account 190**								**Account 190**					
2	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
4														
5	December 31st balance Prorated Items (Worksheet P5-1.5.h)							-	December 31st balance Prorated Items (Worksheet A3-2.61.f)					-
6	January	31	335	365	91.78%	-	-	-	-	-	-	-	-	-
7	February	28	307	365	84.11%	-	-	-	-	-	-	-	-	-
8	March	31	276	365	75.62%	-	-	-	-	-	-	-	-	-
9	April	30	246	365	67.40%	-	-	-	-	-	-	-	-	-
10	May	31	215	365	58.90%	-	-	-	-	-	-	-	-	-
11	June	30	185	365	50.68%	-	-	-	-	-	-	-	-	-
12	July	31	154	365	42.19%	-	-	-	-	-	-	-	-	-
13	August	31	123	365	33.70%	-	-	-	-	-	-	-	-	-
14	September	30	93	365	25.48%	-	-	-	-	-	-	-	-	-
15	October	31	62	365	16.99%	-	-	-	-	-	-	-	-	-
16	November	30	32	365	8.77%	-	-	-	-	-	-	-	-	-
17	December	31	1	365	0.27%	-	-	-	-	-	-	-	-	-
18	Total (sum of Lines 6 - 17)	365				-	-		-	-	-	-	-	
19	Beginning Balance-Total				Worksheet P5-1.19.h			-	Beginning Balance-Total			Worksheet A3-2.58.f		-
20	Beginning Balance-Not Subject to Proration				Worksheet P5-1.20.h			-	Beginning Balance-Not Subject to Proration			Worksheet A3-2.64.f		-
21	Beginning Balance-Subject to Proration				(Line 5, Col H)			-	Beginning Balance-Subject to Proration			(Line 5, Col N)		-
22	Ending Balance-Total				Worksheet p5-1.22h			-	Ending Balance-Total			Worksheet A3-2.58.g		-
23	Ending Balance-Not Subject to Proration				Worksheet P5-1.23.h			-	Ending Balance-Not Subject to Proration			Worksheet A3-2.64.g		-
24	Ending Balance-Subject to Proration				Worksheet P5-1.24.h			-	Ending Balance-Subject to Proration			Worksheet A3-2.61.g		-
25	Average Balance (See Note 6.)				Line 17 Col N + (Lines 20 + 23 Col N)/2			-	Average Balance (See Note 6.)			Line 17 Col N + (Lines 20 + 23 Col N)/2		-
26	Reserved								Reserved					
27	Amount for Attachment H				(Line 25 less line 26)			-	Amount for Attachment H			(Line 25 less line 26)		-

El Paso Electric Company
Worksheet A3-1
Accumulated Deferred Income Taxes
Actuals - For the 12 months ended 12/31/yyyy

Line														
28	**Account 282**								**Account 282**					
29	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
30	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
31														
32	December 31st balance Prorated Items (Worksheet P5-1.32.h)							-	December 31st balance Prorated Items (Worksheet A3-2.79.f)					-
33	January	31	335	365	91.78%	-	-	-	-	-	-	-	-	-
34	February	28	307	365	84.11%	-	-	-	-	-	-	-	-	-
35	March	31	276	365	75.62%	-	-	-	-	-	-	-	-	-
36	April	30	246	365	67.40%	-	-	-	-	-	-	-	-	-
37	May	31	215	365	58.90%	-	-	-	-	-	-	-	-	-
38	June	30	185	365	50.68%	-	-	-	-	-	-	-	-	-
39	July	31	154	365	42.19%	-	-	-	-	-	-	-	-	-
40	August	31	123	365	33.70%	-	-	-	-	-	-	-	-	-
41	September	30	93	365	25.48%	-	-	-	-	-	-	-	-	-
42	October	31	62	365	16.99%	-	-	-	-	-	-	-	-	-
43	November	30	32	365	8.77%	-	-	-	-	-	-	-	-	-
44	December	31	1	365	0.27%	-	-	-	-	-	-	-	-	-
45	Total (sum of lines 33-44)	365				-	-		-	-	-	-	-	
46	Beginning Balance-Total				Worksheet P5-1.46.h			-	Beginning Balance-Total			Worksheet A3-2.76.f		-
47	Beginning Balance-Not Subject to Proration				Worksheet P5-1.47.h			-	Beginning Balance-Not Subject to Proration			Worksheet A3-2.82.f		-
48	Beginning Balance-Subject to Proration				(Line 32, Col H)			-	Beginning Balance-Subject to Proration			(Line 32, Col N)		-
49	Ending Balance-Total				Worksheet P5-1.49.h			-	Ending Balance-Total			Worksheet A3-2.76.g		-
50	Ending Balance-Not Subject to Proration				Worksheet P5-1.50.h			-	Ending Balance-Not Subject to Proration			Worksheet A3-2.82.g		-
51	Ending Balance-Subject to Proration				Worksheet P5-1.51.h			-	Ending Balance-Subject to Proration			Worksheet A3-2.79.g		-
52	Average Balance (See Note 6.)				Line 44 Col H + (Lines 47 + 50 Col H)/2			-	Average Balance (See Note 6.)			Lines 44 Col N + (Lines 47 + 50 Col N)/2		-
53	Reserved								Reserved					
54	Amount for Attachment H				(Line 52 less line 53)			-	Amount for Attachment H			(Line 52 less line 53)		-

El Paso Electric Company
Worksheet A3-1
Accumulated Deferred Income Taxes
Actuals - For the 12 months ended 12/31/yyyy

Line														
55	**Account 283**								**Account 283**					
56	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
57	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
58														
59	December 31st balance Prorated Items (Worksheet P5-1.59.h)							-	December 31st balance Prorated Items (Worksheet A3-2.126.f)					-
60	January	31	335	365	91.78%	-	-	-	-	-	-	-	-	-
61	February	28	307	365	84.11%	-	-	-	-	-	-	-	-	-
62	March	31	276	365	75.62%	-	-	-	-	-	-	-	-	-
63	April	30	246	365	67.40%	-	-	-	-	-	-	-	-	-
64	May	31	215	365	58.90%	-	-	-	-	-	-	-	-	-
65	June	30	185	365	50.68%	-	-	-	-	-	-	-	-	-
66	July	31	154	365	42.19%	-	-	-	-	-	-	-	-	-
67	August	31	123	365	33.70%	-	-	-	-	-	-	-	-	-
68	September	30	93	365	25.48%	-	-	-	-	-	-	-	-	-
69	October	31	62	365	16.99%	-	-	-	-	-	-	-	-	-
70	November	30	32	365	8.77%	-	-	-	-	-	-	-	-	-
71	December	31	1	365	0.27%	-	-	-	-	-	-	-	-	-
72	Total (sum of Lines 60 - 71)	365				-	-		-	-	-	-	-	
73	Beginning Balance-Total				Worksheet P5-1.73.h			-	Beginning Balance-Total			Worksheet A3-2.123.f		-
74	Beginning Balance-Not Subject to Proration				Worksheet P5-1.74.h			-	Beginning Balance-Not Subject to Proration			Worksheet A3-2.129.f		-
75	Beginning Balance-Subject to Proration				(Line 59, Col H)			-	Beginning Balance-Subject to Proration			(Line 59, Col N)		-
76	Ending Balance-Total				Worksheet P5-1.76.h			-	Ending Balance-Total			Worksheet A3-2.123.g		-
77	Ending Balance-Not Subject to Proration				Worksheet P5-1.77.h			-	Ending Balance-Not Subject to Proration			Worksheet A3-2.129.g		-
78	Ending Balance-Subject to Proration				Worksheet P5-1.78.h			-	Ending Balance-Subject to Proration			Worksheet A3-2.126.g		-
79	Average Balance (See Note 6.)				Line 71 Col H + (Lines 74 + 77 Col H)/2			-	Average Balance (See Note 6.)			Line 71 Col N + (Lines 74 + 77 Col N)/2		-
80	Reserved								Reserved					
81	Amount for Attachment H				(Line 79 less line 80)			-	Amount for Attachment H			(Line 79 less line 80)		-
82	**Total Amount for Attachment H**											(Lines 27+54+81)		-

El Paso Electric Company
Worksheet A3-1
Accumulated Deferred Income Taxes
Actuals - For the 12 months ended 12/31/yyyy

NOTES

1) Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (amount of projected activity that did not occur) and a positive in Column J represents under-projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under-projection (excess of actual activity over projected activity) and a positive in Column J represents over-projection (amount of projected activity that did not occur).
2) Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over-projected, enter Column G x [Column I/Column F]. If Column J is under-projected, enter the amount from Column G and complete Column L). In other situations, enter zero.

3) Column L applies when (1) Column J is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.

4) Column M applies when (1) projected monthly activity is an increase while actual monthly activity is a decrease OR (2) projected monthly activity is a decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.

5) Column N is computed by adding the prorated monthly activity, if any, from Column K to 50 percent of the portion of monthly activity, if any, from Column L or M to the balance at the end of the prior month. The activity in columns L and M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly activity.

6) For the non-property-related component of the balance, the Average Balance is computed using the average of beginning of year and end of year balance. For the property-related component of the balance, the Average Balance is computed as described in Note 5.

7) Projected and Actual monthly activity is computed based on the annual activity for the period, divided by 12 months.

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

No.	(a)	mmm-yyyyy (b)	mmm-yyyy (c)	(e)	mmm-yyyyy (f)	mmm-yyyy (g)	(h)	(i)
Line No.	**Item**	**BOY Balance (Note A)**	**EOY Balance (Note B)**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note E)**	**Explanation (Note D)**
	ACCOUNT 190 ACCUMULATED DEFERRED INCOME TAXES							
1	Reserved			0.000%	-	-		
2	Reserved			0.000%	-	-		
3	Reserved			0.000%	-	-		
4	Reserved			0.000%	-	-		
5	Reserved			0.000%	-	-		
6	Reserved			0.000%	-	-		
7	Reserved			0.000%	-	-		
8	Reserved			0.000%	-	-		
9	Reserved			0.000%	-	-		
10	Reserved			0.000%	-	-		
11	Reserved			0.000%	-	-		
12	Reserved			0.000%	-	-		
13	Reserved			0.000%	-	-		
14	Reserved			0.000%	-	-		
15	Reserved			0.000%	-	-		
16	Reserved			0.000%	-	-		
17	Reserved			0.000%	-	-		
18	Reserved			0.000%	-	-		
19	Reserved			0.000%	-	-		
20	Reserved			0.000%	-	-		
21	Reserved			0.000%	-	-		
22	Reserved			0.000%	-	-		
23	Reserved			0.000%	-	-		
24	Reserved			0.000%	-	-		
25	Reserved			0.000%	-	-		
26	Reserved			0.000%	-	-		
27	Reserved			0.000%	-	-		
28	Reserved			0.000%	-	-		
29	Reserved			0.000%	-	-		
30	Reserved			0.000%	-	-		
31	Reserved			0.000%	-	-		
32	Reserved			0.000%	-	-		

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)
		mmm-yyyy	mmm-yyyy		mmm-yyyy	mmm-yyyy		
Line No.	**Item**	**BOY Balance (Note A)**	**EOY Balance (Note B)**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note E)**	**Explanation (Note D)**
33	Reserved			0.000%	-	-		
34	Reserved			0.000%	-	-		
35	Reserved			0.000%	-	-		
36	Reserved			0.000%	-	-		
37	Reserved			0.000%	-	-		
38	Reserved			0.000%	-	-		
39	Reserved			0.000%	-	-		
40	Reserved			0.000%	-	-		
41	Reserved			0.000%	-	-		
42	Reserved			0.000%	-	-		
43	Reserved			0.000%	-	-		
44	Reserved			0.000%	-	-		
45	Reserved			0.000%	-	-		
46	Reserved			0.000%	-	-		
47	Reserved			0.000%	-	-		
48	Reserved			0.000%	-	-		
49	Reserved			0.000%	-	-		
50	Reserved			0.000%	-	-		
51	Reserved			0.000%	-	-		
52	Reserved			0.000%	-	-		
53	Reserved			0.000%	-	-		
54	Reserved			0.000%	-	-		
55	**Total Account 190 (234.8.b&c)**	-	-		-	-		
	Tax Reg Asset / Liab Adjustments (Note C)							
56	Reserved			0.000%	-	-	No	
57	Reserved			0.000%	-	-	No	
58	**Total Account 190 After Adjustments**				**0**	-	-	-
59	Prorated Balances				-	-		
60	Tax Reg Asset / Liab Adjustments				-	-		
61	**Prorated Account 190 Balances After Adjustments**				-	-		
62	Non-Prorated Balances				-	-		
63	Tax Reg Asset / Liab Adjustments				-	-		
64	**Non-Prorated Account 190 Balances After Adjustments**				-	-		

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

		mmm-yyyy	mmm-yyyy		mmm-yyyy	mmm-yyyy		
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)
	ACCOUNT 282 ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Enter Negative)							
65	Reserved			0.000%	-	-		
66	Reserved			0.000%	-	-		
67	Reserved			0.000%	-	-		
68	Reserved			0.000%	-	-		
69	Reserved			0.000%	-	-		
70	Reserved			0.000%	-	-		
71	Reserved			0.000%	-	-		
72	Reserved			0.000%	-	-		
73	**Total Account 282 (274.2.b & 275.2.k)**	-	-		-	-		
	Tax Reg Asset / Liab Adjustments (Note C)							
74	Reserved			0.000%	-	-		
75	Reserved	-	-	0.000%	-	-		
76	**Total Account 282 After Adjustments Items**				-	-		
77	Prorated Balances				-	-		
78	Tax Reg Asset / Liab Adjustments				-	-		
79	**Prorated Account 282 Balances After Adjustments**				-	-		
80	Non-Prorated Balances				-	-		
81	Tax Reg Asset / Liab Adjustments				-	-		
82	**Non-Prorated Account 282 Balances After Adjustments**				-	-		
	ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES - OTHER (Enter Negative)							
83	Reserved			0.000%	-	-		
84	Reserved			0.000%	-	-		
85	Reserved			0.000%	-	-		
86	Reserved			0.000%	-	-		
87	Reserved			0.000%	-	-		
88	Reserved			0.000%	-	-		
89	Reserved			0.000%	-	-		
90	Reserved			0.000%	-	-		
91	Reserved			0.000%	-	-		
92	Reserved			0.000%	-	-		
93	Reserved			0.000%	-	-		
94	Reserved			0.000%	-	-		
95	Reserved			0.000%	-	-		
96	Reserved			0.000%	-	-		
97	Reserved			0.000%	-	-		
98	Reserved			0.000%	-	-		
99	Reserved			0.000%	-	-		
100	Reserved			0.000%	-	-		

Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

		mm-yyyy	Dec-2020			mm-yyyy	Dec-2020		
No.	(a)	(b)	(c)		(e)	(f)	(g)	(h)	(i)
101	Reserved				0.000%	-	-		
102	Reserved				0.000%	-	-		
103	Reserved				0.000%	-	-		
104	Reserved				0.000%	-	-		
105	Reserved				0.000%	-	-		
106	Reserved	-	-		0.000%	-	-		
107	Reserved	-	-		0.000%	-	-		
108	Reserved	-	-		0.000%	-	-		
109	Reserved	-	-		0.000%	-	-		
110	Reserved	-	-		0.000%	-	-		
111	Reserved	-	-		0.000%	-	-		
112	Reserved	-	-		0.000%	-	-		
113	Reserved	-	-		0.000%	-	-		
114	Reserved	-	-		0.000%	-	-		
115	Reserved	-	-		0.000%	-	-		
116	Reserved	-	-		0.000%	-	-		
117	Reserved	-	-		0.000%	-	-		
118	Reserved	-	-		0.000%	-	-		
119	Reserved	-	-		0.000%	-	-		
120	**Total Account 283 (276.9.b & 277.9.k)**	-	-			-	-		
	Tax Reg Asset / Liab Adjustments (Note C)								
121	Reserved				0.000%	-	-		
122	Reserved				0.000%	-	-		
123	**Total Account 283 After Adjustments**					-	-		
124	Prorated Balances					-	-		
125	Tax Reg Asset / Liab Adjustments					-	-		
126	**Prorated Account 283 Balances After Adjustments**					-	-		
127	Non-Prorated Balances					-	-		
128	Tax Reg Asset / Liab Adjustments					-	-		
129	**Non-Prorated Account 283 Balances After Adjustments**					-	-		
	ACCOUNT 255: ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Enter Negative) (Note F)								
130	Intangible			W/S	0.000%	-	-		
131	Production			NA	0.000%	-	-		
132	Transmission			DA	100.000%	-	-		
133	Distribution			NA	0.000%	-	-		
134	General Plant			W/S	0.000%	-	-		
135	**Total Account 255 (266.8.b & 267.8.h)**	-	-			-	-		
136	Unrealized ITC Adjustment								
137	Account 255 balance after Unrealized Adjustment					-	-		
138	**Average ITC Balance for Attachment H**						-		

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/yyyy

Notes:

A Beginning of Year ("BOY") balance is end of previous year balance per FERC Form No. 1.

B End of Year ("EOY") balance is end of current year balance per FERC Form No. 1.

C The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules A8-1 and A8-2 and presented in Att-H separately from ADIT.

D Each ADIT item is categorized into 1 of 7 categories. The selected category will determine the Allocator applied to the ADIT balance.
1) Prod: The ADIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The ADIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related ADIT for which the NA Allocator is applied. Such items shall include:
- ADIT related to the Income Tax Regaultory Assets and Liabilities
- Any other ADIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.

4) Trans: The ADIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The ADIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: ADIT balances other than PP&E where the NP Allocator is applied.
7) Labor: The ADIT balance is labor related and the W/S Allocator is applied.

E Each ADIT Item must be categorized into balances that require proration and those that do not. ADIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

F The Company has elected and applied the second option for accounting for investment tax credits (“ITC”) under Internal Revenue Code 46(f) and the regulations thereunder to apply a cost of service adjustment to reduce tax expense no more rapidly than ratably. Under option 2, there is no rate base reduction for the unamortized balance of the ITC.

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/yyyy

		Gross Plant In Service						
Line No	**Month**	**Production**	**Transmission**	**Distribution**	**General**	**Intangible**	**Total Plant**	**Common**
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
	FN1 Reference for Dec	**205.46.g**	**207.58.g**	**207.75.g**	**207.99.g**	**205.5.g**	**207.100.g**	**356.1**
1	December Prior Year							
2	January							
3	February							
4	March							
5	April							
6	May							
7	June							
8	July							
9	August							
10	September							
11	October							
12	November							
13	December							
14	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

		Gross Plant In Service - Asset Retirement Costs						
	Month	**Production**	**Transmission**	**Distribution**	**General**	**Reserved**	**Total Plant**	**Common**
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
	FN1 Reference for Dec	**205.15.g+205.44.g**	**207.57.g**	**207.74.g**	**207.98.g**			
15	December Prior Year							
16	January							
17	February							
18	March							
19	April							
20	May							
21	June							
22	July							
23	August							
24	September							
25	October							
26	November							
27	December							
28	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/yyyy

Accumulated Depreciation Account 108

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Reserved (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	219.20-24.c	219.25.c	219.26.c	219.28.c		219.29.c	356.1
1	December Prior Year							
2	January							
3	February							
4	March							
5	April							
6	May							
7	June							
8	July							
9	August							
10	September							
11	October							
12	November							
13	December							
14	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

Accumulated Depreciation Account 111

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	200.21.c.fn	200.21.c.fn	200.21.c.fn	200.21.c.fn	200.21.c.fn		356.1
15	December Prior Year							
16	January							
17	February							
18	March							
19	April							
20	May							
21	June							
22	July							
23	August							
24	September							
25	October							
26	November							
27	December							
28	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

Accumulated Depreciation Account 108/111 - Asset Retirement Cost Accumulated Depreciation

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec							
29	December Prior Year							
30	January							
31	February							
32	March							
33	April							
34	May							
35	June							
36	July							
37	August							
38	September							
39	October							
40	November							
41	December							
42	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/yyyy

Line No	Month	Adjustments to Rate Base		CWIP	LHFFU
		Unamortized Regulatory Asset	Unamortized Abandoned Plant	CWIP (Note C)	Land Held for Future Use (Note D)
	(a)	(b)	(c)	(d)	(e)
	FN1 Reference for Dec	(Note A)	(Notes B & F)	216.x.b	214.x.d
1	December Prior Year	-			
2	January	-			
3	February	-			
4	March	-			
5	April	-			
6	May	-			
7	June	-			
8	July	-			
9	August	-			
10	September	-			
11	October	-			
12	November	-			
13	December	-			
14	Average of the 13 Monthly Balances -	-	-	-	-

Line No	Month	Working Capital				
		Materials & Supplies: Transmission Plant	Materials & Supplies: Stores Expense Undistributed	Materials & Supplies: Construction	Materials & Supplies	Prepayments
	(a)	(b)	(c)	(d)	(e)	(f)
	FN1 Reference for Dec	227.8.c	227.16.c	227.5.c	Total (Note E)	111.57.c
	Allocator	1.00000	-	-		
15	December Prior Year			-	-	
16	January				-	
17	February				-	
18	March				-	
19	April				-	
20	May				-	
21	June				-	
22	July				-	
23	August				-	
24	September				-	
25	October				-	
26	November				-	
27	December				-	
28	Average of the 13 Monthly Balances -	-	-	-	-	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/yyyy

	Unfunded Reserves (Note F)			
	(a)	**(b)**	**(c)**	**(d)**
1	List of all reserves:	Amount	Allocation (Plant or Labor Allocator)	Amount Allocated, col. (b) x col.(c)
2		-	0.000%	-
3		-	0.000%	-
4		-	0.000%	-
5		-	0.000%	-
6		-	0.000%	-
7		-	0.000%	-
8		-	0.000%	-
9		-	0.000%	-
10		-		-

Notes:

A Recovery of any regulatory asset is limited to such regulatory assets authorized by FERC.

B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC and will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.

C Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in rate base.

D Transmission related only.

E M&S allocation: Direct Assign 227.8.c at 100%, plus 227.1.c and 227.5.c allocated on Labor (W/S) from Actual Attachment H page 4 line 16.

F The Formula Rate shall include a credit to rate base for unfunded reserves within accounts 228.2, 242, and 253 (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 1-9 above. The allocator in Col. (c) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Reserves can be created by capital contributions from customers, by debiting the reserve and crediting a liability, or a combination of customer capital contribution and offsetting liability. Only the portion of a reserve that was created by customer contributions should be a reduction to rate base. Amounts will be calculated on 13-month average balances.

El Paso Electric Company
Worksheet A5
Depreciation Rates

Line No.	Plant Type		Rates
1	**Transmission Plant**		
2	350.00	Land Rights	0.99%
3	352.00	Structures and Improvements	1.33%
4	353.00	Station Equipment	1.00%
5	354.00	Towers and Fixtures	1.29%
6	355.00	Poles and Fixtures	1.76%
7	356.00	Overhead Conductors & Devices	1.36%
8	359.00	Roads and Trails	1.05%
	General Plant		
9	390.00	Structures and Improvements-Other	1.06%
10	390.00	Stanton Tower	1.80%
11	390.00	System Operations Building	2.29%
12	390.00	Eastside Operations Center	1.74%
13	391.00	Office Furniture and Equipment	1.71%
14	391.20	Network Equipment	20.00%
15	392-C0	Transportation Equipment - Remotes	10.37%
16	392.C1	Transportation Equipment - C1 0 - 8,500 LBS	10.37%
17	392.C2	Transportation Equipment - C2 8,500 - 10,000 LBS	10.37%
18	392.C3	Transportation Equipment - C3 10,001 - 14,000 LBS	10.37%
19	392.C4	Transportation Equipment -C4 14,001 - 16,000 LBS	10.37%
20	392.C5	Transportation Equipment - C5 16,001 - 19,500 LBS	10.37%
21	392.C6	Transportation Equipment - C6 19,501 - 26,000 LBS	10.37%
22	392.C7	Transportation Equipment - C7 26,001 - 33,000 LBS	10.37%
23	392.C8	Transportation Equipment - C8 over 33,000	10.37%
24	392.C9	Transportation Equipment - C9 Trailers	10.37%
25	393.00	Stores Equipment	3.96%
26	394.00	Tools, Shop and Garage Equipment	3.83%
27	395.00	Laboratory Equipment	6.47%
28	396.00	Power Operated Equipment	4.58%
29	397.20	Telecommunication Equipment	6.48%
30	398.00	Miscellaneous Equipment	6.65%

El Paso Electric Company
Worksheet A6
Divisor - Network Transmission Load
Actuals - For the 12 months ended 12/31/2020

Line	Month	Transmission System Peak Load (MW)	Firm Network for Self (MW)	Firm Network Service for Others (MW)	Long-Term Firm Point to Point Reservations (MW)	Other Long-Term Firm Service (MW)	Short Term Firm Point to Point Reservation (MW)	Other Service (MW)	12-CP Average (MW) (Note A)
	(a)	(b)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	FN1 Reference for Total	Sum Colm's (e) through (j)	400.17.e	400.17.f	400.17.g	400.17.h	400.17.i	400.17.j	Colm (b) - (i)
1	January	0							0
2	February	0							0
3	March	0							0
4	April	0							0
5	May	0							0
6	June	0							0
7	July	0							0
8	August	0							0
9	September	0							0
10	October	0							0
11	November	0							0
12	December	0							0
13	Total	-	-	-	-	-	-	-	0
14	12-CP								-
15									

NOTES
A 12-CP average includes all but Short Term Firm Point to Point

El Paso Electric Company
Worksheet A7
Incentive Plant Worksheet
Actuals - For the 12 months ended 12/31/yyyy

Incentive Projects

Line							
1		**Project:**	Project 1		**Project:**	Project 2	
2		Proj. ID	n/a		Proj. ID	n/a	
3		Deprec. Rate:	0.00%	(Note A)	Deprec. Rate:	0.00%	(Note A)
4		ROE Adder	0.00%	(Note B)	ROE Adder	0.00%	(Note B)
5		Weighted ROE Adder:	0.00%		Weighted ROE Adder:	0.00%	
6		Beginning Bal:	-		Beginning Bal:	-	
7	**Total**	Beginning Dep:	-		Beginning Dep:	-	
8		Beginning Year:			Beginning Year:		

Line	**Year (a)**	**Beginning Amt (b)**	**Depreciation (c)**	**Net Plant (d)**	**Incentive Ret (e)**	Project 1 Beginning Amt	Project 1 Depreciation	Project 1 Net Plant	Project 1 Incentive Ret	Project 2 Beginning Amt	Project 2 Depreciation	Project 2 Net Plant	Project 2 Incentive Ret
9		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
16		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
25		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
28		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
32		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Notes
A Special depreciation rates may be utilized for specific incentive transmission projects if approved by the FERC.
B Incentive ROE requires authorization by the Commission

El Paso Electric Company
Worksheet A8-1
Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/yyyy

	Proration Used for Projected Revenue Requirement Calculation								**Proration Used for True-up Revenue Requirement Calculation**					
1	**EDIT included within Accounts 182.3 & 254**								**EDIT included within Accounts 182.3 & 254**					
2	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col b)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
4														
5	December 31st balance Prorated Items (Worksheet P6-1.5h)							-	December 31st balance Prorated Items (Worksheet A8-2.61.g)					-
6	January	31	335	365	91.78%	-	-	-	-	-	-	-	-	-
7	February	28	307	365	84.11%	-	-	-	-	-	-	-	-	-
8	March	31	276	365	75.62%	-	-	-	-	-	-	-	-	-
9	April	30	246	365	67.40%	-	-	-	-	-	-	-	-	-
10	May	31	215	365	58.90%	-	-	-	-	-	-	-	-	-
11	June	30	185	365	50.68%	-	-	-	-	-	-	-	-	-
12	July	31	154	365	42.19%	-	-	-	-	-	-	-	-	-
13	August	31	123	365	33.70%	-	-	-	-	-	-	-	-	-
14	September	30	93	365	25.48%	-	-	-	-	-	-	-	-	-
15	October	31	62	365	16.99%	-	-	-	-	-	-	-	-	-
16	November	30	32	365	8.77%	-	-	-	-	-	-	-	-	-
17	December	31	1	365	0.27%	-	-	-	-	-	-	-	-	-
18	Total (sum of Lines 6 -17)	365				-	-		-	-	-	-	-	

19	Beginning Balance-Total	Worksheet P6-1.19.h	-	Beginning Balance-Total	Worksheet A8-2.62.g	-
20	Beginning Balance-Not Subject to Proration	Worksheet P6-1.20.h	-	Beginning Balance-Not Subject to Proration	Worksheet A8-2.55.g	-
21	Beginning Balance-Subject to Proration	(Line 5, Col H)	-	Beginning Balance-Subject to Proration	(Line 5, Col H)	-
22	Ending Balance-Total	Worksheet P6-1.22.h	-	Ending Balance-Total	Worksheet A8-2.62.i	-
23	Ending Balance-Not Subject to Proration	Worksheet P6-1.23.h	-	Ending Balance-Not Subject to Proration	Worksheet A8-2.55.i	-
24	Ending Balance-Subject to Proration	Worksheet P6-1.24.h	-	Ending Balance-Subject to Proration	Worksheet A8-2.61.i	-
25	Average Balance (See Note 6.)	Line 17 Col N + (Lines 20 + 23 Col N)/2	-	Average Balance (See Note 6.)	Line 17 Col N + (Lines 20 + 23 Col N)/2	-
26	Reserved	Reserved		Reserved	Reserved	
27	Amount for Attachment H	(Line 25 less line 26)	-	Amount for Attachment H	(Line 25 less line 26)	-

El Paso Electric Company
Worksheet A8-1
Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/yyyy

NOTES

1 Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (amount of projected activity that did not

2 Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over-projected, enter Column G x [Column I/Column F]. If Column J is under-projected, enter the amount from Column G and complete Column L). In other situations, enter zero.

3 Column L applies when (1) Column J is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.

4 Column M applies when (1) projected monthly activity is an increase while actual monthly activity is a decrease OR (2) projected monthly activity is a decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.

5 Column N is computed by adding the prorated monthly activity, if any, from Column K to 50 percent of the portion of monthly activity, if any, from Column L or M to the balance at the end of the prior month. The activity in columns L and M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly activity.

6 For the non-property-related component of the balance, the Average Balance is computed using the average of beginning of year and end of year balance. For the property-related component of the balance, the Average Balance is computed as described in Note 5.

7 Projected and Actual monthly activity is computed based on the annual activity for the period, divided by 12 months.

El Paso Electric Company
Worksheet A8-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/yyyy

No.	(a)	(b) Dec-2019	(c) 2020	(d) 2020	(e) Dec-2020	(f)	(g) Dec-2019	(h) 2020	(i) Dec-2020	(j)	(k)	(l)
Line No.	**Item**	**BOY Balance (Note D)**	**Current Period Amortization**	**Current Period Other Activity (Note C)**	**EOY Balance (Note D)**	**Allocator**	**BOY Allocated Amount**	**Amortization Allocated**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note B)**	**Amort Period or Method**	**Explanation (Note A)**
	NON-PLANT UNPROTECTED EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254											
1	Reserved					0.000%	-	-	-			
2	Reserved					0.000%	-	-	-			
3	Reserved					0.000%	-	-	-			
4	Reserved					0.000%	-	-	-			
5	Reserved					0.000%	-	-	-			
6	Reserved					0.000%	-	-	-			
7	Reserved					0.000%	-	-	-			
8	Reserved					0.000%	-	-	-			
9	Reserved					0.000%	-	-	-			
10	Reserved					0.000%	-	-	-			
11	Reserved					0.000%	-	-	-			
12	Reserved					0.000%	-	-	-			
13	Reserved					0.000%	-	-	-			
14	Reserved					0.000%	-	-	-			
15	Reserved					0.000%	-	-	-			
16	Reserved					0.000%	-	-	-			
17	Reserved					0.000%	-	-	-			
18	Reserved					0.000%	-	-	-			
19	Reserved					0.000%	-	-	-			
20	Reserved					0.000%	-	-	-			
21	Reserved					0.000%	-	-	-			
22	Reserved					0.000%	-	-	-			
23	Reserved					0.000%	-	-	-			
24	Reserved					0.000%	-	-	-			
25	Reserved					0.000%	-	-	-			
26	Reserved					0.000%	-	-	-			
27	Reserved					0.000%	-	-	-			
28	Reserved					0.000%	-	-	-			
29	Reserved					0.000%	-	-	-			
30	Reserved					0.000%	-	-	-			
31	Reserved					0.000%	-	-	-			
32	Reserved					0.000%	-	-	-			
33	Reserved					0.000%	-	-	-			
34	Reserved					0.000%	-	-	-			
35	Reserved					0.000%	-	-	-			
36	Reserved					0.000%	-	-	-			
37	Reserved					0.000%	-	-	-			
38	Reserved					0.000%	-	-	-			
39	Reserved					0.000%	-	-	-			
40	Reserved					0.000%	-	-	-			

El Paso Electric Company
Worksheet A8-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/yyyy

		Dec-2019	2020	2020	Dec-2020		Dec-2019	2020	Dec-2020			
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Line No.	Item	BOY Balance (Note D)	Current Period Amortization	Current Period Other Activity (Note C)	EOY Balance (Note D)	Allocator	BOY Allocated Amount	Amortization Allocated	EOY Allocated Amount	Prorated (Yes/No) (Note B)	Amort Period or Method	Explanation (Note A)
41	Reserved					0.000%	-	-	-			
42	Reserved					0.000%	-	-	-			
43	Reserved					0.000%	-	-	-			
44	Reserved					0.000%	-	-	-			
45	Reserved					0.000%	-	-	-			
46	Reserved					0.000%	-	-	-			
47	Reserved					0.000%	-	-	-			
48	Reserved					0.000%	-	-	-			
53	Reserved					0.000%	-	-	-			
54	Reserved					0.000%	-	-	-			
55	**Total Non Plant Unprotected**	-	-	-	-		-	-	-			
	PLANT EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254											
56	Reserved					0.000%	-	-	-			
57	Reserved					0.000%	-	-	-			
58	Reserved					0.000%	-	-	-			
59	Reserved					0.000%	-	-	-			
60	Reserved					0.000%	-	-	-			
61	**Total Plant**	-	-	-	-		-	-	-			
62	**Total Excess/Deficient Deferred Income Tax**	-	-	-	-		-	-	-			

Notes:

A Each EDIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the EDIT balance.
1) Prod: The EDIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The EDIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related EDIT for which the NA Allocator is applied. Such items shall include:
- EDIT related to Pension and PBOP
- Any other EDIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
4) Trans: The EDIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The EDIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: EDIT balances other than PP&E where the NP Allocator is applied.
7) Labor: The EDIT balance is labor related and the W/S Allocator is applied.

B Each EDIT Item must be categorized into balances that require proration and those that do not. EDIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

C Includes the impact of tax rate changes enacted during the period.

D EDIT balances exclude income tax gross-ups recorded to accounts 182.3 and 254

El Paso Electric Company
Worksheet A9
Cost of Capital Worksheet
Actuals - For the 12 months ended 12/31/yyyy

PROPRIETARY CAPITAL

Line No	Month	Preferred Stock Issued (204)	Undistributed Subsidiary Earnings (216.1)	Accumulated Other Comprehensive Income (219)	Total Proprietary Capital
	(a)	(b)	(c)	(d)	(e)
	FN1 Reference for Dec	112.3.c	112.12.c	112.15.c	112.16.c
1	December Prior Year	-	-		
2	January				
3	February				
4	March				
5	April				
6	May				
7	June				
8	July				
9	August				
10	September				
11	October				
12	November				
13	December				
14	Average of the 13 Monthly Balances	-	-	-	-

LONG TERM DEBT

Line No	Month	Total Long Term Debt (221 - 222 + 223 + 224 + 225 - 226)	Unamortized Debt Expenses (181)	Unamortized Loss on Reacquired Debt (189)	Unamortized Gain on Reacquired Debt (257)	Total (g - h - i + j)
	(f)	(g)	(h)	(i)	(j)	(k)
	FN1 Reference for Dec	112.24.c	111.69.c	111.81c	113.61.c	
15	December Prior Year				-	-
16	January				-	-
17	February				-	-
18	March				-	-
19	April				-	-
20	May				-	-
21	June				-	-
22	July				-	-
23	August				-	-
24	September				-	-
25	October				-	-
26	November				-	-
27	December				-	-
28	Average of the 13 Monthly Balances	-	-	-	-	-

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/yyyy

Line #				
	Timeline			
1	Step	Year	Action	
2	1	Year 0	EPE populates the formula rate using projected costs for Year 1	
3	2	Year 0	Post results of Step 1	
4	3	Year 1	Results of Step 2 go into effect.	
5	4	Year 1	EPE populates the formula rate using projected costs for Year 2	
6	5	Year 1	Post results of Step 4	
7	6	Year 2	Results of Step 5 go into effect.	
8	7	Year 2	EPE populates the formula rate using actual costs for Year 1	
9	8	Year 2	EPE compiles actual formula rate revenues booked for Year 1	
10	9	Year 2	Calculate the difference between the formula rate calculated in Step 7 and Step 8	
11	10	Year 2	Post results from Step 8 and Step 9	
12	11	Year 2	EPE populates the formula rate using projected costs for Year 3, including True-Up Adj for Year 1	
13	12	Year 2	Post results of Step 11	
14				
15	**Revenue Amount Comparison**			
16				**Total Amount**
17	Actual Revenue Requirements from Step 7		Notes A and E	$ -
18	Actual Revenues booked from Step 8		Notes B and E	$ -
19	Prior Period Adjustment		Notes C and E	$ -
20	True-up Amount (before Interest)		Line 17 - Line18 + Line 19	$ -
21				
22	**True Up Adjustment**			
23				
24	True-Up Amount before Interest		Line 20	$ -
25	Interest on True-up Amount		Line 70	-
26	**True-Up Adjustment**		Line 20 + Line 70	**$ -**

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/yyyy

Line #				
27	**Interest Calculation**			
28				
29		**FERC Qtr Int. Rate**	Note D	**Rate**
30		Qtr (3 Prior to Most Recent)	Annual Rate	0.00%
31		Qtr (2 Prior to Most Recent)	Annual Rate	0.00%
32		Qtr (Prior to Most Recent)	Annual Rate	0.00%
33		Qtr (Most Recent)	Annual Rate	0.00%
34		Average of the last 4 quarters	(Sum Lines 30-33 / 4)	0.00%
35		Average Monthly Rate	Line 34 / 12	0.0000%
36				

37 An over or under collection will be recovered pro-rata over year collected, held for one year, and returned prorata over next year:

38

Line #	Year	Month	Levelized True Up before Interest (Note E)	Interest Rate	Number of Months	Interest	True Up plus Interest
39							
40	yyyy	January	-	0.00%	12	$ -	
41	yyyy	February	-	0.00%	11	$ -	
42	yyyy	March	-	0.00%	10	$ -	
43	yyyy	April	-	0.00%	9	$ -	
44	yyyy	May	-	0.00%	8	$ -	
45	yyyy	June	-	0.00%	7	$ -	
46	yyyy	July	-	0.00%	6	$ -	
47	yyyy	August	-	0.00%	5	$ -	
48	yyyy	September	-	0.00%	4	$ -	
49	yyyy	October	-	0.00%	3	$ -	
50	yyyy	November	-	0.00%	2	$ -	
51	yyyy	December	-	0.00%	1	$ -	
52			-			$ -	$ -
53							
54	yyyy	Jan-Dec	$ -	0.00%	12	$ -	$ -

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/yyyy

Line #			True Up plus Interest	Interest Rate	Total Interest	Amoritization	Balance Due/Owed
55							
56	yyyy	January	$ -	0.00%	$ -	$ -	$ -
57	yyyy	February	$ -	0.00%	$ -	$ -	$ -
58	yyyy	March	$ -	0.00%	$ -	$ -	$ -
59	yyyy	April	$ -	0.00%	$ -	$ -	$ -
60	yyyy	May	$ -	0.00%	$ -	$ -	$ -
61	yyyy	June	$ -	0.00%	$ -	$ -	$ -
62	yyyy	July	$ -	0.00%	$ -	$ -	$ -
63	yyyy	August	$ -	0.00%	$ -	$ -	$ -
64	yyyy	September	$ -	0.00%	$ -	$ -	$ -
65	yyyy	October	$ -	0.00%	$ -	$ -	$ -
66	yyyy	November	$ -	0.00%	$ -	$ -	$ -
67	yyyy	December	$ -	0.00%	$ -	$ -	$ -
68					$ -		
69							
70	Total Interest			Line 52 + Line 54 + Line 68	$ -		

Notes

A Actual Net Revenue Requirement for rate year subject to True Up from Actual Attachment H, line 7.

B Actual Revenues for transmission service as booked, including amounts noted on FERC Form No. 1, pages 328-330, and other amounts included in supporting documentation.

C Prior Period Adjustment, if any, is calculated to the same timing basis as balance of true up (i.e. before interest applied on line for the Prior Period Adjustment calculation will be included in supporting documentation.

D Interest rates posted by FERC; this section to be completed each year for most recent four quarters

E If Rate Year 1 is a partial rate year, the Actual Revenue Requirement, Actual Revenues, Prior Period Adjustment (if any), and Levelized True Up before Interest will reflect only those months for which the rate was in effect. Otherwise, these amounts will all reflect a full 12 month period.

Projected Attachment H
Page 1 of 5

El Paso Electric Company
Formula Rate - Non-Levelized | Rate Formula Template | Estimated - For the 12 months ended 12/31/yyyy

Line No.			Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)					$ -
	REVENUE CREDITS					
2	Account No. 454	Act Att-H, page 1 Line 2	-	TP	0.00000	-
3	Account No. 456.1	Act Att-H, page 1 Line 3	-	TP	0.00000	-
4	Held for Future Use		-	TP	0.00000	-
5	Held for Future Use		-	TP	0.00000	-
6	TOTAL REVENUE CREDITS (sum lines 2-5)					-
6a	Total True Up Adjustment	Worksheet TU, page 1, Line 26				-
7	NET REVENUE REQUIREMENT	(Line 1 minus Line 6 plus Line 6a)				$ -
7a	Net Revenue Requirement without True Up Adjustment	(Line 7 minus Line 6a)				$ -
	DIVISOR					
8	Divisor (kW)	Worksheet P3, Line 15 x 1000				-
9						
10	RATES					
11	Annual		$ -	/kW-year		
12	Monthly	12 months/year	$ -	/kW-month		
13	Weekly	52 weeks/year	$ -	/kW-week		
14	Daily On-Peak	6 days/week	$ -	/kW-day		
15	Daily Off-Peak	7 days/week	$ -	/kW-day		
16	Hourly On-Peak	16 hours/day	$ -	/MW-hour		
17	Hourly Off-Peak	24 hours/day	$ -	/MW-hour		

Projected Attachment H
Page 2 of 5

El Paso Electric Company

Formula Rate - Non-Levelized | Rate Formula Template | Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1) RATE BASE:	(2) Reference Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	GROSS PLANT IN SERVICE					
1	Transmission	Worksheet P1, Line 30, Col. (c)	-	TP	0.00000	-
2	General & Intangible	Act Att-H, Page 2, Line 4, Col. (3)	-	W/S	0.00000	-
3	TOTAL GROSS PLANT	(Sum Lines 1 and 2)	-			-
	ACCUMULATED DEPRECIATION					
4	Transmission	Worksheet P1, Line 30, Col. (f)	-	TP	0.00000	-
5	General & Intangible	Act Att-H, Page 2, Line 10, Col. (3)	-	W/S	0.00000	-
6	TOTAL ACCUM. DEPRECIATION	(Sum Lines 4 and 5)	-			-
	NET PLANT IN SERVICE					
7	Transmission	(Line 1 - Line 4)	-			-
8	General & Intangible	(Line 2 - Line 5)	-			-
9	TOTAL NET PLANT	(Sum Lines 7 and 8)	-			-
10	CWIP Approved by FERC Order	Worksheet P7, Page 1, Line 14, Col. (d)	-	DA	1.00000	-
	ADJUSTMENTS TO RATE BASE					
11	Accumulated Deferred Income Taxes (Accounts 190, 281-283)	Worksheet P5-1, Page 3, Line 82, Col. (h)	-	DA	1.00000	-
12	Accumulated Deferred Investment Tax Credit (Account 255)	Worksheet P5-2, Line 138, Col. (g)	-	DA	1.00000	-
13	Excess / Deficient Deferred Income Taxes	Worksheet P6-1, Line 27, Col. (h)	-	DA	1.00000	-
14	Unamortized Regulatory Asset	Worksheet P7, Page 1, Line 14, Col. (b)	-	DA	1.00000	-
15	Unamortized Abandoned Plant	Worksheet P7, Page 1, Line 14, Col. (c)	-	DA	1.00000	-
16	Unfunded Reserves (enter negative)	Act Att-H, Page 2, Line 25, Col. (3)	-	DA	1.00000	-
17	Hold Harmless Adjustment	Act Att-H, Page 2, Line 25a, Col. (3)	-	DA	1.00000	-
18	TOTAL ADJUSTMENTS	(Sum of Lines 11-17)	-			-
19	LAND HELD FOR FUTURE USE	Worksheet A4, Page 3, Line 14, Col. (e)	-	TP	0.00000	-
	WORKING CAPITAL					
20	CWC	1/8*(Page 3, Line 7)	-			-
21	Materials & Supplies	Act Att-H, Page 2, Line 29, Col. (3)	-	TP	0.00000	-
22	Prepayments (Account 165)	Act Att-H, Page 2, Line 30, Col. (3)	-	GP	0.00000	-
23	TOTAL WORKING CAPITAL	(Sum of Lines 20-22)	-			-
24	RATE BASE	(Sum Lines 9, 10, 18, 19, & 23)	-			-

El Paso Electric Company
Formula Rate - Non-Levelized — Rate Formula Template — Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) Reference Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M					
1	Transmission	Worksheet P2, Page 1, Line 3, Col. (e)	-	TE	0.00000	-
2	Less Account 561.1 - 561.8	Worksheet P2, Page 1, Line 4, Col. (e)	-	TE	0.00000	-
2a	Less Account 565	Worksheet P2, Page 1, Line 5, Col. (e)	-	TE	0.00000	-
3	A&G	Worksheet P2, Page 1, Line 6, Col. (e)	-	W/S	0.00000	-
4	Less EPRI/Reg. Comm. Exp./Non-safety Ad.	Worksheet P2, Page 1, Line 7, Col. (e)	-	W/S	0.00000	-
4a	Less Property Insurance Acct 924	Worksheet P2, Page 1, Line 8, Col. (e)	-	W/S	0.00000	-
4b	Plus Property Insurance Acct 924	Worksheet P2, Page 1, Line 9, Col. (e)	-	GP	0.00000	-
4c	Plus Transmission Related Reg. Comm. Exp.	Worksheet P2, Page 1, Lines 10 + 10a, Col. (e)	-	TE	0.00000	-
4d	Plus: Fixed PBOP expense	Worksheet P2, Page 1, Line 11, Col. (e)	-	W/S	0.00000	-
4e	Less: Actual PBOP expense	Worksheet P2, Page 1, Line 12, Col. (e)	-	W/S	0.00000	-
5	Common	Worksheet P2, Page 1, Line 13, Col. (e)	-	CE	0.00000	-
6	Hold Harmless Expense Adjustment	Worksheet P2, Page 1, Line 14, Col. (e)	-	DA	1.00000	-
7	TOTAL O&M (sum lines 1, 3, 4b, 4c,4d, 5, 6 less lines 2, 2a, 4, 4a, 4e)		-			-
	DEPRECIATION AND AMORTIZATION EXPENSE					
8	Transmission	Worksheet P1, Page 1, Line 30, Col. (d)	-	TP	0.00000	-
9	General & Intangible	Actual Attachment H, Page 3, Line 9	-	W/S	0.00000	-
10	Common	Actual Attachment H, Page 3, Line 10	-	CE	0.00000	-
11a	Amortization of Regulatory Asset	Company Records	-	DA	1.00000	-
11b	Amortization of Abandoned Plant	Company Records	-	DA	1.00000	-
12	TOTAL DEPRECIATION & AMORTIZATION	(Sum of Lines 8 through 11)	-			-
	TAXES OTHER THAN INCOME TAXES					
	LABOR RELATED					
13	Payroll	Worksheet P2, Page 1, Line 15, Col. (e)	-	W/S	0.00000	-
14	Highway and vehicle	Worksheet P2, Page 1, Line 16, Col. (e)	-	W/S	0.00000	-
15	PLANT RELATED					
16	Property	Worksheet P2, Page 2, Line 3, Col. (e)	-	NP	0.00000	-
17	Gross Receipts	Worksheet P2, Page 1, Line 18, Col. (e)	-	DA	1.00000	-
18	Other	Worksheet P2, Page 1, Line 19, Col. (e)	-	GP	0.00000	-
19	Payments in lieu of taxes	Worksheet P2, Page 1, Line 20, Col. (e)	-	GP	0.00000	-
20	TOTAL OTHER TAXES	(Sum of Lines 13 through 19)	-			-
	INCOME TAXES	(Note A)				
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		0.000%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		0.000%			
	where WCLTD=(page 4, line 28) and R= (page 4, line 31)					
	and FIT, SIT & p are as given in Note A.					
23	1 / (1 - T) = (from line 21)		-			
24	Deficient / (Excess) Deferred Income Taxes Amortization	Worksheet P6-2, Line 62, Col. (h) (enter as negative)	-			
24a	Deficient / (Excess) Deferred Income Tax Adjustment	(Line 23 times Line 24)	-	DA	1.00000	-
25	Permanent Differences	Actual Attachment H, Page 3, Line 25	-			
25a	Tax Effect of Permanent Differences	(Line 21 times 23 times Line 25)	-	NP	-	-
26	Income Tax on Equity and Incentive Return	(Line 22 times Line 28)	-			-
27	Total Income Taxes	(Sum of Lines 24a, 25a, 26)	-			-
	RETURN					
28	Rate Base * Rate of Return + Incentive Return	(Page 2, Line 24 x Page 4, Line 31, Col. (5)) + Page 4, Line 32	-			-
29	REV. REQUIREMENT	(Sum of Lines 7, 12, 20, 27, 28)	-			-

Projected Attachment H
Page 4 of 5

El Paso Electric Company
Rate Formula Template

Formula Rate - Non-Levelized

Estimated - For the 12 months ended 12/31/yyyy

SUPPORTING CALCULATIONS AND NOTES

Line No.	(1)	(2)	(3)		(4)		(5)	
	TRANSMISSION PLANT INCLUDED IN RATES							
1	Total transmission plant	Actual Attachment H, Page 4, Line 1					-	
2	Less transmission plant excluded from Wholesale Rates	Actual Attachment H, Page 4, Line 2					-	
3	Less transmission plant included in OATT Ancillary Services	Actual Attachment H, Page 4, Line 3					-	
4	Transmission plant included in Wholesale Rates	(Line 1 less Lines 2 & 3)					0	
5	Percentage of transmission plant included in Wholesale Rates	(Line 4 divided by Line 1)				TP=	0.00000	
	TRANSMISSION EXPENSES							
6	Total transmission expenses	(Page 3, Line 1, Col. 3)					-	
7	Less transmission expenses included in OATT Ancillary Services	Actual Attachment H, Page 4, Line 7					-	
8	Included transmission expenses	(Line 6 less Line 7)					0	
9	Percentage of transmission expenses after adjustment	(Line 8 divided by Line 6)					0.00000	
10	Percentage of transmission plant included in wholesale Rates	(Line 5)				TP	0.00000	
11	Percentage of transmission expenses included in wholesale Rates	(Line 9 times Line 10)				TE=	0.00000	
	WAGES & SALARY ALLOCATOR (W&S)							
		Reference	$	TP	Allocation			
12	Production	Actual Attachment H, Page 4, Line 12	-	0.00	0			
13	Transmission	Actual Attachment H, Page 4, Line 13	-	0.00	0			
14	Distribution	Actual Attachment H, Page 4, Line 14	-	0.00	0		W&S Allocator	
15	Other	Actual Attachment H, Page 4, Line 15	-	0.00	0		($ / Allocation)	
16	Total	(Sum of Lies 12-15)	0		0	=	0.00000	= WS
	COMMON PLANT ALLOCATOR (CE)		$		% Electric		W&S Allocator	
17	Electric	Actual Attachment H, Page 4, Line 17	-		(line 17 / line 20)		(line 16)	CE
18	Gas	Actual Attachment H, Page 4, Line 18	-		0.00000	*	0.00000 =	0.00000
19	Water	Actual Attachment H, Page 4, Line 19	-					
20	Total	(Sum of Lines 17-19)	-					
	RETURN (R)						$	
21	Long Term Interest	Actual Attachment H, Page 4, Line 21					-	
22	Preferred Dividends	Actual Attachment H, Page 4, Line 22					-	
	<u>Development of Common Stock:</u>							
23	Proprietary Capital	Actual Attachment H, Page 4, Line 23					-	
24	Less Preferred Stock	Actual Attachment H, Page 4, Line 24					-	
25	Less Other Comprehensive Income	Actual Attachment H, Page 4, Line 25					-	
26	Less Account 216.1	Actual Attachment H, Page 4, Line 26					-	
27	Common Stock	(Sum of Lines 23-26)					0	
			$	%	Cost		Weighted	
28	Long Term Debt	Actual Attachment H, Page 4, Line 28	-	0%	-		-	=WCLTD
29	Preferred Stock	Actual Attachment H, Page 4, Line 29	-	0%	-		-	
30	Common Stock	Actual Attachment H, Page 4, Line 30	-	0%	0.1038		-	
31	Total	(Sum of Lines 28-30)	-				-	=R
32	Incentive Return	Worksheet P4, Line 35, Col. (e)					-	

El Paso Electric Company

Formula Rate - Non-Levelized | Rate Formula Template | Estimated - For the 12 months ended 12/31/yyyy

Line No.	(1)	(2) Reference	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	GROSS PLANT ALLOCATOR (GP)		$			
1	Production	Company Records	-	NA		
2	Transmission	Worksheet P1, Line 30, Col. (c)	-	TP	0.00000	-
3	Distribution	Company Records	-	NA		
4	General & Intangible	Actual Attachment H, Page 2, Line 4	-	W/S	0.00000	-
5	Common	Actual Attachment H, Page 2, Line 5	-	CE	0.00000	-
6	Total	(Sum of Lines 1-5)	0	GP=	0.00000	-
	NET PLANT ALLOCATOR (NP)		$			
7	Production	Company Records	-	NA		
8	Transmission	Worksheet P1, Line 30, Col. (g)	-	TP	0.00000	-
9	Distribution	Company Records	-	NA		
10	General & Intangible	Actual Attachment H, Page 2, Line 16	-	W/S	0.00000	-
11	Common	Actual Attachment H, Page 2, Line 17	-	CE	0.00000	-
12	Total	(Sum of Lines 7-11)	0	NP=	0.00000	-

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)

Note Letter

A The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed.

Inputs Required:	FIT =	0.000%	(Federal Income Tax Rate)
	SIT=	0.000%	(State Income Tax Rate or Composite SIT)
	p =	0.000%	(percent of federal income tax deductible for state purposes)

El Paso Electric Company
Worksheet P1
Projected Transmission Plant
Estimated - For the 12 months ended 12/31/yyyy

Line	Month &Year	Projected Plant Additions	Plant in Service	Plant Depreciation Accrual (Note B)	Depr Rate (Note A)	Plant Accumulated Depreciation	Net Projected Plant
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Wkst A4, Page 1, Lines 13 minus 27			Wkst A4, Page 2, Lines 13 + 27 - 41	
1			-			-	-
2			$ -	$ -		-	$ -
3			$ -	$ -		-	$ -
4			$ -	$ -		-	$ -
5			$ -	$ -		-	$ -
6			$ -	$ -		-	$ -
7			$ -	$ -		-	$ -
8			$ -	$ -		-	$ -
9			$ -	$ -		-	$ -
10			$ -	$ -		-	$ -
11			$ -	$ -		-	$ -
12			$ -	$ -		-	$ -
13			$ -	$ -		-	$ -
14			$ -	$ -		-	$ -
15			$ -	$ -		-	$ -
16			$ -	$ -		-	$ -
17			$ -	$ -		-	$ -
18			$ -	$ -		-	$ -
19			$ -	$ -		-	$ -
20			$ -	$ -		-	$ -
21			$ -	$ -		-	$ -
22			$ -	$ -		-	$ -
23			$ -	$ -		-	$ -
24			$ -	$ -		-	$ -
25			$ -	$ -		-	$ -
26	12 Mon Total year 1			$ -			
27	12 Mon Total year 2			$ -			
28	13 Mon Avg year 1		$ -			$ -	$ -
29	13 Mon Avg year 2		$ -			$ -	$ -
30	Amount to Proj Att-H (Note C)		$ -	$ -		$ -	$ -

El Paso Electric Company
Worksheet P1
Projected Transmission Plant
Estimated - For the 12 months ended 12/31/yyyy

Notes:

A In periods where the company will use the actual depreciation rate, enter "A". The actual depreciation rate is calculated as follows:
-Actual Attachment H, page 3, line 8) divided by actual transmission plant in service (Actual Attachment H, page 2, line 2) divided by 12 months.

In periods where the company has submitted new depreciation rates for FERC approval, enter "N". The new depreciation rate is calculated as follows:
-The annual composite transmission depreciation rate developed within a new depreciation study, divided by 12 months.

Current Depreciation Rate (A)	0.0000%
New Depreciation Rate (N)	0.0000%

B The depreciation accrual is based on the average of the current and prior month Plant in Service, times the actual "A" or new "N" depreciation rate.

C In the initial year rates are set, use Lines 26 and 28, thereafter use Lines 27 and 29, calculated on line 30.

Yes	If initial year rates are effective enter Yes, otherwise enter No

El Paso Electric Company
Worksheet P2
Projected Expenses
Estimated - For the 12 months ended 12/31/yyyy

	(a)	(b)	(c)	(d)	(e)
	O&M / OTHER TAXES (Excluding Property Taxes)				
Line	**Item**	**Reference**	**Actual Costs**	**Charge Factor (Note A)**	**Projected Costs (Note B)**
1	Net Plant in Service	Actual Attachment H, Page 2 Line 18	-		
2	Projected Net Plant in Service	Projected Attachment H, Page 2, Line 9			-
	O&M				
3	Transmission	Actual Attachment H, Page 3, Line 1	-	-	-
4	Less Account 561.1-561.8	Actual Attachment H, Page 3, Line 2	-	-	-
5	Less Account 565	Actual Attachment H, Page 3, Line 2a	-	-	-
6	A&G	Actual Attachment H, Page 3, Line 3	-	-	-
7	Less EPRI & Reg. Comm. Exp. & Non-safety Ad.	Actual Attachment H, Page 3, Line 4	-	-	-
8	Less Property Insurance Acct 924	Actual Attachment H, Page 3, Line 4a	-	-	-
9	Plus Property Insurance Acct 924	Actual Attachment H, Page 3, Line 4b	-	-	-
10	Plus Transmission Related Reg. Comm. Exp.	Actual Attachment H, Page 3, Line 4c	-	-	-
10a	Plus Transmission Related Rate Case Cost Amort Bal	Note D			-
11	Plus: Fixed PBOP expense	Actual Attachment H, Page 3, Line 4d	-		-
12	Less: Actual PBOP expense	Actual Attachment H, Page 3, Line 4e	-		-
13	Common	Actual Attachment H, Page 3, Line 5	-	-	-
14	Hold Harmless Expense Adjustment	Actual Attachment H, Page 3, Line 6	-	-	-
	OTHER TAXES (Excluding Property Taxes)				
	LABOR RELATED				
15	Payroll	Actual Attachment H, Page 3, Line 13	-	-	-
16	Highway and vehicle	Actual Attachment H, Page 3, Line 14	-	-	-
17	PLANT RELATED				
18	Gross Receipts	Actual Attachment H, Page 3, Line 17	-	-	-
19	Other	Actual Attachment H, Page 3, Line 18	-	-	-
20	Payment in Lieu of Taxes	Actual Attachment H, Page 3, Line 19	-	-	-

El Paso Electric Company
Worksheet P2
Projected Expenses
Estimated - For the 12 months ended 12/31/yyyy

	(a)	(b)	(c)	(d)	(e)
	PROPERTY TAXES				
	Item	**Reference**	**Actual**	**Charge Factor**	**Projected**
	PROPERTY TAXES				
1	Net Plant in Service for Actual (Note C)	200.15.b			
2	Net Plant in Service for Projected (Note C)	200.15.b			
3	Property Taxes	Actual Attachment H, Page 3, Line 16	-	-	-

NOTES:

A Charge Factor: Actual O&M expenses & Other Taxes divided by total actual net plant from Actuals Attachment H. This is used as one of the basis to calculate projected O&M costs and projected Other Taxes.

B -When the Net Plant Change % falls within a minimum or maximum threshold, Projected Costs = Row 2, Col. (f) times Col. (d)
-When the Net Plant Change % is greater than the maximum threshold, Projected Costs = Col. (c) times Maximum Percentage
-When the Net Plant Change % is less than the minimum threshold, Projected Costs = Col. (c) times Minimum Percentage

Net Plant Change %	0.0%	Use Calculated Factors in column 4
Maximum percentage change applied	0.0%	Use Maximum Percentage Change
Minimum percentage change applied	0.0%	Use Minimum Percentage Change
	Result:	**Use Maximum Percentage Change**

C Property tax expenses relate to plant balances as of December 31, 2 Years prior to the expense period.

FERC Form 1 Reporting Period for Actual	yyyy
FERC Form 1 Reporting Period for Projected	yyyy

D Transmission rate case cost amortization balance is the remaining balance of total projected rate case costs amortized over a 3 year period.

El Paso Electric Company
Worksheet P3
Projected Divisor - Network Transmission Load

Line No.				
1	Peak Network Load (MW) During:		=	-
	a	b	c	d
	Month	**Actual Transmission Network Load (Worksheet A-6)**	**Percentage of Maximum Transmission Network Load**	**Projected Transmission Network Load (Col c x Line 1)**
2	January	-	0.00%	-
3	February	-	0.00%	-
4	March	-	0.00%	-
5	April	-	0.00%	-
6	May	-	0.00%	-
7	June	-	0.00%	-
8	July	-	0.00%	-
9	August	-	0.00%	-
10	September	-	0.00%	-
11	October	-	0.00%	-
12	November	-	0.00%	-
13	December	-	0.00%	-
14	Total	-		-
15	12-CP	-		-

Note: Maximum Transmission Network Load is the maximum hourly load measured on the system for the listed year at the time of the Projection.

El Paso Electric Company
Worksheet P4
Projected Incentive Plant Worksheet
Estimated - For the 12 months ended 12/31/yyyy

Incentive Projects

Line						
1	**Project:**	Project 1		**Project:**	Project 2	
2	Proj. ID	n/a		Proj. ID	n/a	
3	Deprec. Rate/Month:	0.00%	(Note A)	Deprec. Rate/Month:	0.00%	(Note A)
4	ROE Adder	0.00%	(Note B)	ROE Adder	0.00%	(Note B)
5	Weighted ROE Adder:	0.00%		Weighted ROE Adder:	0.00%	
6	Beginning Bal:	-		Beginning Bal:	-	
7	Beginning Dep:	-		Beginning Dep:	-	
8	Beginning Year:			Beginning Year:		

Line		Total				Project 1				Project 2			
	Mon/Yr (a)	**Gross Plant (b)**	**Depreciation (c)**	**Accum. Dep. (d)**	**Incentive Ret (e)**	**Gross Plant (f)**	**Depreciation (g)**	**Accum. Dep. (h)**	**Net Plant (i)**	**Gross Plant (j)**	**Depreciation (k)**	**Accum. Dep. (l)**	**Net Plant (m)**
						$ -				$ -			
9	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
16	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
25	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
28	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
32	Jan-00	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
33	12 Mon Tot		$ -				$ -				$ -		
34	13 Mon Avg	$ -		$ -		$ -		$ -	$ -	$ -		$ -	$ -
35	Total Incentive Return				$0.00				$0.00				$0.00

Notes
A Special depreciation rates may be utilized for specific incentive transmission projects if approved by the FERC.
B Incentive ROE requires authorization by the Commission

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/yyyy

1 **Account 190**

Line	(a) Month	(b) Days in the Month	(c) Number of Days Prorated	(d) Total Days in Future Portion of Test Period	(e) Proration Amount (c /d)	(f) Projected Monthly Activity	(g) Prorated Projected Monthly Activity (e x f)	(h) Prorated Projected Balance (Cumulative Sum of g)
2	**Days in Period**					**Averaging with Proration - Projected**		
4								
5	December 31st balance Prorated Items (P5-2.61.f)							-
6	January	31	335	365	91.78%	-	-	-
7	February	28	307	365	84.11%	-	-	-
8	March	31	276	365	75.62%	-	-	-
9	April	30	246	365	67.40%	-	-	-
10	May	31	215	365	58.90%	-	-	-
11	June	30	185	365	50.68%	-	-	-
12	July	31	154	365	42.19%	-	-	-
13	August	31	123	365	33.70%	-	-	-
14	September	30	93	365	25.48%	-	-	-
15	October	31	62	365	16.99%	-	-	-
16	November	30	32	365	8.77%	-	-	-
17	December	31	1	365	0.27%	-	-	-
18	Total	365				-	-	

Line	Description	Source	Amount
19	Beginning Balance-Total	Worksheet P5-2.58.f	-
20	Beginning Balance-Not Subject to Proration	Worksheet P5-2.64.f	-
21	Beginning Balance-Subject to Proration	(Line 5, Col H)	-
22	Ending Balance-Total	Worksheet P5-2.58.g	-
23	Ending Balance-Not Subject to Proration	Worksheet P5-2.64.g	-
24	Ending Balance-Subject to Proration	Worksheet P5-2.61.g	-
25	Average Balance	Line 17 Col N + (Lines 20 + 23 Col N)/2	-
26	Reserved		-
27	Amount for Attachment H	(Line 25 less line 26)	-

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/yyyy

28 **Account 282**

Line	Days in Period					Averaging with Proration - Projected		
29	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
30	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (c /d)	Projected Monthly Activity	Prorated Projected Monthly Activity (e x f)	Prorated Projected Balance (Cumulative Sum of g)
31								
32	December 31st balance Prorated Items (P5-2.79.f)							-
33	January	31	335	365	0.918	-	-	-
34	February	28	307	365	0.841	-	-	-
35	March	31	276	365	0.756	-	-	-
36	April	30	246	365	0.674	-	-	-
37	May	31	215	365	0.589	-	-	-
38	June	30	185	365	0.507	-	-	-
39	July	31	154	365	0.422	-	-	-
40	August	31	123	365	0.337	-	-	-
41	September	30	93	365	0.255	-	-	-
42	October	31	62	365	0.170	-	-	-
43	November	30	32	365	0.088	-	-	-
44	December	31	1	365	0.003	-	-	-
45	Total	365				-	-	

Line	Description	Source	Amount
46	Beginning Balance-Total	Worksheet P5-2.76.f	-
47	Beginning Balance-Not Subject to Proration	Worksheet P5-2.82.f	-
48	Beginning Balance-Subject to Proration	(Line 32, Col H)	-
49	Ending Balance-Total	Worksheet P5-2.76.g	-
50	Ending Balance-Not Subject to Proration	Worksheet P5-2.82.g	-
51	Ending Balance-Subject to Proration	Worksheet P5-2.79.g	-
52	Average Balance	Line 44 Col H + (Lines 47 + 50 Col H)/2	-
53	Reserved		
54	Amount for Attachment H	(Line 52 less line 53)	-

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/yyyy

55 **Account 283**

Line	Days in Period					Averaging with Proration - Projected		
56	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
57	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (c /d)	Projected Monthly Activity	Prorated Projected Monthly Activity (e x f)	Prorated Projected Balance (Cumulative Sum of g)
58								
59	December 31st balance Prorated Items (P5-2.126.f)							-
60	January	31	334	365	0.915	-	-	-
61	February	28	306	365	0.838	-	-	-
62	March	31	275	365	0.753	-	-	-
63	April	30	245	365	0.671	-	-	-
64	May	31	214	365	0.586	-	-	-
65	June	30	184	365	0.504	-	-	-
66	July	31	153	365	0.419	-	-	-
67	August	31	122	365	0.334	-	-	-
68	September	30	92	365	0.252	-	-	-
69	October	31	61	365	0.167	-	-	-
70	November	30	31	365	0.085	-	-	-
71	December	31	1	365	0.003	-	-	-
72	Total	365				-	-	

Line	Description	Source	Amount
73	Beginning Balance-Total	Worksheet P5-2.123.f	-
74	Beginning Balance-Not Subject to Proration	Worksheet P5-2.129.f	-
75	Beginning Balance-Subject to Proration	(Line 59, Col H)	-
76	Ending Balance-Total	Worksheet P5-2.123.g	-
77	Ending Balance-Not Subject to Proration	Worksheet P5-2.129.g	-
78	Ending Balance-Subject to Proration	Worksheet P5-2.126.g	-
79	Average Balance	Line 71 Col H + (Lines 74 + 77 Col H)/2	-
80	Reserved		
81	Amount for Attachment H	(Line 79 less line 80)	-
82	**Total Amount for Projected Attachment H**	**(Lines 27+54+81)**	**-**

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

No.	(a)	(b) mmm-yyyy	(c) mmm-yyyy	(e)	(f) mmm-yyyy	(g) mmm-yyyy	(h)	(i)	(j)
Line No.	**Item**	**BOY Balance**	**EOY Balance**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note C)**	**Explanation (Note B)**	**Projection Classification (Note D)**
	ACCOUNT 190 ACCUMULATED DEFERRED INCOME TAXES								
1	Reserved	-	-	0.000%	-	-			
2	Reserved	-	-	0.000%	-	-			
3	Reserved	-	-	0.000%	-	-			
4	Reserved	-	-	0.000%	-	-			
5	Reserved	-	-	0.000%	-	-			
6	Reserved	-	-	0.000%	-	-			
7	Reserved	-	-	0.000%	-	-			
8	Reserved	-	-	0.000%	-	-			
9	Reserved	-	-	0.000%	-	-			
10	Reserved	-	-	0.000%	-	-			
11	Reserved	-	-	0.000%	-	-			
12	Reserved	-	-	0.000%	-	-			
13	Reserved	-	-	0.000%	-	-			
14	Reserved	-	-	0.000%	-	-			
15	Reserved	-	-	0.000%	-	-			
16	Reserved	-	-	0.000%	-	-			
17	Reserved	-	-	0.000%	-	-			
18	Reserved	-	-	0.000%	-	-			
19	Reserved	-	-	0.000%	-	-			
20	Reserved	-	-	0.000%	-	-			
21	Reserved	-	-	0.000%	-	-			
22	Reserved	-	-	0.000%	-	-			
23	Reserved	-	-	0.000%	-	-			
24	Reserved	-	-	0.000%	-	-			
25	Reserved	-	-	0.000%	-	-			
26	Reserved	-	-	0.000%	-	-			
27	Reserved	-	-	0.000%	-	-			
28	Reserved	-	-	0.000%	-	-			
29	Reserved	-	-	0.000%	-	-			
30	Reserved	-	-	0.000%	-	-			
31	Reserved	-	-	0.000%	-	-			
32	Reserved	-	-	0.000%	-	-			
33	Reserved	-	-	0.000%	-	-			
34	Reserved	-	-	0.000%	-	-			
35	Reserved	-	-	0.000%	-	-			
36	Reserved	-	-	0.000%	-	-			
37	Reserved	-	-	0.000%	-	-			
38	Reserved	-	-	0.000%	-	-			
39	Reserved	-	-	0.000%	-	-			
40	Reserved	-	-	0.000%	-	-			
41	Reserved	-	-	0.000%	-	-			
42	Reserved	-	-	0.000%	-	-			
43	Reserved	-	-	0.000%	-	-			
44	Reserved	-	-	0.000%	-	-			
45	Reserved	-	-	0.000%	-	-			

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

No.	(a)	mmm-yyyy (b)	mmm-yyyy (c)	(e)	mmm-yyyy (f)	mmm-yyyy (g)	(h)	(i)	(j)
Line No.	**Item**	**BOY Balance**	**EOY Balance**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note C)**	**Explanation (Note B)**	**Projection Classification (Note D)**
46	Reserved	-	-	0.000%	-	-			
47	Reserved	-	-	0.000%	-	-			
48	Reserved	-	-	0.000%	-	-			
49	Reserved	-	-	0.000%	-	-			
50	Reserved	-	-	0.000%	-	-			
51	Reserved	-	-	0.000%	-	-			
52	Reserved	-	-	0.000%	-	-			
53	Reserved	-	-	0.000%	-	-			
54	Reserved	-	-	0.000%	-	-			
55	**Total Account 190**	-	-		-	-			
	Tax Reg Asset / Liab Adjustments (Note A)								
56	Reserved			0.000%	-	-			
57	Reserved			0.000%	-	-			
58	**Total Account 190 After Adjustments**				-	-			
59	Prorated Balances				-	-			
60	Tax Reg Asset / Liab Adjustments				-	-			
61	**Prorated Account 190 Balances After Adjustments**				-	-			
62	Non-Prorated Balances				-	-			
63	Tax Reg Asset / Liab Adjustments				-	-			
64	**Non-Prorated Account 190 Balances After Adjustments**				-	-			
	ACCOUNT 282 ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Enter Negative)								
65	Reserved			0.000%	-	-			
66	Reserved			0.000%	-	-			
67	Reserved			0.000%	-	-			
68	Reserved			0.000%	-	-			
69	Reserved			0.000%	-	-			
70	Reserved	-	-	0.000%	-	-			
71	Reserved	-	-	0.000%	-	-			
72	Reserved	-	-	0.000%	-	-			
73	**Total Account 282**	-	-		-	-			
	Tax Reg Asset / Liab Adjustments (Note A)								
74	Reserved			0.000%	-	-			
75	Reserved	-	-	0.000%	-	-			
76	**Total Account 282 After Adjustments**				-	-			
77	Prorated Balances				-	-			
78	Tax Reg Asset / Liab Adjustments				-	-			
79	**Prorated Account 282 Balances After Adjustments**				-	-			
80	Non-Prorated Balances				-	-			
81	Tax Reg Asset / Liab Adjustments				-	-			
82	**Non-Prorated Account 282 Balances After Adjustments**				-	-			

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

		mmm-yyyy	mmm-yyyy		mmm-yyyy	mmm-yyyy			
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
Line No.	Item	BOY Balance	EOY Balance	Allocator	BOY Allocated Amount	EOY Allocated Amount	Prorated (Yes/No) (Note C)	Explanation (Note B)	Projection Classification (Note D)
	ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES - OTHER (Enter Negative)								
83	Reserved		-	0.000%	-	-			
84	Reserved	-	-	0.000%	-	-			
85	Reserved	-	-	0.000%	-	-			
86	Reserved	-	-	0.000%	-	-			
87	Reserved	-	-	0.000%	-	-			
88	Reserved	-	-	0.000%	-	-			
89	Reserved	-	-	0.000%	-	-			
90	Reserved	-	-	0.000%	-	-			
91	Reserved	-	-	0.000%	-	-			
92	Reserved	-	-	0.000%	-	-			
93	Reserved	-	-	0.000%	-	-			
94	Reserved	-	-	0.000%	-	-			
95	Reserved	-	-	0.000%	-	-			
96	Reserved	-	-	0.000%	-	-			
97	Reserved	-	-	0.000%	-	-			
98	Reserved	-	-	0.000%	-	-			
99	Reserved	-	-	0.000%	-	-			
100	Reserved	-	-	0.000%	-	-			
101	Reserved	-	-	0.000%	-	-			
102	Reserved	-	-	0.000%	-	-			
103	Reserved	-	-	0.000%	-	-			
104	Reserved	-	-	0.000%	-	-			
105	Reserved	-	-	0.000%	-	-			
106	Reserved	-	-	0.000%	-	-			
107	Reserved	-	-	0.000%	-	-			
108	Reserved	-	-	0.000%	-	-			
109	Reserved	-	-	0.000%	-	-			
110	Reserved	-	-	0.000%	-	-			
111	Reserved	-	-	0.000%	-	-			
112	Reserved	-	-	0.000%	-	-			
113	Reserved	-	-	0.000%	-	-			
114	Reserved	-	-	0.000%	-	-			
115	Reserved	-	-	0.000%	-	-			
116	Reserved	-	-	0.000%	-	-			
117	Reserved	-	-	0.000%	-	-			
118	Reserved	-	-	0.000%	-	-			
119	Reserved	-	-	0.000%	-	-			
120	**Total Account 283**	-	-		-	-			

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

No.	(a)	(b) mmm-yyyy	(c) mmm-yyyy	(e)		(f) mmm-yyyy	(g) mmm-yyyy	(h)	(i)	(j)
Line No.	**Item**	**BOY Balance**	**EOY Balance**	**Allocator**		**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note C)**	**Explanation (Note B)**	**Projection Classification (Note D)**
	Tax Reg Asset / Liab Adjustments (Note A)									
121	Reserved				0.000%	-	-			
122	Reserved	-	-		0.000%	-	-			
123	**Total Account 283 After Adjustments**					-	-			
124	Prorated Balances					-	-			
125	Tax Reg Asset / Liab Adjustments					-	-			
126	**Prorated Account 283 Balances After Adjustments**					-	-			
127	Non-Prorated Balances					-	-			
128	Tax Reg Asset / Liab Adjustments					-	-			
129	**Non-Prorated Account 283 Balances After Adjustments**					-	-			
	ACCOUNT 255: ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Enter Negative) (Note E)									
130	Intangible			NP	0.000%	-	-			
131	Production		-	NA	0.000%	-	-			
132	Transmission			DA	100.000%	-	-			
133	Distribution			NA	0.000%	-	-			
134	General Plant			NP	0.000%	-	-			
135	**Total Account 255 (266.8.b & 267.8.h)**	-	-			-	-			
136	Unrealized ITC Adjustment									
137	Account 255 balance after Unrealized Adjustment					-	-			
138	**Average ITC Balance for Attachment H**						-			

Notes:

A The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules P6-1 and P6-2 and presented in Att-H separately from ADIT.

B Each ADIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the ADIT balance.
1) Prod: The ADIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The ADIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related ADIT for which the NA Allocator is applied. Such items shall include:
- ADIT related to the Income Tax Regaultory Assets and Liabilities
- ADIT related to Pension and PBOP
- Any other ADIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
4) Trans: The ADIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The ADIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: ADIT balances other than PP&E where the NP Allocator is applied.
7) Labor: The ADIT balance is labor related and the W/S Allocator is applied.

C Each ADIT Item must be categorized into balances that require proration and those that do not. ADIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

D A=Actuals from most recent FERC Form 1 are used. P=A projection of the ADIT balance is calculated.

E The balance in Account 255 is directly allocated among types of depreciable plant based the amount of investment tax credit (ITC) allowed for each type of property. In accordance with the normalization requirements applicable to utilities, the Company has elected to reduce rate base by unamortized ITC rather than to reduce income tax expense by ITC amortization. Rate base is not reduced by unamortized ITC until the ITC has been utilized by the Company on its tax return.

El Paso Electric Company
Worksheet P6-1
Excess / Deficient Deferred Income Taxes ("EDIT")

Proration Used for Projected Revenue Requirement Calculation

Line								
1	**EDIT included within Accounts 182.3 & 254**							
2	**Days in Period**					**Projection - Proration of Deferred Tax Activity**		
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col b)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)
4								
5	December 31st balance Prorated Items (Worksheet P6-2.61.g)							-
6	January	31	335	365	91.78%	-	-	-
7	February	28	307	365	84.11%	-	-	-
8	March	31	276	365	75.62%	-	-	-
9	April	30	246	365	67.40%	-	-	-
10	May	31	215	365	58.90%	-	-	-
11	June	30	185	365	50.68%	-	-	-
12	July	31	154	365	42.19%	-	-	-
13	August	31	123	365	33.70%	-	-	-
14	September	30	93	365	25.48%	-	-	-
15	October	31	62	365	16.99%	-	-	-
16	November	30	32	365	8.77%	-	-	-
17	December	31	1	365	0.27%	-	-	-
18	Total (sum of Lines 6 -17)	365				-	-	

Line	Description	Reference	Amount
19	Beginning Balance-Total	Worksheet P6-2.62.g	-
20	Beginning Balance-Not Subject to Proration	Worksheet P6-2.55.g	-
21	Beginning Balance-Subject to Proration	(Line 5, Col H)	-
22	Ending Balance-Total	Worksheet P6-2.62.i	-
23	Ending Balance-Not Subject to Proration	Worksheet P6-2.55.i	-
24	Ending Balance-Subject to Proration	Worksheet P6-2.61.i	-
25	Average Balance	Line 17 Col N + (Lines 20 + 23 Col N)/2	-
26	Reserved	Reserved	
27	Amount for Attachment H	(Line 25 less line 26)	-

El Paso Electric Company
Worksheet P6-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Estimated - For the 12 months ended 12/31/yyyy

No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
		mmm-yyyy	yyyy	yyyy	mmm-yyyy		mmm-yyyy	yyyy	mmm-yyyy			
Line No.	Item	BOY Balance (Note D)	Current Period Amortization	Current Period Other Activity (Note C)	EOY Balance (Note D)	Allocator	BOY Allocated Amount	Amortization Allocated	EOY Allocated Amount	Prorated (Yes/No) (Note B)	Amort Period or Method	Explanation (Note A)
	NON-PLANT UNPROTECTED EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254											
1	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
2	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
3	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
4	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
5	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
6	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
7	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
8	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
9	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
10	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
11	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
12	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
13	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
14	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
15	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
16	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
17	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
18	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
19	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
20	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
21	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
22	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
23	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
24	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
25	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
26	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
27	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
28	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
29	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
30	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
31	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
32	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
33	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
34	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
35	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
36	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
37	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
38	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
39	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
40	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
41	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
42	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-

El Paso Electric Company
Worksheet P6-2
Accumulated Excess Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/yyyy

		mmm-yyyy	yyyy	yyyy	mmm-yyyy		mmm-yyyy	yyyy	mmm-yyyy			
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Line No.	Item	BOY Balance (Note D)	Current Period Amortization	Current Period Other Activity (Note C)	EOY Balance (Note D)	Allocator	BOY Allocated Amount	Amortization Allocated	EOY Allocated Amount	Prorated (Yes/No) (Note B)	Amort Period or Method	Explanation (Note A)
43	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
44	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
45	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
46	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
47	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
48	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
53	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
54	Reserved	-	-		-	NA 0.000%	-	-	-	No	-	-
55	**Total Non Plant Unprotected**	-	-	-	-		-	-	-			
	PLANT EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254											
56	Reserved	-			-	0.000%	-	-	-			
57	Reserved	-			-	0.000%	-	-	-			
58	Reserved	-	-		-	0.000%	-	-	-			
59	Reserved					0.000%	-	-	-			
60	Reserved					0.000%	-	-	-			
61	**Total Plant**	-	-	-	-		-	-	-			
62	**Total Excess/Deficient Deferred Income Tax**	-	-	-	-		-	-	-			

Notes:

A Each EDIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the EDIT balance.
1) Prod: The EDIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The EDIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related EDIT for which the NA Allocator is applied. Such items shall include:
- EDIT related to Pension and PBOP
- Any other EDIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
4) Trans: The EDIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The EDIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: EDIT balances other than PP&E where the NP Allocator is applied.
7) Labor: The EDIT balance is labor related and the W/S Allocator is applied.

B Each EDIT Item must be categorized into balances that require proration and those that do not. EDIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

C Includes the impact of tax rate changes enacted during the period.

D EDIT balances exclude income tax gross-ups recorded to accounts 182.3 and 254

El Paso Electric Company
Worksheet P7
Projected Adjustments to Rate Base
Estimated - For the 12 months ended 12/31/yyyy

Line No	Month (a)	Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	CWIP (d)
1	December Prior Year	-	-	-
2	January	-	-	-
3	February	-	-	-
4	March	-	-	-
5	April	-	-	-
6	May	-	-	-
7	June	-	-	-
8	July	-	-	-
9	August	-	-	-
10	September	-	-	-
11	October	-	-	-
12	November	-	-	-
13	December	-	-	-
14	Average of the 13 Monthly Balances	-	-	-

El Paso Electric Company
Schedule 1
Ancillary Services, Schedule No. 1 - Scheduling System Control and Dispatch Service
Estimated - For the 12 months ended 12/31/yyyy

Line No.	Description	Reference	Amount		
1	**Revenue Requirement**				
2	Total Load Dispatch and Scheduling (Account 561)	321.85-92.b	$	-	
3	Less: Scheduling, System Control & Dispatch Services (Account 561.4)	321.88.b	$	-	
4	Less: Reliability, Planning and Standards Development (Account 561.5)	321.89.b	$	-	
5	Less: Transmission Service Studies (Account 561.6)	321.90.b	$	-	
6	Less: Generation Interconnection Studies (Account 561.7)	321.91.b	$	-	
7	Less: Reliability, Planning & Standards Development Services (Account 561.8	321.92.b	$	-	
8	Total 561 Costs for Schedule 1 Annual Rev Req	Sum Lines 2 through 7	$	-	
9					
10	Less: Schedule 1 Point to Point Revenues	Company records	$	-	
11					
12	Actual Schedule 1 Annual Rev Req (before True Up)	Line 8 - Line 10	$	-	
13					
14	**True Up Adjustment**				
15	Actual Revenue Requirement	Line 8	$	-	
16	Originally Projected Revenue Requirement without True Up Adjustment	Previous Filing (Note B)	$	-	
17	True-up Amount (before interest)	Line 15 - Line 16	$	-	
18	Interest Rate on True-up Amount	(Worksheet TU, Line 33)		0.0000%	
19	Interest on True-up Amount	Line 17 * Line 18 * 24 / 12		-	
20	True-up Adjustment	Line 17 + Line 19	$	-	
21					
22	**Net Schedule 1 Annual Rev Req**	Line 12 + Line 20 (Note A)	$	-	
23					
24	**Divisor**				
25	Divisor (kW)	(Worksheet P3, Line 15)		-	
26					
27	**Rates**				
28	Annual		$	-	/kW-year
29	Monthly	12 months/year	$	-	/kW-month
30	Weekly	52 weeks/year	$	-	/kW-week
31	Daily On-Peak	6 days/week	$	-	/kW-day
32	Daily Off-Peak	7 days/week	$	-	/kW-day
33	Hourly On-Peak	16 hours/day	$	-	/MW-hour
34	Hourly Off-Peak	24 hours/day	$	-	/MW-hour

Notes
A Net Schedule 1 Annual Revenue Requirement projection is set to Actual amount from previous year plus Sch 1 True Up Adjustment
B Explanatory comment(s) for Originally Projected Sch 1 Rev Req without True Up Adjustment from Previous Filing:

ATTACHMENT H-2
El Paso Electric Company Formula Rate Implementation Protocols
Projections are for Rate Years – January-December
True-Ups are for Calendar Years – January-December

I. Applicability

The following procedures (the "Protocols") shall apply to El Paso Electric Company's ("EPE") calculations under its Formula Rate Template set forth in Tariff Attachment H-1 ("Formula Rate Template").

For purposes of these Protocols, the term "Interested Party" means a transmission customer of EPE, a state commission in a state where EPE serves retail customers, any entity having standing in a Federal Energy Regulatory Commission ("Commission" or "FERC") proceeding investigating the Formula Rate (as defined in Section II.1, below), and staff of FERC.

II. Annual Updates

1. The Formula Rate Template, which includes Schedule 1 – Scheduling System Control and Dispatch Service as Appendix B to Attachment H-1, and these Protocols together comprise the Transmission Provider's filed rate (collectively, the "Formula Rate") for Transmission Service under the Tariff or transmission agreements incorporating Tariff rates. The Transmission Provider will follow the instructions specified in the Formula Rate to annually calculate (project and subsequently true up as applicable) its Annual Transmission Revenue Requirement ("ATRR") and long-term firm loads to develop rates for Network Integration Transmission Service and Point-to-Point Transmission Service for posting by the Transmission Provider (hereinafter the projection and true-up process is referred to as the "Annual Update").

2. The Formula Rate shall be applicable to service on and after January 1 of a given calendar year through December 31 of the same calendar year ("Rate Year"), subject to review, challenge, and refunds or surcharges with interest, as provided herein. The Formula Rate shall initially be the effective date established by the Commission.

3. Each calendar year, the Transmission Provider shall:

   (a) By June 15 of the current year, calculate the projected ATRR, and transmission rates for the next Rate Year ("Projection") and Schedule 1 rates for the next Rate Year in accordance with the Formula Rate. The Formula Rate specifies in detail the manner in which the immediately preceding calendar year FERC Form No. 1 data and actual data from the Transmission Provider's books and records shall be used as inputs to the Formula Rate.

   (b) By June 15 of the current year, calculate the true-up of the Projection for the preceding calendar year in accordance with the Formula Rate ("True-Up Adjustment"). The True-Up Adjustment shall use the actual data for such preceding calendar year to calculate the actual charges for that calendar year. As part of the True-Up Adjustment, the Transmission Provider shall calculate the under- or over-collection of the revenue requirement for all customers taking service pursuant to the Formula Rate, as follows:

      i. At the time of the Annual Update, the Transmission Provider shall calculate the amount of under- or over-collection of its actual net

revenue requirement during the preceding Rate Year after the FERC Form No. 1 data for that Rate Year has been filed with the Commission.

ii. The True-Up Adjustment shall be calculated in the following manner. The projected net revenue requirement on the Projected Attachment H for the Rate Year will be compared to the actual net revenue requirement for the same Rate Year as determined by the population of the Formula Rate Template with actual data.

iii. Interest on any over-recovery of the actual net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R. § 35.19a. Interest on any under-recovery of the actual net revenue requirement shall be determined using the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a. An average interest rate shall be used to calculate the interest payable for the twenty-four (24) months during which the over or under recovery in the revenue requirement exists. The interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a will be determined using the average of the posted quarterly rates for the last four available quarters available at the time of posting.

iv. The True-Up Adjustment, as calculated on Worksheet TU of the Template, shall be included in the Transmission Provider's subsequent projected net revenue requirement determination.

(c) Include with the Annual Update an identification and explanation of each material change ("Material Change"). A Material Change is: (i) any change in the Transmission Provider's accounting policies, practices or procedures (including changes resulting from revisions to FERC's Uniform System of Accounts and/or FERC Form No. 1 reporting requirements and inter-company cost allocation methodologies) from those in effect during the calendar year upon which the most recent actual ATRR was based and that, in the Transmission Provider's reasonable judgment, could impact the Formula Rate, including impact to the ATRR or load divisor; and (ii) any change in the classification of any transmission facility that has been directly assigned and the dollar value of the change that the Transmission Provider has made in the applicable Projection or True-Up Adjustment; and

(d) Post such Annual Update on its OASIS by June 15, or if June 15 is a Saturday, Sunday or Federal holiday, the first business day thereafter, as well as a populated Formula Rate Template in fully functional spreadsheets showing the calculation of such Annual Update with documentation supporting such calculation and information supporting the Projection as described in Section II.3(a), above, which information shall include a narrative, and worksheets where appropriate, explaining the source and derivation of any data input to the Formula that is not drawn directly from the Transmission Provider's FERC Form No. 1, as well as the following information for all transmission facilities included in the

expected transmission plant additions: (i) expected date of completion; (ii) percent completion status as of the date of the Annual Update; (iii) a one-line diagram of facilities exceeding $5 million in cost; (iv) the estimated total installed cost of the facility; and (v) the reason for the facility addition;

(e) File such Annual Update with the Commission as an informational filing ("Informational Filing") on the Publication Date; and

(f) On the Publication Date, notify Interested Parties by email (using the last known email addresses provided to the Transmission Provider) of the website address where the Annual Update posting is located. The Transmission Provider shall use the email list developed from the most recent Annual Update and any other email addresses of individuals who have requested to be included in the Annual Update distribution list.

4. A change to the Formula Rate inputs related to unamortized abandoned plant, construction work in progress (which is currently set to zero), return on equity incentives, extraordinary property losses, return on equity, depreciation rates for each regulatory jurisdiction that are used to calculate the composite rates applied in the Formula Rate, or Post Employment Benefits Other than Pensions may not be made absent a filing with the Commission pursuant to Federal Power Act ("FPA") Sections 205 or 206.

III. Annual Review Procedures

Each Annual Update shall be subject to the following review procedures ("Annual Review Procedures"). If any of the dates provided for herein fall on a Saturday, Sunday or Federal holiday, then the due date shall be the first business day thereafter:

1. Each year, with at least fifteen (15) calendar days written notice, the Transmission Provider shall convene at least one meeting, which shall include at the Transmission Provider's option either video conferencing or webinar/internet conferencing, among Interested Parties ("Customer Meeting") during which the Transmission Provider shall present details about its Annual Update. The Customer Meeting shall provide Interested Parties the chance to seek information and clarifications from the Transmission Provider about the Annual Update. The first Customer Meeting of a Rate Year shall take place between within forty-five (45) calendar days from the Publication Date at a date and time convenient for a majority of the parties and posted on the Transmission Provider's internet website. The Transmission Provider shall also schedule subsequent Customer Meetings as appropriate ("Subsequent Meetings"). The date and time of such Subsequent Meetings shall be posted on the Transmission Provider's internet website and shall include at the Transmission Provider's option either video conferencing or webinar/internet conferencing.

2. Immediately following the Publication Date, Interested Parties may submit requests for information supporting the Annual Update. Interested Parties will have one-hundred and twenty (120) calendar days after the Publication Date to serve reasonable information requests to the Transmission Provider ("Information Request Period"). Such information requests shall be limited to that which is necessary to determine: (1) if the Transmission Provider has properly calculated the Formula Rate for the Annual Update under review; (2) whether the inputs to the True-Up Adjustment are correct and otherwise appropriate costs and revenue

credits and have been accounted for and recorded appropriately; and (3) whether there have been any Material Changes that affect the Formula Rate calculations.

3. The Transmission Provider shall make reasonable efforts to respond to information requests pertaining to the Annual Update within ten (10) business days of receipt of such requests. Such data responses shall be served on all Interested Parties identifying themselves to the Transmission Provider (as set forth in Section II.3(f)). Information requests received after 4 p.m. Mountain Prevailing Time shall be considered received the next business day. In the event the Transmission Provider believes it cannot respond within the ten (10) business day timeframe, it shall notify the requesting party and shall provide an estimate of when the Transmission Provider will provide the requested information.

4. The Transmission Provider shall make available in a central electronic location all information requests received and all responses to such requests. Each information request received by the Transmission Provider shall become available in the central electronic location within one business day of receipt of such request. Each response by the Transmission Provider shall become available in the central electronic location within one business day of distribution of such response to the party that submitted the information request.

5. To the extent the Transmission Provider and any Interested Party(ies) are unable to resolve disputes related to information requests submitted during the Information Request Period in accordance with these Protocols, the Transmission Provider or any Interested Party may petition FERC to appoint an Administrative Law Judge as a discovery master after reasonable attempts to resolve the disputes

have been made by the Transmission Provider and any Interested Parties. The discovery master shall have the authority to issue binding orders to resolve discovery disputes and compel the production of discovery, as appropriate, in accordance with the Protocols and consistent with FERC's discovery rules.

6. At any time throughout the Information Request Period and up to thirty (30) calendar days after the later of: (i) the close of the Information Request Period, or (ii) receipt of all responses to information requests submitted during the Information Request Period, any Interested Party may review the calculations ("Review Period") and notify the Transmission Provider in writing of any specific challenges to the application of the Formula Rate ("Preliminary Challenge"). Notice of such Preliminary Challenges shall be promptly posted (at the same location as the Annual Update) by the Transmission Provider.

7. Challenges to the Formula Rate itself shall not be considered within the scope of these Annual Review Procedures. Modifications to the Formula Rate itself can only be made pursuant to Sections 205 and 206 of the Federal Power Act, as set out in Article VI below.

IV. Resolution of Annual Update Challenges

1. If the Transmission Provider and any Interested Party have not resolved a Preliminary Challenge to an Annual Update within sixty (60) calendar days after written notification of a Preliminary Challenge, senior management of the Interested Parties and the Transmission Provider may attempt to resolve any outstanding issues ("Senior Management Review"). If the Transmission Provider and any Interested Party's (or Parties') senior management are unable to resolve

all issues raised in such Preliminary Challenge within thirty (30) calendar days after the Senior Management Review process begins, the Interested Party or Parties may, at any time thereafter, file a formal challenge with the Commission for a period up to three-hundred sixty five (365) calendar days after the Customer Meeting for a particular Annual Update ("Formal Challenge"). An Interested Party may not file a Formal Challenge thereafter. However, any Party may at any time within the period specified above, with or without prior Senior Management Review or submission of a Preliminary Challenge, file a Formal Challenge with the Commission regarding the Annual Update. For avoidance of doubt and as provided in Article IV hereof, nothing in this section is intended to limit the rights of any Interested Party to file a complaint under the FPA outside the Formal Challenge procedures provided by these Protocols.

2. The Transmission Provider shall promptly post notice of resolution of a Preliminary Challenge (at the same location as the notice of Preliminary Challenges) and shall notify all Interested Parties of such resolution, consistent with the procedures set forth in Section III.4, above.

3. Any and all information produced pursuant to these Protocols may be included in any proceeding concerning the El Paso Electric Company Formula Rate initiated at FERC pursuant to the FPA, including, but not limited to, a Formal Challenge. Information produced pursuant to these Protocols designated as confidential information and not otherwise publicly available shall be treated as confidential in any such proceeding referenced herein; provided that confidential treatment shall

be subject to a later determination by the presiding authority that the material is, in whole or in part, not entitled to confidential treatment.

4. Any Formal Challenge shall be served on the Transmission Provider by electronic service on the date of such filing.

5. There shall be no need for an Interested Party to make a separate Formal Challenge with respect to any action initiated by the Commission *sua sponte* regarding an Annual Update, to participate in any resulting Commission proceeding.

6. Failure to make a Preliminary Challenge or Formal Challenge as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to any subsequent Annual Update. However, no Preliminary Challenge to an Annual Update shall be permitted after the deadline for written notification of Preliminary Challenges, described in Section III.6.

7. Failure to make a Preliminary Challenge or Formal Challenge with respect to a Material Change as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to that Material Change in any subsequent Annual Update.

8. Any changes or adjustments to the True-Up Adjustment or projected ATRR resulting from the Information Exchange and Informal Challenge processes that are agreed to by El Paso Electric Company wll be reported in the Informational Filing required pursuant to Section II of these Protocols. Any such changes or adjustments agreed to by El Paso Electric Company on or before December 1 will be reflected in the projected ATRR for the upcoming Rate Year. Any changes or

adjustments agreed to by El Paso Electric Company after December 1 will be reflected in the following year's True-Up Adjustment, as discussed in Section V.

V. Changes to True-Up Adjustment or Projection

1. Except as provided in Section IV.8 of these Protocols, any changes to the data inputs, including but not limited to revisions to El Paso Electric Company's FERC Form 1, or as the result of any FERC proceeding to consider the Annual True-Up Adjustment or projected net ATRR, or as a result of the procedures set forth herein, shall be incorporated into the formula rate and the charges produced by the formula rate in the projected net ATRR for the next Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Except as otherwise specified pursuant to a Commission order, all refunds or surcharges shall be determined with interest calculated in accordance with 18 C.F.R. § 35.19a.

VI. Party's Rights and Burden of Proof

1. Nothing in these Protocols affects any rights the Transmission Provider, FERC, or any Interested Party may have under the FPA, including the right of the Transmission Provider to file a change in rates under Section 205 of the FPA or the right of an Interested Party to file a complaint that is not a Formal Challenge at any time under Section 206 of the FPA or other Commission regulation, or for an Interested Party to participate in any Commission proceeding relating to the Formula Rate. Nothing in these Protocols affects or modifies in any manner the procedural and substantive requirements, including requirements relating to the burden of proof, that are otherwise applicable under Commission precedent,

regulations, and statute, in such a proceeding. The provisions of these Protocols addressing review and challenge of the Annual Update shall not be construed as limiting the Transmission Provider's, FERC's, or any Interested Party's rights under any applicable provision of the FPA.

2. Failure to have made a Preliminary Challenge or Formal Challenge pursuant to these Protocols shall neither, in any manner, be asserted against a complainant in a proceeding instituted under Section 206 of the FPA nor prejudice or otherwise limit the complainant's right to relief that may be granted pursuant to Section 206 of the Federal Power Act.

3. Nothing herein is intended to alter the established burden(s) of going forward or burden(s) of proof as applied by the FERC at the time of any proceeding. Notwithstanding and without limiting the foregoing, in any proceeding ordered by FERC in response to a Formal Challenge raised under these Protocols or a proceeding initiated *sua sponte* by the Commission, the Transmission Provider shall have the ultimate burden of proof to establish that: (i) it reasonably applied the Formula Rate; (ii) it reasonably calculated the challenged Annual Update pursuant to the Formula Rate; and (iii) it reasonably adopted and applied any Material Change.

El Paso Electric Company ("EPE")
Transmission Formula Rate Template

Table of Contents

Overview

The formula is calculated in two steps. The first step is to fill out the A tabs, and the Actual Attachment H tab with data from the previous year's Form 1 information. This information is used to update the formulas in the Actual Net Rev Req tab to calculate the Actual Revenue Requirement (Actual ATRR) for the previous year.

The TU (True-up) tab uses the revenue requirement from the Actual Attachment H tab and compares it to the revenue requirement from the Projected Attachment H tab that customers were billed for the same period. Interest is added to the difference and the amount is added to the Projected Attachment H tab via the True Up Adjustment line.

The projected O&M and plant balances are calculated on the P Tabs. These sheets feed into the Projected Attachment H tab for determining the Projected Annual Transmission Revenue Requirement. The EPE tariff rates are calculated based on the EPE Revenue Requirements and the specific point-to-point charges are shown on the same tab.

Cells highlighted in yellow are data input cells, however, some cells may reference the results from other worksheets in the formula. Such cell references may change from year to year requiring manual adjustment of the reference or the direct entry of the proper value.

Cells highlighted in green signify that the data is sourced from other worksheets in the formula and that the reference is static.

El Paso Electric Company
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Actuals - For the 12 months ended 12/31/2020

Line No.			Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)					$ 134,676,555
	REVENUE CREDITS	(Note S)				
2	Account No. 454	(Worksheet A1, Page 1, Line 17, Col. (f)	49,914	TP	1.00000	49,914
3	Account No. 456.1	(Worksheet A1, Page 2, Line 15, Col. (h)	10,680,322	TP	1.00000	10,680,322
4	Held for Future Use		-	TP	1.00000	-
5	Held for Future Use		-	TP	1.00000	-
6	TOTAL REVENUE CREDITS (sum lines 2-5)					10,730,236
7	NET REVENUE REQUIREMENT	(Line 1 minus Line 6)				$ 123,946,319
	DIVISOR					
8	Divisor (kW)	(Worksheet A6, Line 14) x 1000				2,767,750
9						
10	RATES					
11	Annual		$ 44.780	/kW-year		
12	Monthly	12 months/year	$ 3.730	/kW-month		
13	Weekly	52 weeks/year	$ 0.860	/kW-week		
14	Daily On-Peak	6 days/week	$ 0.143	/kW-day		
15	Daily Off-Peak	7 days/week	$ 0.123	/kW-day		
16	Hourly On-Peak	16 hours/day	$ 8.958333	/MW-hour		
17	Hourly Off-Peak	24 hours/day	$ 5.119048	/MW-hour		

Actual Attachment H
Page 2 of 5

El Paso Electric Company
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Actuals - For the 12 months ended 12/31/2020

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	RATE BASE: (Note A, V)					
	GROSS PLANT IN SERVICE (Note A)					
1	Production	Worksheet A4, Page 1, (Line 14 - 28) , Col. (b)	3,099,086,313	NA		-
2	Transmission	Worksheet A4, Page 1, (Line 14 - 28), Col. (c)	562,544,677	TP	1.00000	562,544,677
3	Distribution	Worksheet A4, Page 1, (Line 14 - 28), Col. (d)	1,394,522,057	NA		-
4	General & Intangible	Worksheet A4, Page 1, (Line 14 - 28), Cols. (e) + (f)	438,921,790	W/S	0.21070	92,481,955
5	Common	Worksheet A4, Page 1, (Line 14 - 28), Col. (h)	-	CE	0.21070	-
6	TOTAL GROSS PLANT	(Sum of Lines 1 through 5)	5,495,074,837	GP=	0.11920	655,026,633
	ACCUMULATED DEPRECIATION (Note A)					
7	Production	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (b)	(1,662,653,393)	NA		-
8	Transmission	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (c)	(252,992,159)	TP	1.00000	(252,992,159)
9	Distribution	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (d)	(422,176,240)	NA		-
10	General & Intangible	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col.s (e) + (f)	(100,019,384)	W/S	0.21070	(21,074,343)
11	Common	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (h)	-	CE	0.21070	-
12	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 7 through 11)	(2,437,841,175)			(274,066,502)
	NET PLANT IN SERVICE					
13	Production	(Line 1 - Line 7)	1,436,432,921			-
14	Transmission	(Line 2 - Line 8)	309,552,518			815,536,836
15	Distribution	(Line 3 - Line 9)	972,345,817			-
16	General & Intangible	(Line 4 - Line 10)	338,902,406			113,556,298
17	Common	(Line 5 - Line 11)	-			-
18	TOTAL NET PLANT	(Sum of Lines 13 through 17)	3,057,233,662	NP=	0.30390	929,093,134
19	CWIP Approved by FERC Order	Worksheet A4, Page 3, Line 14, Col. (d) (Note Q)	-	DA	1.00000	-
	ADJUSTMENTS TO RATE BASE					
20	Accumulated Deferred Income Taxes (Accounts 190, 281-283)	Worksheet A3-1, Page 3, Line 82, Col. (n) (Note F)	(112,994,498)	DA	1.00000	(112,994,498)
21	Accumulated Deferred Investment Tax Credit (Account 255)	Worksheet A3-2, Page 4, Line 138, Col. (g)	-	DA	1.00000	-
22	Excess / Deficient Deferred Income Taxes	Worksheet A8-1, Line 27, Col. (n)	(69,695,664)	DA	1.00000	(69,695,664)
23	Unamortized Regulatory Asset	Worksheet A4, Page 3, Line 14, Col. (b) (Notes P & U)	-	DA	1.00000	-
24	Unamortized Abandoned Plant	Worksheet A4, Page 3, Line 14, Col. (c) (Notes T, N & U)	-	DA	1.00000	-
25	Unfunded Reserves	Worksheet A4, Page 4, Line 10, Col. (d) (Note R)	-	DA	1.00000	-
25a	Hold Harmless Adjustment	Company Records (Note V)	-	DA	1.00000	-
26	TOTAL ADJUSTMENTS	(Sum of Lines 20 through 25a)	(182,690,162)			(182,690,162)
27	LAND HELD FOR FUTURE USE	Worksheet A4, Page 3, Line 14, Col. (e) (Note G)	-	TP	1.00000	-
	WORKING CAPITAL	(Note H)				
28	Cash Working Capital	1/8*(Page 3, Line 7)	14,673,997			4,430,819
29	Materials & Supplies	Worksheet A4, Page 3, Line 28, Col. (e)	2,954,231	TP	1.00000	2,954,231
30	Prepayments (Account 165)	Worksheet A4, Page 3, Line 28, Col. (f)	18,668,836	GP	0.11920	2,225,372
31	TOTAL WORKING CAPITAL	(Sum of Lines 28 through 30)	36,297,064			9,610,421
32	RATE BASE	(Sum Lines 18, 19, 26, 27, & 31)	2,910,840,563			756,013,393

Actual Attachment H
Page 3 of 5
Actuals - For the 12 months ended 12/31/2020

El Paso Electric Company
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Line No.	(1)	(2) Form No. 1 Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M					
1	Transmission	321.112.b	23,716,836	TE	1.00000	23,716,836
2	Less Account 561.1-561.8	Worksheet A2, Line 23	3,483,962	TE	1.00000	3,483,962
2a	Less Account 565	321.96.b	6,728,666	TE	1.00000	6,728,666
3	A&G	323.197.b	108,440,624	W/S	0.21070	22,848,720
4	Less EPRI/Reg. Comm. Exp./Non-safety Ad. (Note I)	Worksheet A2, Line 6	5,182,406	W/S	0.21070	1,091,946
4a	Less Property Insurance Acct 924	323.185.b	4,852,276	W/S	0.21070	1,022,387
4b	Plus Property Insurance Acct 924	323.185.b	4,852,276	GP	0.11920	578,403
4c	Plus Transmission Related Reg. Comm. Exp. (Note G)	Worksheet A2, Line 12	629,552	TE	1.00000	629,552
4d	Plus: Fixed PBOP expense	Company Records (Note J & B)	(3,848,723)	W/S	0.21070	(810,936)
4e	Less: Actual PBOP expense	Company Records (Note J & B)	(3,848,723)	W/S	0.21070	(810,936)
5	Common	356.1	-	CE	0.21070	-
6	Hold Harmless Expense Adjustment	Company Records (Note V)	-	DA	1.00000	-
7	TOTAL O&M (sum lines 1, 3, 4b, 4c,4d, 5, 6 less lines 2, 2a, 4, 4a, 4e)		117,391,978			35,446,550
	DEPRECIATION AND AMORTIZATION EXPENSE (Note A)					
8	Transmission	336.7.f - 336.7.c	7,714,721	TP	1.00000	7,714,721
9	General & Intangible	336.10.f & 336.1.f - 336.10.c & 336.1.c	21,126,541	W/S	0.21070	4,451,416.78
10	Common	336.11.f - 336.11.c	-	CE	0.21070	-
11a	Amortization of Regulatory Asset	Company Records (Note P)	-	DA	1.0000	-
11b	Amortization of Abandoned Plant	Company Records (Note N)	-	DA	1.0000	-
12	TOTAL DEPRECIATION & AMORTIZATION	(Sum of Lines 8 through 11)	28,841,262			12,166,138
	TAXES OTHER THAN INCOME TAXES (Note D)					
	LABOR RELATED					
13	Payroll	263.i	9,285,435	W/S	0.21070	1,956,465
14	Highway and vehicle	263.i	-	W/S	0.21070	-
15	PLANT RELATED					
16	Property	263.i	28,273,987	NP	0.30390	8,592,463
17	Gross Receipts	263.i	10,007,659	NA	0.00000	-
18	Other	263.i	1,995,415	GP	0.11920	237,858
19	reserved		-			
20	TOTAL OTHER TAXES	(Sum of Lines 13 through 19)	49,562,496			10,786,787
	INCOME TAXES	(Note K)				
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		23.718%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		20.168%			
	and FIT, SIT & p are as given in Note K.					
23	Income Tax Gross Up Rate: 1 / (1 - T) = (from line 21)		1.311			
24	Excess / Deficient Deferred Income Taxes Amortization	Worksheet A8.2, Line 62, Col. (c) (Note W)	952,499			
24a	Excess / Deficient Deferred Income Tax Adjustment	(Line 23 times Line 24)	1,248,648	DA	1.00000	1,248,648
25	Permanent Differences	Company Records (Note X)	7,240,402			
25a	Permanent Differences Tax Adjustment	(Line 21 times 23 times Line 25)	2,251,174	NP	0.30390	684,132
26	Income Tax on Equity and Incentive Return	(Line 22 times Line 28)	48,040,268			12,477,182
27	Total Income Taxes	(Sum of Lines 24a, 25a, 25c, 26)	51,540,091			14,409,962
	RETURN					
28	Rate Base * Rate of Return plus Incentive Return	(Page 2, Line 32, Col. (3) x Page 4, Line 31, Col. (5)) + Page 4, Line 32	238,203,874.13			61,867,118.88
29	REV. REQUIREMENT	(Sum of Lines 7, 12, 20, 27, 28)	485,539,702			134,676,555

El Paso Electric Company
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Actual Attachment H
Page 4 of 5
Actuals - For the 12 months ended 12/31/2020

SUPPORTING CALCULATIONS AND NOTES

Line No.	(1)	(2)	(3)		(4)		(5)		
	TRANSMISSION PLANT INCLUDED IN RATES								
1	Total transmission plant	(Page 2, Line 2, Col. 3)					562,544,677		
2	Less transmission plant excluded from Wholesale Rates	Company Records (Note L)					-		
3	Less transmission plant included in OATT Ancillary Services	Company Records (Note M)					-		
4	Transmission plant included in Wholesale Rates	(Line 1 less Lines 2 & 3)					562,544,677		
5	Percentage of transmission plant included in Wholesale Rates	(Line 4 divided by Line 1)				TP=	1.00000		
	TRANSMISSION EXPENSES								
6	Total transmission expenses	(Page 3, Line 1, Col. 3)					23,716,836		
7	Less transmission expenses included in OATT Ancillary Services	Company Records (Note E)					-		
8	Included transmission expenses	(Line 6 less Line 7)					23,716,836		
9	% of transmission expenses after adjustment	(Line 8 divided by Line 6)					1.00000		
10	% of transmission plant included in wholesale Rates	(Line 5)				TP	1.00000		
11	% of transmission expenses included in wholesale Rates	(Line 9 times Line 10)				TE=	1.00000		
	WAGES & SALARY ALLOCATOR (W&S)								
		Form 1 Reference	$	TP	Allocation				
12	Production	354.20.b	17,097,034	0.00	0				
13	Transmission	354.21.b	10,826,624	1.00	10,826,624				
14	Distribution	354.23.b	14,677,499	0.00	0		W&S Allocator		
15	Other	354.24, 25, 26.b	8,782,285	0.00	0		($ / Allocation)		
16	Total	(Sum of Lies 12-15)	51,383,442		10,826,624	=	0.21070	= WS	
	COMMON PLANT ALLOCATOR (CE)		**$**		% Electric		W&S Allocator		
17	Electric	200.3.c	4,742,045,111		(line 17 / line 20)		(line 16)		CE
18	Gas	201.3.d	-		1.00000	*	0.21070	=	0.21070
19	Other	201.3.e	-						
20	Total	(Sum of Lines 17-19)	4,742,045,111						
	RETURN (R)						$		
21	Long Term Interest	117, Col. c, Lines 62+63+64-65-66+67					74,156,521		
22	Preferred Dividends	118.29.c (positive number)					-		
	<u>Development of Common Stock:</u>								
23	Proprietary Capital	Worksheet A9 Line 14, Col. (e)					1,271,088,481		
24	Less Preferred Stock	Worksheet A9 Line 14, Col. (b) (enter negative)					-		
25	Less Other Comprehensive Income	Worksheet A9 Line 14, Col. (d) (enter negative)					47,841,872		
26	Less Account 216.1	Worksheet A9 Line 14, Col. (c) (enter negative)					-		
27	Common Stock	(Sum of Lines 23-26)					1,318,930,353		
			$	%	Cost (Notes C & O)		Weighted		
28	Long Term Debt	Worksheet A9 Line 28, Col. (k)	1,260,231,525	48.86%	0.0588		0.0288	=WCLTD	
29	Preferred Stock	112.3.c	-	0.00%	-		-		
30	Common Stock	Line 27	1,318,930,353	51.14%	0.1038		0.0531		
31	Total	(Sum of Lines 28-30)	2,579,161,878				0.0818	=R	
32	Incentive Return	Worksheet A7, Col. (e)					$ -		

El Paso Electric Company
Rate Formula Template
Utilizing FERC Form 1 Data

Formula Rate - Non-Levelized

Actuals - For the 12 months ended 12/31/2020

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note Letter	
A	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.
B	Workpapers for this calculation will be included in supporting documentation.
C	Debt cost rate = long-term interest (line 21) / long term debt (line 28). Preferred cost rate = preferred dividends (line 22) / preferred outstanding (line 29).
D	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded.
E	Removes dollar amount of transmission expenses included in the OATT ancillary services rates. FERC 561 accounts are not included in this line as they are separately removed from O&M.
F	The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules A8-1 and A8-2 and presented in Att-H separately from ADIT.
G	Identified in Form 1 as being only transmission related.
H	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at Page 3, Line 7, Column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on Page 111 Line 57 in the Form 1.
I	EPRI expenses listed in Form 1 at 352.f, all Regulatory Commission Expenses itemized at 350.d, and non-safety-related advertising included in Account 930.1.
J	Depreciation rates and Post-Employment Benefits Other than Pensions (PBOP) are fixed amounts that can be changed only through a Section 205 filing. The fixed PBOP expense will be used in lieu of the actual PBOP expense incurred in the year absent an appropriate filing with FERC. The Company reviews internal records and identifies the PBOP expenses to be removed from A&G.
K	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". Since the utility is taxed in more than one state it shall attach a work paper showing the name of each state and how the blended or composite SIT was developed.

Inputs Required:	FIT =	21.000%	(Federal Income Tax Rate)
	SIT=	3.440%	(Composite State Income Tax Rate)
	p =	0.000%	(Percent of federal income tax deductible for state purposes)

L	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
M	Removes dollar amount of generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
N	Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Utility must submit a Section 205 filing to recover the cost of abandoned plant.
O	No change in ROE may be made absent a filing with FERC.
P	Recovery of any regulatory assets requires authorization from the Commission.
Q	AFUDC ceases when CWIP is included in rate base. No CWIP will be included in rate base on line 19 absent FERC authorization.
R	The Formula Rate shall include a credit to rate base for all unfunded reserves within accounts 228.2, 242, and 253 (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Reserves can be created by capital contributions from customers, by debiting the reserve and crediting a liability, or a combination of customer capital contribution and offsetting liability. Only the portion of a reserve that was created by customer contributions should be a reduction to rate base. Amounts will be calculated on 13-month average balances. See Worksheet A4, Note G.
S	The revenues credited shall include only the amounts received directly for service under this tariff reflecting EPE's integrated transmission facilities provided that revenue credits shall not include revenues associated with transmission service for which loads are included in the rate divisor on Actual Attachment H, page 1, line 8. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) that are not recovered under this Rate Formula Template.
T	Page 2 Line 24 includes any unamortized balances related to the recovery of abandoned plant costs approved by FERC under a separate docket. Page 3, Line 11b includes the Amortization expense of abandonment costs. These are shown in the workpapers required pursuant to the Annual Rate Calculation and True-up Procedures.
U	Calculate using 13 month average balance, reconciling to FERC Form No. 1 by Page, Line, and Column as shown in Worksheet A4 for inputs on page 2 of 5 above.
V	If applicable, a separate workpaper will be provided and posted with other supporting documentation.
W	Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense by the amount of the excess or deficiency multiplied by (1/1-T).
X	Includes the annual income tax cost or benefits due to permanent differences between expenses or revenues recognized for ratemaking purposes and for income tax purposes and depreciation of amounts capitalized to plant for book purposes related to the accrual of the Allowance for Other Funds Used During Construction. T multiplied by the amount of permanent differences and depreciation expense associated with Allowance for Other Funds Used During Construction will increase or decrease tax expense by the amount of the expense or benefit included on line 25 multiplied by (1/1-T).

El Paso Electric Company
Worksheet A1
Revenue Credits
Actuals - For the 12 months ended 12/31/2020

ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)

Line #	Description		Total	Explanation (Note A)	Allocation	Allocation Factor	Total Revenue Credit
	(a)		(b)	(c)	(d)	(e)	(f)
1						0.000%	$0
2	General & Intangible Plant - Rent from affiliates		$0	Labor	W/S	21.070%	$0
3	Production Plant - Rent from Affiliates		$0	Prod	NA	0.000%	$0
4	Transmission Plant - Rent from Affiliates		$0	Trans	DA	100.000%	$0
5	Distribution Plant - Rent from Affiliates		$0	Retail	NA	0.000%	$0
6	Customer Account - Rent from Affiliates		$0	Retail	NA	0.000%	$0
7	Production Plant Rent		$0	Prod	NA	0.000%	$0
8	Transmission Plant Rent		$49,914	Trans	DA	100.000%	$49,914
9	Distribution Plant Rent		$1,735,355	Retail	NA	0.000%	$0
10	Reserved					0.000%	$0
11	Reserved					0.000%	$0
12	Reserved					0.000%	$0
13	Reserved					0.000%	$0
14	Reserved					0.000%	$0
15	Reserved					0.000%	$0
16	Reserved					0.000%	$0
17	Total 454	300.19.b	$ 1,785,269				$ 49,914

El Paso Electric Company
Worksheet A1
Revenue Credits
Actuals - For the 12 months ended 12/31/2020

ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note B)

Line #	Type	Description	Service Type	PTP Trans Sched 7 & 8	Network Transm Sched 9	Ancillary Services	Other	Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1	Divisor	Firm Network	FNO		153,043			153,043	
2	Ancillary	Firm Network	FNO			12,009		12,009	
3	Divisor	Long Term Firm	LFP	12,350,801				12,350,801	
4	Ancillary	Long Term Firm	LFP			800,344		800,344	
5	Divisor	Other Long Term Firm	OLF					0	
6	Ancillary	Other Long Term Firm	OLF					0	
7	Credit	Short Term Firm Point To Point	SFP	8,458,327				8,458,327	
8	Ancillary	Short Term Firm Point To Point	SFP			383,597		383,597	
9	Credit	Non Firm	NF	2,221,995				2,221,995	
10	Ancillary	Non Firm	NF			199,517		199,517	
11	Divisor	Other Service	OS					0	
12	Ancillary	Other Service	OS					0	
13		Total		23,031,123	153,043	1,395,467	0	24,579,633	
								300.22.b	
14	**Summarized by Type:**								
15	Credit			10,680,322	0	0	0	10,680,322	
16	Divisor			12,350,801	153,043	0	0	12,503,845	
17	Ancillary			0	0	1,395,467	0	1,395,467	
18	Other			0	0	0	0	0	
19	Total			23,031,123	153,043	1,395,467	0	24,579,633	300.22.B
20									
21	Revenue Types:								
22	Ancillary	Ancillary services includes regulation & frequency, control & dispatch, voltage control, reactive, spinning reserve, and scheduling; no revenue credit.							
23	Divisor	Load associated with these revenues are included in the formula divisor; no revenue credit.							
24	Credit	Revenue credit because the load is not included in divisor.							

Notes

A Each FERC 0454 item is categorized into 1 of 5 categories. The selected category will determine the Allocator applied to the FERC 0454 balance.
1) Prod: The FERC 0454 balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The FERC 0454 balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related FERC 0454 for which the NA Allocator is applied.
4) Trans: The FERC 0454 balance is 100% related to transmission operations and the DA Allocator is applied.
5) Labor: The FERC 0454 balance is labor or general and intangible plant related, and the W/S Allocator is applied.

B PTP Revenue credits from Line 15, Column (h) populate Actual Attachment H, page 1, line 3.

El Paso Electric Company
Worksheet A2
Actual Operation and Maintenance Expenses
Actuals - For the 12 months ended 12/31/2020

Line No.	(a) Item	(b) Form No. 1 Page, Line, Col.	(c) Company Total
1	EPRI Annual Membership Dues	353.x.f (Note C)	$ -
2	Regulatory Commission Expenses	350.46.d	$ 3,714,886
3	Account No. 930.1	323.191.b	$ 1,693,142
4	Less: Safety Related Advertising	Company Records (Note A)	$ 225,622
5	Account No. 930.1 less Safety Related Advertising	Line 3 - Line 4	$ 1,467,520
6	EPRI & Reg. Comm. Exp. & Non-safety Ad.	Sum of Lines 1, 2, & 5	$ 5,182,406
7			
8	**Transmission Related Regulatory Expense**	(Note B)	
9			
10	Reserved for use in the event of transmission rate filings	Company Records	$ -
11	Transmission Related Reg. Comm. Exp.	350.x.d	$ 629,552
12	Transmission Related Regulatory Expense	Sum of Lines 10-11	$ 629,552
13			
14	**Actual Ancillary Expenses**		
15	561.1 Load Dispatch-Reliability	321.85.b	$ 128,147
16	561.2 Load Dispatch-Monitor and Operate Transmission System	321.86.b	$ 932,103
17	561.3 Load Dispatch-Transmission Service and Scheduling	321.87.b	$ 1,092,216
18	561.4 Scheduling, System Control and Dispatch Services	321.88.b	$ 652,858
19	561.5 Reliability, Planning and Standards Development	321.89.b	$ 678,638
20	561.6 Transmission Service Studies	321.90.b	$ -
21	561.7 Generation Interconnection Studies	321.91.b	$ -
22	561.8 Reliability, Planning and Standards Development	321.92.b	$ -
23	Total Ancillary Expenses	Sum of Lines 15-22	$ 3,483,962

Notes

A

For FERC account no. 930.1, the Company reviews all entries and identifies those that are safety related advertising.

B Limited to Transmission-related regulatory expenses itemized from total amounts on FERC Form No. 1 page 350-351.

C Limited to amounts in O&M accounts that are included in the formula rate.

El Paso Electric Company
Worksheet A3-1
Accumulated Deferred Income Taxes
Actuals - For the 12 months ended 12/31/2020

	Proration Used for Projected Revenue Requirement Calculation								**Proration Used for True-up Revenue Requirement Calculation**					
1	**Account 190**								**Account 190**					
2	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
4														
5	December 31st balance Prorated Items (Worksheet P5-1.5.h)							19,188,576	December 31st balance Prorated Items (Worksheet A3-2.61.f)					19,188,576
6	January	31	335	365	91.78%	180,999	166,122	19,354,698	180,999	-	166,122	-	-	19,354,698
7	February	28	307	365	84.11%	180,999	152,237	19,506,935	180,999	-	152,237	-	-	19,506,935
8	March	31	276	365	75.62%	180,999	136,865	19,643,800	180,999	-	136,865	-	-	19,643,800
9	April	30	246	365	67.40%	180,999	121,988	19,765,788	180,999	-	121,988	-	-	19,765,788
10	May	31	215	365	58.90%	180,999	106,616	19,872,404	180,999	-	106,616	-	-	19,872,404
11	June	30	185	365	50.68%	180,999	91,739	19,964,143	180,999	-	91,739	-	-	19,964,143
12	July	31	154	365	42.19%	180,999	76,367	20,040,510	180,999	-	76,367	-	-	20,040,510
13	August	31	123	365	33.70%	180,999	60,994	20,101,504	180,999	-	60,994	-	-	20,101,504
14	September	30	93	365	25.48%	180,999	46,118	20,147,621	180,999	-	46,118	-	-	20,147,621
15	October	31	62	365	16.99%	180,999	30,745	20,178,366	180,999	-	30,745	-	-	20,178,366
16	November	30	32	365	8.77%	180,999	15,868	20,194,235	180,999	-	15,868	-	-	20,194,235
17	December	31	1	365	0.27%	180,999	496	20,194,731	180,999	-	496	-	-	20,194,731
18	Total (sum of Lines 6 - 17)	365				2,171,986	1,006,155		2,171,986	-	1,006,155	-	-	
19	Beginning Balance-Total				Worksheet P5-1.19.h			26,237,804	Beginning Balance-Total			Worksheet A3-2.58.f		26,237,804
20	Beginning Balance-Not Subject to Proration				Worksheet P5-1.20.h			7,049,228	Beginning Balance-Not Subject to Proration			Worksheet A3-2.64.f		7,049,228
21	Beginning Balance-Subject to Proration				(Line 5, Col H)			19,188,576	Beginning Balance-Subject to Proration			(Line 5, Col N)		19,188,576
22	Ending Balance-Total				Worksheet p5-1.22h			27,287,463	Ending Balance-Total			Worksheet A3-2.58.g		27,287,463
23	Ending Balance-Not Subject to Proration				Worksheet P5-1.23.h			5,926,901	Ending Balance-Not Subject to Proration			Worksheet A3-2.64.g		5,926,901
24	Ending Balance-Subject to Proration				Worksheet P5-1.24.h			21,360,561	Ending Balance-Subject to Proration			Worksheet A3-2.61.g		21,360,561
25	Average Balance (See Note 6.)				Line 17 Col N + (Lines 20 + 23 Col N)/2			26,682,795	Average Balance (See Note 6.)			Line 17 Col N + (Lines 20 + 23 Col N)/2		26,682,795
26	Reserved								Reserved					
27	Amount for Attachment H				(Line 25 less line 26)			**26,682,795**	Amount for Attachment H			(Line 25 less line 26)		**26,682,795**

El Paso Electric Company
Worksheet A3-1
Accumulated Deferred Income Taxes
Actuals - For the 12 months ended 12/31/2020

Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
28	**Account 282**								**Account 282**					
29	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
30	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
31														
32	December 31st balance Prorated Items (Worksheet P5-1.32.h)							(138,296,256)	December 31st balance Prorated Items (Worksheet A3-2.79.f)					(138,296,256)
33	January	31	335	365	91.78%	(248,437)	(228,018)	(138,524,274)	(248,437)	-	(228,018)	-	-	(138,524,274)
34	February	28	307	365	84.11%	(248,437)	(208,959)	(138,733,233)	(248,437)	-	(208,959)	-	-	(138,733,233)
35	March	31	276	365	75.62%	(248,437)	(187,859)	(138,921,092)	(248,437)	-	(187,859)	-	-	(138,921,092)
36	April	30	246	365	67.40%	(248,437)	(167,440)	(139,088,532)	(248,437)	-	(167,440)	-	-	(139,088,532)
37	May	31	215	365	58.90%	(248,437)	(146,340)	(139,234,872)	(248,437)	-	(146,340)	-	-	(139,234,872)
38	June	30	185	365	50.68%	(248,437)	(125,920)	(139,360,792)	(248,437)	-	(125,920)	-	-	(139,360,792)
39	July	31	154	365	42.19%	(248,437)	(104,820)	(139,465,612)	(248,437)	-	(104,820)	-	-	(139,465,612)
40	August	31	123	365	33.70%	(248,437)	(83,720)	(139,549,332)	(248,437)	-	(83,720)	-	-	(139,549,332)
41	September	30	93	365	25.48%	(248,437)	(63,300)	(139,612,632)	(248,437)	-	(63,300)	-	-	(139,612,632)
42	October	31	62	365	16.99%	(248,437)	(42,200)	(139,654,832)	(248,437)	-	(42,200)	-	-	(139,654,832)
43	November	30	32	365	8.77%	(248,437)	(21,781)	(139,676,613)	(248,437)	-	(21,781)	-	-	(139,676,613)
44	December	31	1	365	0.27%	(248,437)	(681)	(139,677,294)	(248,437)	-	(681)	-	-	(139,677,294)
45	Total (sum of lines 33-44)	365				(2,981,244)	(1,381,038)		(2,981,244)	-	(1,381,038)	-	-	
46	Beginning Balance-Total				Worksheet P5-1.46.h			(138,296,256)	Beginning Balance-Total			Worksheet A3-2.76.f		(138,296,256)
47	Beginning Balance-Not Subject to Proration				Worksheet P5-1.47.h			-	Beginning Balance-Not Subject to Proration			Worksheet A3-2.82.f		-
48	Beginning Balance-Subject to Proration				(Line 32, Col H)			(138,296,256)	Beginning Balance-Subject to Proration			(Line 32, Col N)		(138,296,256)
49	Ending Balance-Total				Worksheet P5-1.49.h			(141,277,501)	Ending Balance-Total			Worksheet A3-2.76.g		(141,277,501)
50	Ending Balance-Not Subject to Proration				Worksheet P5-1.50.h			-	Ending Balance-Not Subject to Proration			Worksheet A3-2.82.g		-
51	Ending Balance-Subject to Proration				Worksheet P5-1.51.h			(141,277,501)	Ending Balance-Subject to Proration			Worksheet A3-2.79.g		(141,277,501)
52	Average Balance (See Note 6.)				Line 44 Col H + (Lines 47 + 50 Col H)/2			(139,677,294)	Average Balance (See Note 6.)			Lines 44 Col N + (Lines 47 + 50 Col N)/2		(139,677,294)
53	Reserved								Reserved					
54	Amount for Attachment H				(Line 52 less line 53)			**(139,677,294)**	Amount for Attachment H			(Line 52 less line 53)		**(139,677,294)**

El Paso Electric Company
Worksheet A3-1
Accumulated Deferred Income Taxes
Actuals - For the 12 months ended 12/31/2020

55	**Account 283**								**Account 283**					
56	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
57	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col B)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
58														
59	December 31st balance Prorated Items (Worksheet P5-1.59.h)							-	December 31st balance Prorated Items (Worksheet A3-2.126.f)					-
60	January	31	335	365	91.78%	-	-	-	-	-	-	-	-	-
61	February	28	307	365	84.11%	-	-	-	-	-	-	-	-	-
62	March	31	276	365	75.62%	-	-	-	-	-	-	-	-	-
63	April	30	246	365	67.40%	-	-	-	-	-	-	-	-	-
64	May	31	215	365	58.90%	-	-	-	-	-	-	-	-	-
65	June	30	185	365	50.68%	-	-	-	-	-	-	-	-	-
66	July	31	154	365	42.19%	-	-	-	-	-	-	-	-	-
67	August	31	123	365	33.70%	-	-	-	-	-	-	-	-	-
68	September	30	93	365	25.48%	-	-	-	-	-	-	-	-	-
69	October	31	62	365	16.99%	-	-	-	-	-	-	-	-	-
70	November	30	32	365	8.77%	-	-	-	-	-	-	-	-	-
71	December	31	1	365	0.27%	-	-	-	-	-	-	-	-	-
72	Total (sum of Lines 60 - 71)	365				-	-		-	-	-	-	-	
73	Beginning Balance-Total				Worksheet P5-1.73.h			-	Beginning Balance-Total			Worksheet A3-2.123.f		-
74	Beginning Balance-Not Subject to Proration				Worksheet P5-1.74.h			-	Beginning Balance-Not Subject to Proration			Worksheet A3-2.129.f		-
75	Beginning Balance-Subject to Proration				(Line 59, Col H)			-	Beginning Balance-Subject to Proration			(Line 59, Col N)		-
76	Ending Balance-Total				Worksheet P5-1.76.h			-	Ending Balance-Total			Worksheet A3-2.123.g		-
77	Ending Balance-Not Subject to Proration				Worksheet P5-1.77.h			-	Ending Balance-Not Subject to Proration			Worksheet A3-2.129.g		-
78	Ending Balance-Subject to Proration				Worksheet P5-1.78.h			-	Ending Balance-Subject to Proration			Worksheet A3-2.126.g		-
79	Average Balance (See Note 6.)				Line 71 Col H + (Lines 74 + 77 Col H)/2			-	Average Balance (See Note 6.)			Line 71 Col N + (Lines 74 + 77 Col N)/2		-
80	Reserved								Reserved					
81	Amount for Attachment H				(Line 79 less line 80)			-	Amount for Attachment H			(Line 79 less line 80)		-
82	**Total Amount for Attachment H**											(Lines 27+54+81)		**(112,994,498)**

El Paso Electric Company
Worksheet A3-1
Accumulated Deferred Income Taxes
Actuals - For the 12 months ended 12/31/2020

NOTES

1) Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (amount of projected activity that did not occur) and a positive in Column J represents under-projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under-projection (excess of actual activity over projected activity) and a positive in Column J represents over-projection (amount of projected activity that did not occur).

2) Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over-projected, enter Column G x [Column I/Column F]. If Column J is under-projected, enter the amount from Column G and complete Column L). In other situations, enter zero.

3) Column L applies when (1) Column J is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.

4) Column M applies when (1) projected monthly activity is an increase while actual monthly activity is a decrease OR (2) projected monthly activity is a decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.

5) Column N is computed by adding the prorated monthly activity, if any, from Column K to 50 percent of the portion of monthly activity, if any, from Column L or M to the balance at the end of the prior month. The activity in columns L and M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly activity.

6) For the non-property-related component of the balance, the Average Balance is computed using the average of beginning of year and end of year balance. For the property-related component of the balance, the Average Balance is computed as described in Note 5.

7) Projected and Actual monthly activity is computed based on the annual activity for the period, divided by 12 months.

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/2020

No.	(a)	Dec-2019 (b)	Dec-2020 (c)		(e)	Dec-2019 (f)	Dec-2020 (g)	(h)	(i)
Line No.	Item	BOY Balance (Note A)	EOY Balance (Note B)		Allocator	BOY Allocated Amount	EOY Allocated Amount	Prorated (Yes/No) (Note E)	Explanation (Note D)
	ACCOUNT 190 ACCUMULATED DEFERRED INCOME TAXES								
1	Electric	63,141,097	70,288,139	NP	30.390%	19,188,576	21,360,561	Yes	Plant
2	Plant, principally due to captialized costs	38,309,509	41,931,711		0.000%	-	-		
3	Asset retirement obligation	23,239,446	25,435,590		0.000%	-	-		
4	Decommissioning costs	1,528,952	1,359,444		0.000%	-	-		
5	Benefit of tax loss carryforwards	63,190	1,561,394		0.000%	-	-		
6	Electric	81,355,636	79,864,250	NA	0.000%	-	-	No	ONT
7	Alternative minimum tax credit carryforward	-	(12)		0.000%	-	-		
8	Regulatory liabilities related to income taxes	66,824,187	66,762,983		0.000%	-	-		
9	Deferred Fuel	4,105,369	311,590		0.000%	-	-		
10	Debt	3,632,472	3,495,073		0.000%	-	-		
11	Other	6,793,608	9,294,616		0.000%	-	-		
12	Electric	33,455,821	28,129,230	W/S	21.070%	7,049,228	5,926,901	No	Labor
13	Pensions and benefits	33,455,821	28,129,230		0.000%	-	-		
14	Reserved				0.000%	-	-		
15	Reserved				0.000%	-	-		
16	Reserved				0.000%	-	-		
17	Reserved				0.000%	-	-		
18	Reserved				0.000%	-	-		
19	Reserved				0.000%	-	-		
20	Reserved				0.000%	-	-		
21	Reserved				0.000%	-	-		
22	Reserved				0.000%	-	-		
23	Reserved				0.000%	-	-		
24	Reserved				0.000%	-	-		
25	Reserved				0.000%	-	-		
26	Reserved				0.000%	-	-		
27	Reserved				0.000%	-	-		
28	Reserved				0.000%	-	-		
29	Reserved				0.000%	-	-		
30	Reserved				0.000%	-	-		
31	Reserved				0.000%	-	-		
32	Reserved				0.000%	-	-		

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/2020

No.	(a)	Dec-2019 (b)	Dec-2020 (c)	(e)	Dec-2019 (f)	Dec-2020 (g)	(h)	(i)
Line No.	**Item**	**BOY Balance (Note A)**	**EOY Balance (Note B)**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note E)**	**Explanation (Note D)**
33	Reserved			0.000%	-	-		
34	Reserved			0.000%	-	-		
35	Reserved			0.000%	-	-		
36	Reserved			0.000%	-	-		
37	Reserved			0.000%	-	-		
38	Reserved			0.000%	-	-		
39	Reserved			0.000%	-	-		
40	Reserved			0.000%	-	-		
41	Reserved			0.000%	-	-		
42	Reserved			0.000%	-	-		
43	Reserved			0.000%	-	-		
44	Reserved			0.000%	-	-		
45	Reserved			0.000%	-	-		
46	Reserved			0.000%	-	-		
47	Reserved			0.000%	-	-		
48	Reserved			0.000%	-	-		
49	Reserved			0.000%	-	-		
50	Reserved			0.000%	-	-		
51	Reserved			0.000%	-	-		
52	Reserved			0.000%	-	-		
53	Reserved			0.000%	-	-		
54	Reserved			0.000%	-	-		
55	**Total Account 190 (234.8.b&c)**	**177,952,554**	**178,281,619**		**26,237,804**	**27,287,463**		
	Tax Reg Asset / Liab Adjustments (Note C)							
56	Remove regulatory gross-ups for Excess Deferred	(66,824,187)	(66,762,983)	NA 0.000%	-	-	No	ONT
57	Remove regulatory gross-ups for ITC	(5,374,574)	(4,944,037)	NA 0.000%	-	-	No	ONT
58	**Total Account 190 After Adjustments**				**26,237,804**	**27,287,463**	**1.0400**	**(0.0400)**
59	Prorated Balances				19,188,576	21,360,561		
60	Tax Reg Asset / Liab Adjustments				-	-		
61	**Prorated Account 190 Balances After Adjustments**				**19,188,576**	**21,360,561**		
62	Non-Prorated Balances				7,049,228	5,926,901		
63	Tax Reg Asset / Liab Adjustments				-	-		
64	**Non-Prorated Account 190 Balances After Adjustments**				**7,049,228**	**5,926,901**		

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/2020

		Dec-2019	Dec-2020			Dec-2019	Dec-2020		
No.	(a)	(b)	(c)		(e)	(f)	(g)	(h)	(i)
	ACCOUNT 282 ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Enter Negative)								
65	Plant	(427,513,213)	(437,176,539)	NP	30.390%	(129,921,241)	(132,857,925)	Yes	Plant
66	Regulatory assets related to income taxes	(26,728,615)	(26,307,759)	NA	0.000%	-	-	No	ONT
67	Decommissioning	(27,558,463)	(27,705,091)	NP	30.390%	(8,375,015)	(8,419,576)	Yes	Plant
68	CWIP	(8,012,106)	(7,967,314)	NA	0.000%	-	-	No	ONT
69	Reserved	-	-		0.000%	-	-		
70	Reserved	-	-		0.000%	-	-		
71	Reserved	-	-		0.000%	-	-		
72	Reserved	-	-		0.000%	-	-		
73	**Total Account 282 (274.2.b & 275.2.k)**	**(489,812,397)**	**(499,156,703)**			**(138,296,256)**	**(141,277,501)**		
	Tax Reg Asset / Liab Adjustments (Note C)								
74	Remove regulatory gross-ups for AEFUDC	(26,728,615)	(26,307,759)	NA	0.000%	-	-	No	ONT
75	Reserved	-	-		0.000%	-	-		
76	**Total Account 282 After Adjustments Items**					**(138,296,256)**	**(141,277,501)**		
77	Prorated Balances					(138,296,256)	(141,277,501)		
78	Tax Reg Asset / Liab Adjustments					-	-		
79	**Prorated Account 282 Balances After Adjustments**					**(138,296,256)**	**(141,277,501)**		
80	Non-Prorated Balances					-	-		
81	Tax Reg Asset / Liab Adjustments					-	-		
82	**Non-Prorated Account 282 Balances After Adjustments**					**-**	**-**		
	ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES - OTHER (Enter Negative)								
83	Electric			NP	30.390%	-	-	Yes	Plant
84	Reserved			NA	0.000%	-	-	No	Prod
85	Reserved			NA	0.000%	-	-	No	Retail
86	Electric	(32,347,600)	(42,801,748)	NA	0.000%	-	-	No	ONT
87	Reserved			W/S	21.070%	-	-	No	Labor
88	Reserved			DA	100.000%	-	-	No	Trans
89	Reserved				0.000%	-	-		
90	Reserved				0.000%	-	-		
91	Reserved				0.000%	-	-		
92	Reserved				0.000%	-	-		
93	Reserved				0.000%	-	-		
94	Reserved				0.000%	-	-		
95	Reserved				0.000%	-	-		
96	Reserved				0.000%	-	-		
97	Reserved				0.000%	-	-		
98	Reserved				0.000%	-	-		
99	Reserved				0.000%	-	-		
100	Reserved				0.000%	-	-		

Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/2020

		Dec-2019	Dec-2020			Dec-2019	Dec-2020		
No.	(a)	(b)	(c)		(e)	(f)	(g)	(h)	(i)
101	Reserved				0.000%	-	-		
102	Reserved				0.000%	-	-		
103	Reserved				0.000%	-	-		
104	Reserved				0.000%	-	-		
105	Reserved				0.000%	-	-		
106	Reserved	-	-		0.000%	-	-		
107	Reserved	-	-		0.000%	-	-		
108	Reserved	-	-		0.000%	-	-		
109	Reserved	-	-		0.000%	-	-		
110	Reserved	-	-		0.000%	-	-		
111	Reserved	-	-		0.000%	-	-		
112	Reserved	-	-		0.000%	-	-		
113	Reserved	-	-		0.000%	-	-		
114	Reserved	-	-		0.000%	-	-		
115	Reserved	-	-		0.000%	-	-		
116	Reserved	-	-		0.000%	-	-		
117	Reserved	-	-		0.000%	-	-		
118	Reserved	-	-		0.000%	-	-		
119	Reserved	-	-		0.000%	-	-		
120	**Total Account 283 (276.9.b & 277.9.k)**	**(32,347,600)**	**(42,801,748)**			**-**	**-**		
	Tax Reg Asset / Liab Adjustments (Note C)								
121	Remove regulatory gross-ups for Excess Deferred	7,184,684	6,847,188	NA	0.000%	-	-	No	ONT
122	Reserved	7,712,349	-		0.000%	-	-		
123	**Total Account 283 After Adjustments**					**-**	**-**		
124	Prorated Balances					-	-		
125	Tax Reg Asset / Liab Adjustments					-	-		
126	**Prorated Account 283 Balances After Adjustments**					**-**	**-**		
127	Non-Prorated Balances					-	-		
128	Tax Reg Asset / Liab Adjustments					-	-		
129	**Non-Prorated Account 283 Balances After Adjustments**					**-**	**-**		
	ACCOUNT 255: ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Enter Negative) (Note F)								
130	Intangible			W/S	21.070%	-	-		
131	Production	(20,959,358)	(19,339,718)	NA	0.000%	-	-		
132	Transmission			DA	100.000%	-	-		
133	Distribution			NA	0.000%	-	-		
134	General Plant			W/S	21.070%	-	-		
135	**Total Account 255 (266.8.b & 267.8.h)**	**(20,959,358)**	**(19,339,718)**			**-**	**-**		
136	Unrealized ITC Adjustment								
137	Account 255 balance after Unrealized Adjustment					-	-		
138	**Average ITC Balance for Attachment H**						**-**		

El Paso Electric Company
Worksheet A3-2
Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Actuals - For the 12 months ended 12/31/2020

Notes:

A Beginning of Year ("BOY") balance is end of previous year balance per FERC Form No. 1.
B End of Year ("EOY") balance is end of current year balance per FERC Form No. 1.
C The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules A8-1 and A8-2 and presented in Att-H separately from ADIT.
D Each ADIT item is categorized into 1 of 7 categories. The selected category will determine the Allocator applied to the ADIT balance.
1) Prod: The ADIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The ADIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related ADIT for which the NA Allocator is applied. Such items shall include:
- ADIT related to the Income Tax Regaultory Assets and Liabilities
- Any other ADIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
4) Trans: The ADIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The ADIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: ADIT balances other than PP&E where the NP Allocator is applied.
7) Labor: The ADIT balance is labor related and the W/S Allocator is applied.
E Each ADIT Item must be categorized into balances that require proration and those that do not. ADIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".
F The Company has elected and applied the second option for accounting for investment tax credits (“ITC”) under Internal Revenue Code 46(f) and the regulations thereunder to apply a cost of service adjustment to reduce tax expense no more rapidly than ratably. Under option 2, there is no rate base reduction for the unamortized balance of the ITC.

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/2020

Gross Plant In Service

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	205.46.g	207.58.g	207.75.g	207.99.g	205.5.g	207.100.g	356.1
1	December Prior Year	3,034,065,458	550,330,158	1,355,690,685	260,197,566	168,740,228	5,369,024,095	-
2	January	3,033,172,894	551,065,616	1,359,398,259	261,684,210	169,079,661	5,374,400,640	-
3	February	3,038,466,408	560,094,029	1,363,236,137	262,704,489	169,324,596	5,393,825,659	-
4	March	3,047,059,934	561,002,011	1,368,497,360	262,983,524	169,395,154	5,408,937,983	-
5	April	3,047,804,699	560,981,034	1,371,543,413	263,188,527	169,550,998	5,413,068,671	-
6	May	3,052,970,062	562,873,159	1,394,958,527	263,298,237	169,740,572	5,443,840,557	-
7	June	3,062,390,590	563,459,124	1,399,703,075	264,799,196	169,892,553	5,460,244,538	-
8	July	3,062,545,331	564,551,833	1,404,880,533	265,724,546	175,664,881	5,473,367,124	-
9	August	3,068,632,905	565,606,993	1,408,811,450	269,779,210	176,363,793	5,489,194,351	-
10	September	3,071,837,501	566,160,092	1,417,795,291	271,128,817	174,961,895	5,501,883,596	-
11	October	3,075,194,753	567,099,399	1,421,897,091	273,005,238	175,224,495	5,512,420,976	-
12	November	3,085,141,522	567,362,094	1,428,009,461	273,852,722	175,622,403	5,529,988,202	-
13	December	3,098,236,410	572,495,263	1,434,365,456	274,534,528	176,677,429	5,556,309,086	-
14	Average of the 13 Monthly Balances	3,059,809,113	562,544,677	1,394,522,057	266,683,139	172,326,051	5,455,885,037	-

Gross Plant In Service - Asset Retirement Costs

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Reserved (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	205.15.g+205.44.g	207.57.g	207.74.g	207.98.g			
15	December Prior Year	(38,761,099)	-	-	87,400	-	(38,673,699)	-
16	January	(38,761,099)	-	-	87,400	-	(38,673,699)	-
17	February	(38,761,099)	-	-	87,400	-	(38,673,699)	-
18	March	(38,761,099)	-	-	87,400	-	(38,673,699)	-
19	April	(38,761,099)	-	-	87,400	-	(38,673,699)	-
20	May	(38,761,099)	-	-	87,400	-	(38,673,699)	-
21	June	(39,719,573)	-	-	87,400	-	(39,632,173)	-
22	July	(39,719,573)	-	-	87,400	-	(39,632,173)	-
23	August	(39,719,573)	-	-	87,400	-	(39,632,173)	-
24	September	(39,719,573)	-	-	87,400	-	(39,632,173)	-
25	October	(39,719,573)	-	-	87,400	-	(39,632,173)	-
26	November	(39,719,573)	-	-	87,400	-	(39,632,173)	-
27	December	(39,719,573)	-	-	87,400	-	(39,632,173)	-
28	Average of the 13 Monthly Balances	(39,277,200)	-	-	87,400	-	(39,189,800)	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/2020

Accumulated Depreciation Account 108

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Reserved (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	**219.20-24.c**	**219.25.c**	**219.26.c**	**219.28.c**		**219.29.c**	**356.1**
1	December Prior Year	(1,599,675,806)	(238,445,220)	(394,919,970)	(84,593,521)		(2,317,634,517)	
2	January	(1,595,241,532)	(242,578,019)	(396,022,933)	(88,801,117)		(2,322,643,601)	
3	February	(1,599,585,641)	(243,239,782)	(397,214,876)	(90,066,664)		(2,330,106,963)	
4	March	(1,603,751,543)	(243,914,529)	(398,790,934)	(91,164,408)		(2,337,621,414)	
5	April	(1,607,478,934)	(244,588,948)	(400,309,274)	(92,346,430)		(2,344,723,586)	
6	May	(1,611,546,958)	(245,264,455)	(402,018,095)	(93,517,785)		(2,352,347,293)	
7	June	(1,616,047,965)	(245,940,908)	(403,046,248)	(95,155,077)		(2,360,190,198)	
8	July	(1,615,366,162)	(246,618,567)	(404,854,240)	(95,839,665)		(2,362,678,634)	
9	August	(1,619,830,454)	(247,287,300)	(406,625,514)	(97,036,675)		(2,370,779,943)	
10	September	(1,625,965,986)	(247,961,679)	(407,668,399)	(98,112,178)		(2,379,708,242)	
11	October	(1,629,392,999)	(248,682,788)	(408,852,229)	(99,311,465)		(2,386,239,481)	
12	November	(1,634,425,943)	(249,314,502)	(410,380,286)	(100,551,868)		(2,394,672,599)	
13	December	(1,642,072,629)	(245,923,473)	(411,767,806)	(96,664,623)		(2,396,428,531)	
14	Average of the 13 Monthly Balances	(1,615,414,042)	(245,366,167)	(403,266,985)	(94,089,344)	-	(2,358,136,539)	-

Accumulated Depreciation Account 111

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec	**200.21.c.fn**	**200.21.c.fn**	**200.21.c.fn**	**200.21.c.fn**	**200.21.c.fn**		**356.1**
15	December Prior Year	(39,230,809)	(7,115,831)	(17,529,234)	(3,364,384)	(2,181,830)	(69,422,088)	
16	January	(39,593,650)	(7,193,358)	(17,744,962)	(3,415,906)	(2,207,088)	(70,154,965)	
17	February	(39,943,201)	(7,362,908)	(17,920,887)	(3,453,472)	(2,225,914)	(70,906,382)	
18	March	(40,370,263)	(7,432,672)	(18,131,116)	(3,484,248)	(2,244,303)	(71,662,603)	
19	April	(40,772,204)	(7,504,560)	(18,347,911)	(3,520,822)	(2,268,179)	(72,413,676)	
20	May	(41,031,356)	(7,564,912)	(18,747,986)	(3,538,680)	(2,281,282)	(73,164,217)	
21	June	(41,457,420)	(7,627,884)	(18,948,621)	(3,584,746)	(2,299,938)	(73,918,609)	
22	July	(41,782,848)	(7,702,281)	(19,167,034)	(3,625,327)	(2,396,627)	(74,674,117)	
23	August	(42,218,361)	(7,781,641)	(19,382,478)	(3,711,632)	(2,426,419)	(75,520,533)	
24	September	(42,642,855)	(7,859,362)	(19,681,653)	(3,763,775)	(2,428,799)	(76,376,443)	
25	October	(42,942,799)	(7,919,120)	(19,855,732)	(3,812,314)	(2,446,879)	(76,976,844)	
26	November	(43,385,940)	(7,978,739)	(20,081,910)	(3,851,155)	(2,469,755)	(77,767,498)	
27	December	(43,806,599)	(8,094,628)	(20,280,787)	(3,881,700)	(2,498,078)	(78,561,792)	
28	Average of the 13 Monthly Balances	(41,475,254)	(7,625,992)	(18,909,255)	(3,616,012)	(2,336,546)	(73,963,059)	-

Accumulated Depreciation Account 108/111 - Asset Retirement Cost Accumulated Depreciation

Line No	Month (a)	Production (b)	Transmission (c)	Distribution (d)	General (e)	Intangible (f)	Total Plant (g)	Common (h)
	FN1 Reference for Dec							
29	December Prior Year	5,090,010	-	-	(18,246)		5,071,764	
30	January	5,213,602			(31,206)		5,182,396	
31	February	5,390,604			(19,352)		5,371,252	
32	March	5,423,567			(19,905)		5,403,662	
33	April	5,534,753			(20,458)		5,514,295	
34	May	5,645,938			(21,011)		5,624,927	
35	June	5,757,123			(21,564)		5,735,559	
36	July	5,868,308			(22,117)		5,846,191	
37	August	5,979,492			(22,670)		5,956,822	
38	September	6,090,677			(23,223)		6,067,454	
39	October	6,201,861			(23,776)		6,178,085	
40	November	6,313,046			(24,328)		6,288,718	
41	December	6,424,265			(24,881)		6,399,384	
42	Average of the 13 Monthly Balances	5,764,096	-	-	(22,518)	-	5,741,578	-

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/2020

Line No	Month (a)	Adjustments to Rate Base: Unamortized Regulatory Asset (b)	Adjustments to Rate Base: Unamortized Abandoned Plant (c)	CWIP: CWIP (Note C) (d)	LHFFU: Land Held for Future Use (Note D) (e)
	FN1 Reference for Dec	(Note A)	(Notes B & F)	216.x.b	214.x.d
1	December Prior Year	-			
2	January	-			
3	February	-			
4	March	-			
5	April	-			
6	May	-			
7	June	-			
8	July	-			
9	August	-			
10	September	-			
11	October	-			
12	November	-			
13	December	-			
14	Average of the 13 Monthly Balances -	-	-	-	-

Line No	Month (a)	Working Capital: Materials & Supplies: Transmission Plant (b)	Materials & Supplies: Stores Expense Undistributed (c)	Materials & Supplies: Construction (d)	Materials & Supplies (e)	Prepayments (f)
	FN1 Reference for Dec	227.8.c	227.16.c	227.5.c	Total (Note E)	111.57.c
	Allocator	1.00000	0.21070	-		
15	December Prior Year	2,668,375	1,145	-	2,668,616	10,941,642
16	January	2,713,122	1,397		2,713,416	11,138,235
17	February	2,758,619	(3,560)		2,757,869	15,991,031
18	March	2,804,878	(0)		2,804,878	15,267,125
19	April	2,851,914	(137)		2,851,885	17,191,734
20	May	2,899,739	(264)		2,899,683	20,551,324
21	June	2,948,365	298		2,948,428	23,038,512
22	July	2,997,807	(0)		2,997,807	20,819,112
23	August	3,048,078	14,404		3,051,113	20,030,556
24	September	3,099,192	(0)		3,099,192	23,843,912
25	October	3,151,163	805		3,151,332	20,800,020
26	November	3,204,005	(0)		3,204,005	24,084,237
27	December	3,257,734	(4,548)		3,256,776	18,997,423
28	Average of the 13 Monthly Balances -	2,954,076	734	-	2,954,231	18,668,836

El Paso Electric Company
Worksheet A4
Rate Base Worksheet
Actuals - For the 12 months ended 12/31/2020

Unfunded Reserves (Note F)

	(a)	(b)	(c)	(d)
			Allocation (Plant or Labor	Amount Allocated, col. (b) x
1	List of all reserves:	Amount	Allocator)	col.(c)
2		-	21.070%	-
3		-	21.070%	-
4		-	21.070%	-
5		-	21.070%	-
6		-	0.000%	-
7		-	0.000%	-
8		-	0.000%	-
9		-	0.000%	-
10		-		-

Notes:

A Recovery of any regulatory asset is limited to such regulatory assets authorized by FERC.

B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC and will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.

C Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in rate base.

D Transmission related only.

E M&S allocation: Direct Assign 227.8.c at 100%, plus 227.1.c and 227.5.c allocated on Labor (W/S) from Actual Attachment H page 4 line 16.

F The Formula Rate shall include a credit to rate base for unfunded reserves within accounts 228.2, 242, and 253 (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 1-9 above. The allocator in Col. (c) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Reserves can be created by capital contributions from customers, by debiting the reserve and crediting a liability, or a combination of customer capital contribution and offsetting liability. Only the portion of a reserve that was created by customer contributions should be a reduction to rate base. Amounts will be calculated on 13-month average balances.

El Paso Electric Company
Worksheet A5
Depreciation Rates

Line No.	Plant Type		Rates
1	**Transmission Plant**		
2	350.00	Land Rights	0.99%
3	352.00	Structures and Improvements	1.33%
4	353.00	Station Equipment	1.00%
5	354.00	Towers and Fixtures	1.29%
6	355.00	Poles and Fixtures	1.76%
7	356.00	Overhead Conductors & Devices	1.36%
8	359.00	Roads and Trails	1.05%
	General Plant		
9	390.00	Structures and Improvements-Other	1.06%
10	390.00	Stanton Tower	1.80%
11	390.00	System Operations Building	2.29%
12	390.00	Eastside Operations Center	1.74%
13	391.00	Office Furniture and Equipment	1.71%
14	391.20	Network Equipment	20.00%
15	392-C0	Transportation Equipment - Remotes	10.37%
16	392.C1	Transportation Equipment - C1 0 - 8,500 LBS	10.37%
17	392.C2	Transportation Equipment - C2 8,500 - 10,000 LBS	10.37%
18	392.C3	Transportation Equipment - C3 10,001 - 14,000 LBS	10.37%
19	392.C4	Transportation Equipment -C4 14,001 - 16,000 LBS	10.37%
20	392.C5	Transportation Equipment - C5 16,001 - 19,500 LBS	10.37%
21	392.C6	Transportation Equipment - C6 19,501 - 26,000 LBS	10.37%
22	392.C7	Transportation Equipment - C7 26,001 - 33,000 LBS	10.37%
23	392.C8	Transportation Equipment - C8 over 33,000	10.37%
24	392.C9	Transportation Equipment - C9 Trailers	10.37%
25	393.00	Stores Equipment	3.96%
26	394.00	Tools, Shop and Garage Equipment	3.83%
27	395.00	Laboratory Equipment	6.47%
28	396.00	Power Operated Equipment	4.58%
29	397.20	Telecommunication Equipment	6.48%
30	398.00	Miscellaneous Equipment	6.65%

El Paso Electric Company
Worksheet A6
Divisor - Network Transmission Load
Actuals - For the 12 months ended 12/31/2020

Line	Month	Transmission System Peak Load (MW)	Firm Network for Self (MW)	Firm Network Service for Others (MW)	Long-Term Firm Point to Point Reservations (MW)	Other Long-Term Firm Service (MW)	Short Term Firm Point to Point Reservation (MW)	Other Service (MW)	12-CP Average (MW) (Note A)
	(a)	(b)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	FN1 Reference for Total	Sum Colm's (e) through (j)	400.17.e	400.17.f	400.17.g	400.17.h	400.17.i	400.17.j	Colm (b) - (i)
1	January	2,362	1,072	6	824	50	10	400	2,352
2	February	2,417	1,126	7	824	50	10	400	2,407
3	March	2,299	1,010	5	824	50	10	400	2,289
4	April	2,670	1,377	9	824	50	10	400	2,660
5	May	2,934	1,639	11	824	50	10	400	2,924
6	June	3,216	1,919	13	824	50	10	400	3,206
7	July	3,522	2,159	14	824	50	75	400	3,447
8	August	3,449	2,087	13	824	50	75	400	3,374
9	September	3,408	1,860	10	824	50	264	400	3,144
10	October	2,983	1,442	7	824	50	260	400	2,723
11	November	2,576	1,038	4	824	50	260	400	2,316
12	December	2,631	1,091	6	824	50	260	400	2,371
13	Total	34,467	17,820	105	9,888	600	1,254	4,800	33,213
14	12-CP								2,768
15									

NOTES
A 12-CP average includes all but Short Term Firm Point to Point

El Paso Electric Company
Worksheet A7
Incentive Plant Worksheet
Actuals - For the 12 months ended 12/31/2020

Line						Incentive Projects							
1						**Project:**	Project 1			**Project:**	Project 2		
2						Proj. ID	n/a			Proj. ID	n/a		
3						Deprec. Rate:	0.00%	(Note A)		Deprec. Rate:	0.00%	(Note A)	
4						ROE Adder	0.00%	(Note B)		ROE Adder	0.00%	(Note B)	
5						Weighted ROE Adder:	0.00%			Weighted ROE Adder:	0.00%		
6						Beginning Bal:	-			Beginning Bal:	-		
7			**Total**			Beginning Dep:	-			Beginning Dep:	-		
8						Beginning Year:				Beginning Year:			
	Year (a)	**Beginning Amt (b)**	**Depreciation (c)**	**Net Plant (d)**	**Incentive Ret (e)**	Beginning Amt	Depreciation	Net Plant	Incentive Ret	Beginning Amt	Depreciation	Net Plant	Incentive Ret
9	2019	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	2020	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11	2021	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	2023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	2024	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15	2025	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
16	2026	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	2027	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18	2028	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19	2029	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20	2030	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21	2031	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22	2032	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23	2033	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24	2034	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
25	2035	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26	2036	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27	2037	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
28	2038	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29	2039	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30	2040	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31	2041	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
32	2042	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Notes
A Special depreciation rates may be utilized for specific incentive transmission projects if approved by the FERC.
B Incentive ROE requires authorization by the Commission

El Paso Electric Company
Worksheet A8-1
Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/2020

	Proration Used for Projected Revenue Requirement Calculation								Proration Used for True-up Revenue Requirement Calculation					
1	**EDIT included within Accounts 182.3 & 254**								**EDIT included within Accounts 182.3 & 254**					
2	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			**True-up Adjustment - Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity**					
	(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**	**(m)**	**(n)**
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col b)	Proration Amount (Lines 6 to 17, Col c / Col d)	Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)	Actual Monthly Activity ((Line 24 Col n - Line 21 Col n)/12) (See Note 7.)	Difference between projected monthly and actual monthly activity (See Note 1.)	Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.)	Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.)	Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.)	Balance reflecting proration or averaging (See Note 5.)
4														
5	December 31st balance Prorated Items (Worksheet P6-1.5h)							(76,725,107)	December 31st balance Prorated Items (Worksheet A8-2.61.g)					(76,725,107)
6	January	31	335	365	91.78%	8,031	7,371	(76,717,736)	8,031	-	7,371	-	-	(76,717,736)
7	February	28	307	365	84.11%	8,031	6,755	(76,710,981)	8,031	-	6,755	-	-	(76,710,981)
8	March	31	276	365	75.62%	8,031	6,073	(76,704,908)	8,031	-	6,073	-	-	(76,704,908)
9	April	30	246	365	67.40%	8,031	5,413	(76,699,495)	8,031	-	5,413	-	-	(76,699,495)
10	May	31	215	365	58.90%	8,031	4,731	(76,694,765)	8,031	-	4,731	-	-	(76,694,765)
11	June	30	185	365	50.68%	8,031	4,071	(76,690,694)	8,031	-	4,071	-	-	(76,690,694)
12	July	31	154	365	42.19%	8,031	3,389	(76,687,305)	8,031	-	3,389	-	-	(76,687,305)
13	August	31	123	365	33.70%	8,031	2,706	(76,684,599)	8,031	-	2,706	-	-	(76,684,599)
14	September	30	93	365	25.48%	8,031	2,046	(76,682,553)	8,031	-	2,046	-	-	(76,682,553)
15	October	31	62	365	16.99%	8,031	1,364	(76,681,189)	8,031	-	1,364	-	-	(76,681,189)
16	November	30	32	365	8.77%	8,031	704	(76,680,484)	8,031	-	704	-	-	(76,680,484)
17	December	31	1	365	0.27%	8,031	22	(76,680,462)	8,031	-	22	-	-	(76,680,462)
18	Total (sum of Lines 6 -17)	365				96,375	44,645		96,375	-	44,645	-	-	
19	Beginning Balance-Total				Worksheet P6-1.19.h			(69,547,389)	Beginning Balance-Total			Worksheet A8-2.62.g		(69,547,389)
20	Beginning Balance-Not Subject to Proration				Worksheet P6-1.20.h			7,177,718	Beginning Balance-Not Subject to Proration			Worksheet A8-2.55.g		7,177,718
21	Beginning Balance-Subject to Proration				(Line 5, Col H)			(76,725,107)	Beginning Balance-Subject to Proration			(Line 5, Col H)		(76,725,107)
22	Ending Balance-Total				Worksheet P6-1.22.h			(69,836,853)	Ending Balance-Total			Worksheet A8-2.62.i		(69,836,853)
23	Ending Balance-Not Subject to Proration				Worksheet P6-1.23.h			6,791,879	Ending Balance-Not Subject to Proration			Worksheet A8-2.55.i		6,791,879
24	Ending Balance-Subject to Proration				Worksheet P6-1.24.h			(76,628,732)	Ending Balance-Subject to Proration			Worksheet A8-2.61.i		(76,628,732)
25	Average Balance (See Note 6.)				Line 17 Col N + (Lines 20 + 23 Col N)/2			(69,695,664)	Average Balance (See Note 6.)			Line 17 Col N + (Lines 20 + 23 Col N)/2		(69,695,664)
26	Reserved				Reserved				Reserved			Reserved		
27	Amount for Attachment H				(Line 25 less line 26)			**(69,695,664)**	Amount for Attachment H			(Line 25 less line 26)		**(69,695,664)**

El Paso Electric Company
Worksheet A8-1
Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/2020

NOTES

1 Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over-projection (amount of projected activity that did not

2 Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over-projected, enter Column G x [Column I/Column F]. If Column J is under-projected, enter the amount from Column G and complete Column L). In other situations, enter zero.

3 Column L applies when (1) Column J is under-projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.

4 Column M applies when (1) projected monthly activity is an increase while actual monthly activity is a decrease OR (2) projected monthly activity is a decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.

5 Column N is computed by adding the prorated monthly activity, if any, from Column K to 50 percent of the portion of monthly activity, if any, from Column L or M to the balance at the end of the prior month. The activity in columns L and M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly activity.

6 For the non-property-related component of the balance, the Average Balance is computed using the average of beginning of year and end of year balance. For the property-related component of the balance, the Average Balance is computed as described in Note 5.

7 Projected and Actual monthly activity is computed based on the annual activity for the period, divided by 12 months.

El Paso Electric Company
Worksheet A8-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/2020

No.	(a)	Dec-2019 (b)	2020 (c)	2020 (d)	Dec-2020 (e)	(f)	Dec-2019 (g)	2020 (h)	Dec-2020 (i)	(j)	(k)	(l)
Line No.	**Item**	**BOY Balance (Note D)**	**Current Period Amortization**	**Current Period Other Activity (Note C)**	**EOY Balance (Note D)**	**Allocator**	**BOY Allocated Amount**	**Amortization Allocated**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note B)**	**Amort Period or Method**	**Explanation (Note A)**
	NON-PLANT UNPROTECTED EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254											
1	Excess 2017 TCJA	18,930,446	-	-	18,930,446	W/S 21.070%	3,988,694	-	3,988,694	No	Rev S. GA	Labor
2	Excess State from normalization	10,493,666	(1,269,626)		9,224,040	NP 30.390%	3,189,024	(385,839)	2,803,185	Yes	Rev S. GA	Plant
3	Excess ADSIT	13,965,896	(1,269,626)		12,696,270	0.000%	-	-	-			
4	Excess ADSIT 2017	(2,104,267)	-		(2,104,267)	0.000%	-	-	-			
5	Excess ADSIT 2018	(1,367,963)	-		(1,367,963)	0.000%	-	-	-			
6	Excess 2017 TCJA	(70,816,242)	-		(70,816,242)	NA 0.000%	-	-	-	No		ONT
7	Reserved					NA 0.000%	-	-	-	No		ONT
8	Reserved					NA 0.000%	-	-	-	No		ONT
9	Reserved					NA 0.000%	-	-	-	No		ONT
10	Reserved					NA 0.000%	-	-	-	No		ONT
11	Reserved					NA 0.000%	-	-	-	No		ONT
12	Reserved					NA 0.000%	-	-	-	No		ONT
13	Reserved					NA 0.000%	-	-	-	No		ONT
14	Reserved					NA 0.000%	-	-	-	No		ONT
15	Reserved					NA 0.000%	-	-	-	No		ONT
16	Reserved					NA 0.000%	-	-	-	No		ONT
17	Reserved					NA 0.000%	-	-	-	No		ONT
18	Reserved					NA 0.000%	-	-	-	No		ONT
19	Reserved					NA 0.000%	-	-	-	No		ONT
20	Reserved					NA 0.000%	-	-	-	No		ONT
21	Reserved					NA 0.000%	-	-	-	No		ONT
22	Reserved					NA 0.000%	-	-	-	No		ONT
23	Reserved					NA 0.000%	-	-	-	No		ONT
24	Reserved					NA 0.000%	-	-	-	No		ONT
25	Reserved					NA 0.000%	-	-	-	No		ONT
26	Reserved					NA 0.000%	-	-	-	No		ONT
27	Reserved					NA 0.000%	-	-	-	No		ONT
28	Reserved					NA 0.000%	-	-	-	No		ONT
29	Reserved					NA 0.000%	-	-	-	No		ONT
30	Reserved					NA 0.000%	-	-	-	No		ONT
31	Reserved					NA 0.000%	-	-	-	No		ONT
32	Reserved					NA 0.000%	-	-	-	No		ONT
33	Reserved					NA 0.000%	-	-	-	No		ONT
34	Reserved					NA 0.000%	-	-	-	No		ONT
35	Reserved					NA 0.000%	-	-	-	No		ONT
36	Reserved					NA 0.000%	-	-	-	No		ONT
37	Reserved					NA 0.000%	-	-	-	No		ONT
38	Reserved					NA 0.000%	-	-	-	No		ONT
39	Reserved					NA 0.000%	-	-	-	No		ONT
40	Reserved					NA 0.000%	-	-	-	No		ONT

El Paso Electric Company
Worksheet A8-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Actuals - For the 12 months ended 12/31/2020

No.	(a)	Dec-2019 (b)	2020 (c)	2020 (d)	Dec-2020 (e)	(f)		Dec-2019 (g)	2020 (h)	Dec-2020 (i)	(j)	(k)	(l)
Line No.	**Item**	**BOY Balance (Note D)**	**Current Period Amortization**	**Current Period Other Activity (Note C)**	**EOY Balance (Note D)**	**Allocator**		**BOY Allocated Amount**	**Amortization Allocated**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note B)**	**Amort Period or Method**	**Explanation (Note A)**
41	Reserved						0.000%	-	-	-			
42	Reserved						0.000%	-	-	-			
43	Reserved						0.000%	-	-	-			
44	Reserved						0.000%	-	-	-			
45	Reserved						0.000%	-	-	-			
46	Reserved						0.000%	-	-	-			
47	Reserved						0.000%	-	-	-			
48	Reserved						0.000%	-	-	-			
53	Reserved						0.000%	-	-	-			
54	Reserved						0.000%	-	-	-			
55	**Total Non Plant Unprotected**	**(41,392,130)**	**(1,269,626)**	**-**	**(42,661,756)**			**7,177,718**	**(385,839)**	**6,791,879**			
	PLANT EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254												
56	Excess 1986/1989	(8,290,526)	317,127	-	(7,973,399)	NP	30.390%	(2,519,490)	96,375	(2,423,115)	Yes	ARAM	Plant
57	Excess 2017 TCJA	(244,177,792)	-	-	(244,177,792)	NP	30.390%	(74,205,617)	-	(74,205,617)	Yes	ARAM	Plant
58	Reserved						0.000%	-	-	-			
59	Reserved						0.000%	-	-	-			
60	Reserved						0.000%	-	-	-			
61	**Total Plant**	**(252,468,318)**	**317,127**	**-**	**(252,151,191)**			**(76,725,107)**	**96,375**	**(76,628,732)**			
62	**Total Excess/Deficient Deferred Income Tax**	**(293,860,448)**	**(952,499)**	**-**	**(294,812,947)**			**(69,547,389)**	**(289,464)**	**(69,836,853)**			

Notes:

A Each EDIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the EDIT balance.
1) Prod: The EDIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The EDIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related EDIT for which the NA Allocator is applied. Such items shall include:
- EDIT related to Pension and PBOP
- Any other EDIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
4) Trans: The EDIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The EDIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: EDIT balances other than PP&E where the NP Allocator is applied.
7) Labor: The EDIT balance is labor related and the W/S Allocator is applied.

B Each EDIT Item must be categorized into balances that require proration and those that do not. EDIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

C Includes the impact of tax rate changes enacted during the period.

D EDIT balances exclude income tax gross-ups recorded to accounts 182.3 and 254

El Paso Electric Company
Worksheet A9
Cost of Capital Worksheet
Actuals - For the 12 months ended 12/31/2020

PROPRIETARY CAPITAL

Line No	Month	Preferred Stock Issued (204)	Undistributed Subsidiary Earnings (216.1)	Accumulated Other Comprehensive Income (219)	Total Proprietary Capital
	(a)	(b)	(c)	(d)	(e)
	FN1 Reference for Dec	112.3.c	112.12.c	112.15.c	112.16.c
1	December Prior Year	-	-	(48,547,164)	1,236,463,123
2	January			(48,826,961)	1,236,490,901
3	February			(49,201,643)	1,208,701,389
4	March			(48,767,809)	1,185,916,655
5	April			(48,662,477)	1,196,497,034
6	May			(48,624,487)	1,218,937,827
7	June			(48,607,909)	1,228,859,773
8	July			(48,554,536)	1,218,895,295
9	August			(48,331,288)	1,255,007,766
10	September			(48,370,354)	1,387,012,011
11	October			(48,394,922)	1,368,456,017
12	November			(48,249,389)	1,385,724,823
13	December			(38,805,402)	1,397,187,639
14	Average of the 13 Monthly Balances	-	-	(47,841,872)	1,271,088,481

LONG TERM DEBT

Line No	Month	Total Long Term Debt (221 - 222 + 223 + 224 + 225 - 226)	Unamortized Debt Expenses (181)	Unamortized Loss on Reacquired Debt (189)	Unamortized Gain on Reacquired Debt (257)	Total (g - h - i + j)
	(f)	(g)	(h)	(i)	(j)	(k)
	FN1 Reference for Dec	112.24.c	111.69.c	111.81c	113.61.c	
15	December Prior Year	1,288,018,879	13,108,942	15,211,751	-	1,259,698,186
16	January	1,288,018,679	13,063,846	15,132,563	-	1,259,822,270
17	February	1,288,018,479	13,018,750	15,053,375	-	1,259,946,354
18	March	1,288,018,279	13,246,980	14,974,187	-	1,259,797,112
19	April	1,288,018,166	13,274,892	14,894,999	-	1,259,848,275
20	May	1,288,018,053	13,263,398	14,815,811	-	1,259,938,844
21	June	1,288,018,139	13,121,952	14,736,623	-	1,260,159,564
22	July	1,288,017,998	13,078,096	14,657,435	-	1,260,282,467
23	August	1,288,017,857	13,042,285	14,578,247	-	1,260,397,325
24	September	1,288,017,716	12,950,767	14,499,059	-	1,260,567,890
25	October	1,288,017,634	12,907,965	14,419,871	-	1,260,689,798
26	November	1,288,017,553	12,861,525	14,340,683	-	1,260,815,345
27	December	1,288,017,678	12,709,792	14,261,495	-	1,261,046,391
28	Average of the 13 Monthly Balances	1,288,018,085	13,049,938	14,736,623	-	1,260,231,525

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/2020

Line #	Timeline			
1	Step	Year	Action	
2	1	Year 0	EPE populates the formula rate using projected costs for Year 1	
3	2	Year 0	Post results of Step 1	
4	3	Year 1	Results of Step 2 go into effect.	
5	4	Year 1	EPE populates the formula rate using projected costs for Year 2	
6	5	Year 1	Post results of Step 4	
7	6	Year 2	Results of Step 5 go into effect.	
8	7	Year 2	EPE populates the formula rate using actual costs for Year 1	
9	8	Year 2	EPE compiles actual formula rate revenues booked for Year 1	
10	9	Year 2	Calculate the difference between the formula rate calculated in Step 7 and Step 8	
11	10	Year 2	Post results from Step 8 and Step 9	
12	11	Year 2	EPE populates the formula rate using projected costs for Year 3, including True-Up Adj for Year 1	
13	12	Year 2	Post results of Step 11	
14				
15	**Revenue Amount Comparison**			
16				**Total Amount**
17	Actual Revenue Requirements from Step 7		Notes A and E	$ -
18	Actual Revenues booked from Step 8		Notes B and E	$ -
19	Prior Period Adjustment		Notes C and E	$ -
20	True-up Amount (before Interest)		Line 17 - Line18 + Line 19	$ -
21				
22	**True Up Adjustment**			
23				
24	True-Up Amount before Interest		Line 20	$ -
25	Interest on True-up Amount		Line 70	-
26	**True-Up Adjustment**		Line 20 + Line 70	**$ -**

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/2020

Line #			
27	**Interest Calculation**		
28			
29	**FERC Qtr Int. Rate**	Note D	**Rate**
30	Qtr (3 Prior to Most Recent)	Annual Rate	0.00%
31	Qtr (2 Prior to Most Recent)	Annual Rate	0.00%
32	Qtr (Prior to Most Recent)	Annual Rate	0.00%
33	Qtr (Most Recent)	Annual Rate	0.00%
34	Average of the last 4 quarters	(Sum Lines 30-33 / 4)	0.00%
35	Average Monthly Rate	Line 34 / 12	0.0000%
36			
37	An over or under collection will be recovered pro-rata over year collected, held for one year, and returned prorata over next year:		
38			

39	Year	Month	Levelized True Up before Interest (Note E)	Interest Rate	Number of Months	Interest	True Up plus Interest
40	2020	January	-	0.00%	12	$ -	
41	2020	February	-	0.00%	11	$ -	
42	2020	March	-	0.00%	10	$ -	
43	2020	April	-	0.00%	9	$ -	
44	2020	May	-	0.00%	8	$ -	
45	2020	June	-	0.00%	7	$ -	
46	2020	July	-	0.00%	6	$ -	
47	2020	August	-	0.00%	5	$ -	
48	2020	September	-	0.00%	4	$ -	
49	2020	October	-	0.00%	3	$ -	
50	2020	November	-	0.00%	2	$ -	
51	2020	December	-	0.00%	1	$ -	
52			-			$ -	$ -
53							
54	2021	Jan-Dec	$ -	0.00%	12	$ -	$ -

El Paso Electric Company
Worksheet TU
True-Up Adjustment
Actuals - For the 12 months ended 12/31/2020

Line #			True Up plus Interest	Interest Rate	Total Interest	Amoritization	Balance Due/Owed
55							
56	2022	January	$ -	0.00%	$ -	$ -	$ -
57	2022	February	$ -	0.00%	$ -	$ -	$ -
58	2022	March	$ -	0.00%	$ -	$ -	$ -
59	2022	April	$ -	0.00%	$ -	$ -	$ -
60	2022	May	$ -	0.00%	$ -	$ -	$ -
61	2022	June	$ -	0.00%	$ -	$ -	$ -
62	2022	July	$ -	0.00%	$ -	$ -	$ -
63	2022	August	$ -	0.00%	$ -	$ -	$ -
64	2022	September	$ -	0.00%	$ -	$ -	$ -
65	2022	October	$ -	0.00%	$ -	$ -	$ -
66	2022	November	$ -	0.00%	$ -	$ -	$ -
67	2022	December	$ -	0.00%	$ -	$ -	$ -
68					$ -		
69							
70	Total Interest			Line 52 + Line 54 + Line 68	$ -		

Notes

A Actual Net Revenue Requirement for rate year subject to True Up from Actual Attachment H, line 7.

B Actual Revenues for transmission service as booked, including amounts noted on FERC Form No. 1, pages 328-330, and other amounts included in supporting documentation.

C Prior Period Adjustment, if any, is calculated to the same timing basis as balance of true up (i.e. before interest applied on line for the Prior Period Adjustment calculation will be included in supporting documentation.

D Interest rates posted by FERC; this section to be completed each year for most recent four quarters

E If Rate Year 1 is a partial rate year, the Actual Revenue Requirement, Actual Revenues, Prior Period Adjustment (if any), and Levelized True Up before Interest will reflect only those months for which the rate was in effect. Otherwise, these amounts will all reflect a full 12 month period.

Projected Attachment H
Page 1 of 5

El Paso Electric Company
Formula Rate - Non-Levelized | Rate Formula Template | Estimated - For the 12 months ended 12/31/2022

Line No.			Total	Allocator		Allocated Amount
1	GROSS REVENUE REQUIREMENT (page 3, line 29)					$ 136,651,249
	REVENUE CREDITS					
2	Account No. 454	Act Att-H, page 1 Line 2	49,914	TP	1.00000	49,914
3	Account No. 456.1	Act Att-H, page 1 Line 3	10,680,322	TP	1.00000	10,680,322
4	Held for Future Use		-	TP	1.00000	-
5	Held for Future Use		-	TP	1.00000	-
6	TOTAL REVENUE CREDITS (sum lines 2-5)					10,730,236
6a	Total True Up Adjustment	Worksheet TU, page 1, Line 26				-
7	NET REVENUE REQUIREMENT	(Line 1 minus Line 6 plus Line 6a)				$ 125,921,014
7a	Net Revenue Requirement without True Up Adjustment	(Line 7 minus Line 6a)				$ 125,921,014
	DIVISOR					
8	Divisor (kW)	Worksheet P3, Line 15 x 1000				2,670,000
9						
10	RATES					
11	Annual		$ 47.160	/kW-year		
12	Monthly	12 months/year	$ 3.930	/kW-month		
13	Weekly	52 weeks/year	$ 0.910	/kW-week		
14	Daily On-Peak	6 days/week	$ 0.152	/kW-day		
15	Daily Off-Peak	7 days/week	$ 0.130	/kW-day		
16	Hourly On-Peak	16 hours/day	$ 9.479167	/MW-hour		
17	Hourly Off-Peak	24 hours/day	$ 5.416667	/MW-hour		

Projected Attachment H
Page 2 of 5

El Paso Electric Company
Rate Formula Template

Formula Rate - Non-Levelized

Estimated - For the 12 months ended 12/31/2022

Line No.	(1)	(2) Reference Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	RATE BASE:					
	GROSS PLANT IN SERVICE					
1	Transmission	Worksheet P1, Line 30, Col. (c)	581,405,263	TP	1.00000	581,405,263
2	General & Intangible	Act Att-H, Page 2, Line 4, Col. (3)	438,921,790	W/S	0.21070	92,481,955
3	TOTAL GROSS PLANT	(Sum Lines 1 and 2)	1,020,327,053			673,887,218
	ACCUMULATED DEPRECIATION					
4	Transmission	Worksheet P1, Line 30, Col. (f)	(250,061,258)	TP	1.00000	(250,061,258)
5	General & Intangible	Act Att-H, Page 2, Line 10, Col. (3)	(100,019,384)	W/S	0.21070	(21,074,343)
6	TOTAL ACCUM. DEPRECIATION	(Sum Lines 4 and 5)	(350,080,642)			(271,135,601)
	NET PLANT IN SERVICE					
7	Transmission	(Line 1 - Line 4)	831,466,521			831,466,521
8	General & Intangible	(Line 2 - Line 5)	538,941,174			113,556,298
9	TOTAL NET PLANT	(Sum Lines 7 and 8)	1,370,407,695			945,022,819
10	CWIP Approved by FERC Order	Worksheet P7, Page 1, Line 14, Col. (d)	-	DA	1.00000	-
	ADJUSTMENTS TO RATE BASE					
11	Accumulated Deferred Income Taxes (Accounts 190, 281-283)	Worksheet P5-1, Page 3, Line 82, Col. (h)	(93,613,070)	DA	1.00000	(93,613,070)
12	Accumulated Deferred Investment Tax Credit (Account 255)	Worksheet P5-2, Line 138, Col. (g)	-	DA	1.00000	-
13	Excess / Deficient Deferred Income Taxes	Worksheet P6-1, Line 27, Col. (h)	(56,582,798)	DA	1.00000	(56,582,798)
14	Unamortized Regulatory Asset	Worksheet P7, Page 1, Line 14, Col. (b)	-	DA	1.00000	-
15	Unamortized Abandoned Plant	Worksheet P7, Page 1, Line 14, Col. (c)	-	DA	1.00000	-
16	Unfunded Reserves (enter negative)	Act Att-H, Page 2, Line 25, Col. (3)	-	DA	1.00000	-
17	Hold Harmless Adjustment	Act Att-H, Page 2, Line 25a, Col. (3)	-	DA	1.00000	-
18	TOTAL ADJUSTMENTS	(Sum of Lines 11-17)	(150,195,868)			(150,195,868)
19	LAND HELD FOR FUTURE USE	Worksheet A4, Page 3, Line 14, Col. (e)	-	TP	1.00000	-
	WORKING CAPITAL					
20	CWC	1/8*(Page 3, Line 7)	15,114,672			4,617,287
21	Materials & Supplies	Act Att-H, Page 2, Line 29, Col. (3)	2,954,231	TP	1.00000	2,954,231
22	Prepayments (Account 165)	Act Att-H, Page 2, Line 30, Col. (3)	18,668,836	GP	0.12222	2,281,617
23	TOTAL WORKING CAPITAL	(Sum of Lines 20-22)	36,737,739			9,853,135
24	RATE BASE	(Sum Lines 9, 10, 18, 19, & 23)	1,256,949,565			804,680,086

Projected Attachment H
Page 3 of 5

El Paso Electric Company
Formula Rate - Non-Levelized | Rate Formula Template | Estimated - For the 12 months ended 12/31/2022

Line No.	(1)	(2) Reference Page, Line, Col.	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M					
1	Transmission	Worksheet P2, Page 1, Line 3, Col. (e)	24,309,757	TE	1.00000	24,309,757
2	Less Account 561.1 - 561.8	Worksheet P2, Page 1, Line 4, Col. (e)	3,571,061	TE	1.00000	3,571,061
2a	Less Account 565	Worksheet P2, Page 1, Line 5, Col. (e)	6,896,883	TE	1.00000	6,896,883
3	A&G	Worksheet P2, Page 1, Line 6, Col. (e)	111,151,640	W/S	0.21070	23,419,938
4	Less EPRI/Reg. Comm. Exp./Non-safety Ad.	Worksheet P2, Page 1, Line 7, Col. (e)	5,311,966	W/S	0.21070	1,119,245
4a	Less Property Insurance Acct 924	Worksheet P2, Page 1, Line 8, Col. (e)	4,973,583	W/S	0.21070	1,047,947
4b	Plus Property Insurance Acct 924	Worksheet P2, Page 1, Line 9, Col. (e)	4,973,583	GP	0.12222	607,848
4c	Plus Transmission Related Reg. Comm. Exp.	Worksheet P2, Page 1, Lines 10 + 10a, Col. (e)	1,235,891	TE	1.00000	1,235,891
4d	Plus: Fixed PBOP expense	Worksheet P2, Page 1, Line 11, Col. (e)	(3,848,723)	W/S	0.21070	(810,936)
4e	Less: Actual PBOP expense	Worksheet P2, Page 1, Line 12, Col. (e)	(3,848,723)	W/S	0.21070	(810,936)
5	Common	Worksheet P2, Page 1, Line 13, Col. (e)	-	CE	0.21070	-
6	Hold Harmless Expense Adjustment	Worksheet P2, Page 1, Line 14, Col. (e)	-	DA	1.00000	-
7	TOTAL O&M (sum lines 1, 3, 4b, 4c,4d, 5, 6 less lines 2, 2a, 4, 4a, 4e)		120,917,378			36,938,298
	DEPRECIATION AND AMORTIZATION EXPENSE					
8	Transmission	Worksheet P1, Page 1, Line 30, Col. (d)	7,957,917	TP	1.00000	7,957,917
9	General & Intangible	Actual Attachment H, Page 3, Line 9	21,126,541	W/S	0.21070	4,451,417
10	Common	Actual Attachment H, Page 3, Line 10	-	CE	0.21070	-
11a	Amortization of Regulatory Asset	Company Records	-	DA	1.00000	-
11b	Amortization of Abandoned Plant	Company Records	-	DA	1.00000	-
12	TOTAL DEPRECIATION & AMORTIZATION	(Sum of Lines 8 through 11)	29,084,458			12,409,334
	TAXES OTHER THAN INCOME TAXES					
	LABOR RELATED					
13	Payroll	Worksheet P2, Page 1, Line 15, Col. (e)	9,517,571	W/S	0.21070	2,005,377
14	Highway and vehicle	Worksheet P2, Page 1, Line 16, Col. (e)	-	W/S	0.21070	-
15	PLANT RELATED					
16	Property	Worksheet P2, Page 2, Line 3, Col. (e)	29,686,080	NP	0.25226	7,488,597
17	Gross Receipts	Worksheet P2, Page 1, Line 18, Col. (e)	10,257,850	DA	1.00000	-
18	Other	Worksheet P2, Page 1, Line 19, Col. (e)	2,045,300	GP	0.12222	249,967
19	Payments in lieu of taxes	Worksheet P2, Page 1, Line 20, Col. (e)	-	GP	0.12222	-
20	TOTAL OTHER TAXES	(Sum of Lines 13 through 19)	51,506,802			9,743,941
	INCOME TAXES	(Note A)				
21	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		23.718%			
22	CIT=(T/1-T) * (1-(WCLTD/R)) =		20.168%			
	where WCLTD=(page 4, line 28) and R= (page 4, line 31)					
	and FIT, SIT & p are as given in Note A.					
23	1 / (1 - T) = (from line 21)		1.311			
24	Deficient / (Excess) Deferred Income Taxes Amortization	Worksheet P6-2, Line 62, Col. (h) (enter as negative)	(1,631,111)			
24a	Deficient / (Excess) Deferred Income Tax Adjustment	(Line 23 times Line 24)	(2,138,254)	DA	1.00000	(2,138,254)
25	Permanent Differences	Actual Attachment H, Page 3, Line 25	7,240,402			
25a	Tax Effect of Permanent Differences	(Line 21 times 23 times Line 25)	2,251,174	NP	0.25226	567,880
26	Income Tax on Equity and Incentive Return	(Line 22 times Line 28)	20,744,590			13,280,373
27	Total Income Taxes	(Sum of Lines 24a, 25a, 26)	20,857,511			11,709,999
	RETURN					
28	Rate Base * Rate of Return + Incentive Return	(Page 2, Line 24 x Page 4, Line 31, Col. (5)) + Page 4, Line 32	102,860,411			65,849,678
29	REV. REQUIREMENT	(Sum of Lines 7, 12, 20, 27, 28)	325,226,559			136,651,249

Projected Attachment H
Page 4 of 5

El Paso Electric Company
Rate Formula Template

Formula Rate - Non-Levelized

Estimated - For the 12 months ended 12/31/2022

SUPPORTING CALCULATIONS AND NOTES

Line No.	(1)	(2)	(3)		(4)		(5)	
	TRANSMISSION PLANT INCLUDED IN RATES							
1	Total transmission plant	Actual Attachment H, Page 4, Line 1					562,544,677	
2	Less transmission plant excluded from Wholesale Rates	Actual Attachment H, Page 4, Line 2					-	
3	Less transmission plant included in OATT Ancillary Services	Actual Attachment H, Page 4, Line 3					-	
4	Transmission plant included in Wholesale Rates	(Line 1 less Lines 2 & 3)					562,544,677	
5	Percentage of transmission plant included in Wholesale Rates	(Line 4 divided by Line 1)				TP=	1.00000	
	TRANSMISSION EXPENSES							
6	Total transmission expenses	(Page 3, Line 1, Col. 3)					24,309,757	
7	Less transmission expenses included in OATT Ancillary Services	Actual Attachment H, Page 4, Line 7					-	
8	Included transmission expenses	(Line 6 less Line 7)					24,309,757	
9	Percentage of transmission expenses after adjustment	(Line 8 divided by Line 6)					1.00000	
10	Percentage of transmission plant included in wholesale Rates	(Line 5)				TP	1.00000	
11	Percentage of transmission expenses included in wholesale Rates	(Line 9 times Line 10)				TE=	1.00000	
	WAGES & SALARY ALLOCATOR (W&S)							
		Reference	$	TP	Allocation			
12	Production	Actual Attachment H, Page 4, Line 12	17,097,034	0.00	0			
13	Transmission	Actual Attachment H, Page 4, Line 13	10,826,624	1.00	10,826,624			
14	Distribution	Actual Attachment H, Page 4, Line 14	14,677,499	0.00	0		W&S Allocator	
15	Other	Actual Attachment H, Page 4, Line 15	8,782,285	0.00	0		($ / Allocation)	
16	Total	(Sum of Lies 12-15)	51,383,442		10,826,624	=	0.21070	= WS
	COMMON PLANT ALLOCATOR (CE)		$		% Electric		W&S Allocator	
17	Electric	Actual Attachment H, Page 4, Line 17	4,742,045,111		(line 17 / line 20)		(line 16)	CE
18	Gas	Actual Attachment H, Page 4, Line 18	-		1.00000	*	0.21070 =	0.21070
19	Water	Actual Attachment H, Page 4, Line 19	-					
20	Total	(Sum of Lines 17-19)	4,742,045,111					
	RETURN (R)						$	
21	Long Term Interest	Actual Attachment H, Page 4, Line 21					74,156,521	
22	Preferred Dividends	Actual Attachment H, Page 4, Line 22					-	
	Development of Common Stock:							
23	Proprietary Capital	Actual Attachment H, Page 4, Line 23					1,271,088,481	
24	Less Preferred Stock	Actual Attachment H, Page 4, Line 24					-	
25	Less Other Comprehensive Income	Actual Attachment H, Page 4, Line 25					47,841,872	
26	Less Account 216.1	Actual Attachment H, Page 4, Line 26					-	
27	Common Stock	(Sum of Lines 23-26)					1,318,930,353	
			$	%	Cost		Weighted	
28	Long Term Debt	Actual Attachment H, Page 4, Line 28	1,260,231,525	49%	0.0588		0.0288	=WCLTD
29	Preferred Stock	Actual Attachment H, Page 4, Line 29	-	0%	-		-	
30	Common Stock	Actual Attachment H, Page 4, Line 30	1,318,930,353	51%	0.1038		0.0531	
31	Total	(Sum of Lines 28-30)	2,579,161,878				0.0818	=R
32	Incentive Return	Worksheet P4, Line 35, Col. (e)					-	

Projected Attachment H
Page 5 of 5

El Paso Electric Company

Formula Rate - Non-Levelized | Rate Formula Template | Estimated - For the 12 months ended 12/31/2022

Line No.	(1)	(2) Reference	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	GROSS PLANT ALLOCATOR (GP)		$			
1	Production	Company Records	3,099,086,313	NA		
2	Transmission	Worksheet P1, Line 30, Col. (c)	581,405,263	TP	1.00000	581,405,263
3	Distribution	Company Records	1,394,522,057	NA		
4	General & Intangible	Actual Attachment H, Page 2, Line 4	438,921,790	W/S	0.21070	92,481,955
5	Common	Actual Attachment H, Page 2, Line 5	-	CE	0.21070	-
6	Total	(Sum of Lines 1-5)	5,513,935,423	GP=	0.12222	673,887,218
	NET PLANT ALLOCATOR (NP)		$			
7	Production	Company Records	1,436,432,921	NA		
8	Transmission	Worksheet P1, Line 30, Col. (g)	831,466,521	TP	1.00000	831,466,521
9	Distribution	Company Records	972,345,817	NA		
10	General & Intangible	Actual Attachment H, Page 2, Line 16	338,902,406	W/S	0.21070	71,407,613
11	Common	Actual Attachment H, Page 2, Line 17	-	CE	0.21070	-
12	Total	(Sum of Lines 7-11)	3,579,147,665	NP=	0.25226	902,874,134

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)

Note Letter

A The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes". If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed.

Inputs Required:			
	FIT =	21.000%	(Federal Income Tax Rate)
	SIT=	3.440%	(State Income Tax Rate or Composite SIT)
	p =	0.000%	(percent of federal income tax deductible for state purposes)

El Paso Electric Company
Worksheet P1
Projected Transmission Plant
Estimated - For the 12 months ended 12/31/2022

Line	Month &Year	Projected Plant Additions	Plant in Service	Plant Depreciation Accrual (Note B)	Depr Rate (Note A)	Plant Accumulated Depreciation	Net Projected Plant
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Wkst A4, Page 1, Lines 13 minus 27			Wkst A4, Page 2, Lines 13 + 27 - 41	
1	Dec-20		572,495,263			(254,018,101)	826,513,364
2	Jan-21	$ 221,000	$ 572,716,263	$ 653,725	A	(253,364,376)	$ 826,080,639
3	Feb-21	$ 936,000	$ 573,652,263	$ 654,385	A	(252,709,990)	$ 826,362,253
4	Mar-21	$ 946,000	$ 574,598,263	$ 655,460	A	(252,054,531)	$ 826,652,794
5	Apr-21	$ 1,695,000	$ 576,293,263	$ 656,967	A	(251,397,564)	$ 827,690,827
6	May-21	$ 4,234,000	$ 580,527,263	$ 660,352	A	(250,737,212)	$ 831,264,475
7	Jun-21	$ 870,000	$ 581,397,263	$ 663,265	A	(250,073,947)	$ 831,471,210
8	Jul-21	$ 958,000	$ 582,355,263	$ 664,309	A	(249,409,638)	$ 831,764,901
9	Aug-21	$ 874,000	$ 583,229,263	$ 665,355	A	(248,744,283)	$ 831,973,546
10	Sep-21	$ 1,532,000	$ 584,761,263	$ 666,728	A	(248,077,555)	$ 832,838,818
11	Oct-21	$ 1,138,000	$ 585,899,263	$ 668,252	A	(247,409,303)	$ 833,308,566
12	Nov-21	$ 1,279,000	$ 587,178,263	$ 669,632	A	(246,739,672)	$ 833,917,935
13	Dec-21	$ 15,987,000	$ 603,165,263	$ 679,488	A	(246,060,184)	$ 849,225,447
14	Jan-22	$ 1,346,000	$ 604,511,263	$ 689,382	A	(245,370,802)	$ 849,882,065
15	Feb-22	$ 1,238,000	$ 605,749,263	$ 690,857	A	(244,679,945)	$ 850,429,208
16	Mar-22	$ 1,362,000	$ 607,111,263	$ 692,341	A	(243,987,604)	$ 851,098,867
17	Apr-22	$ 4,589,000	$ 611,700,263	$ 695,738	A	(243,291,865)	$ 854,992,128
18	May-22	$ 3,528,000	$ 615,228,263	$ 700,372	A	(242,591,494)	$ 857,819,757
19	Jun-22	$ 1,531,000	$ 616,759,263	$ 703,260	A	(241,888,234)	$ 858,647,497
20	Jul-22	$ 4,936,000	$ 621,695,263	$ 706,951	A	(241,181,283)	$ 862,876,546
21	Aug-22	$ 1,531,000	$ 623,226,263	$ 710,643	A	(240,470,640)	$ 863,696,903
22	Sep-22	$ 2,652,000	$ 625,878,263	$ 713,031	A	(239,757,610)	$ 865,635,873
23	Oct-22	$ 2,421,000	$ 628,299,263	$ 715,926	A	(239,041,683)	$ 867,340,946
24	Nov-22	$ 1,538,000	$ 629,837,263	$ 718,186	A	(238,323,497)	$ 868,160,760
25	Dec-22	$ 35,199,000	$ 665,036,263	$ 739,157	A	(237,584,340)	$ 902,620,603
26	12 Mon Total year 1			$ 7,957,917			
27	12 Mon Total year 2			$ 8,475,844			
28	13 Mon Avg year 1		$ 581,405,263			$ (250,061,258)	$ 831,466,521
29	13 Mon Avg year 2		$ 619,861,340			$ (241,863,783)	$ 861,725,123
30	Amount to Proj Att-H (Note C)		$ 581,405,263	$ 7,957,917		$ (250,061,258)	$ 831,466,521

El Paso Electric Company
Worksheet P1
Projected Transmission Plant
Estimated - For the 12 months ended 12/31/2022

Notes:

A In periods where the company will use the actual depreciation rate, enter "A". The actual depreciation rate is calculated as follows:
-Actual Attachment H, page 3, line 8) divided by actual transmission plant in service (Actual Attachment H, page 2, line 2) divided by 12 months.

In periods where the company has submitted new depreciation rates for FERC approval, enter "N". The new depreciation rate is calculated as follows:
-The annual composite transmission depreciation rate developed within a new depreciation study, divided by 12 months.

Current Depreciation Rate (A)	0.1142%
New Depreciation Rate (N)	0.1142%

B The depreciation accrual is based on the average of the current and prior month Plant in Service, times the actual "A" or new "N" depreciation rate.

C In the initial year rates are set, use Lines 26 and 28, thereafter use Lines 27 and 29, calculated on line 30.

Yes If initial year rates are effective enter Yes, otherwise enter No

El Paso Electric Company
Worksheet P2
Projected Expenses
Estimated - For the 12 months ended 12/31/2022

	(a)	(b)	(c)	(d)	(e)
	O&M / OTHER TAXES (Excluding Property Taxes)				
Line	**Item**	**Reference**	**Actual Costs**	**Charge Factor (Note A)**	**Projected Costs (Note B)**
1	Net Plant in Service	Actual Attachment H, Page 2 Line 18	929,093,134		
2	Projected Net Plant in Service	Projected Attachment H, Page 2, Line 9			945,022,819
	O&M				
3	Transmission	Actual Attachment H, Page 3, Line 1	23,716,836	0.02553	24,309,757
4	Less Account 561.1-561.8	Actual Attachment H, Page 3, Line 2	3,483,962	0.00375	3,571,061
5	Less Account 565	Actual Attachment H, Page 3, Line 2a	6,728,666	0.00724	6,896,883
6	A&G	Actual Attachment H, Page 3, Line 3	108,440,624	0.11672	111,151,640
7	Less EPRI & Reg. Comm. Exp. & Non-safety Ad.	Actual Attachment H, Page 3, Line 4	5,182,406	0.00558	5,311,966
8	Less Property Insurance Acct 924	Actual Attachment H, Page 3, Line 4a	4,852,276	0.00522	4,973,583
9	Plus Property Insurance Acct 924	Actual Attachment H, Page 3, Line 4b	4,852,276	0.00522	4,973,583
10	Plus Transmission Related Reg. Comm. Exp.	Actual Attachment H, Page 3, Line 4c	629,552	0.00068	645,291
10a	Plus Transmission Related Rate Case Cost Amort Bal	Note D	590,600		590,600
11	Plus: Fixed PBOP expense	Actual Attachment H, Page 3, Line 4d	(3,848,723)		(3,848,723)
12	Less: Actual PBOP expense	Actual Attachment H, Page 3, Line 4e	(3,848,723)		(3,848,723)
13	Common	Actual Attachment H, Page 3, Line 5	-	-	-
14	Hold Harmless Expense Adjustment	Actual Attachment H, Page 3, Line 6	-	-	-
	OTHER TAXES (Excluding Property Taxes)				
	LABOR RELATED				
15	Payroll	Actual Attachment H, Page 3, Line 13	9,285,435	0.00999	9,517,571
16	Highway and vehicle	Actual Attachment H, Page 3, Line 14	-	-	-
17	PLANT RELATED				
18	Gross Receipts	Actual Attachment H, Page 3, Line 17	10,007,659	0.01077	10,257,850
19	Other	Actual Attachment H, Page 3, Line 18	1,995,415	0.00215	2,045,300
20	Payment in Lieu of Taxes	Actual Attachment H, Page 3, Line 19	-	-	-

El Paso Electric Company
Worksheet P2
Projected Expenses
Estimated - For the 12 months ended 12/31/2022

	(a)	(b)	(c)	(d)	(e)
	PROPERTY TAXES				
	Item	**Reference**	**Actual**	**Charge Factor**	**Projected**
	PROPERTY TAXES				
1	Net Plant in Service for Actual (Note C)	200.15.b	3,111,766,372		
2	Net Plant in Service for Projected (Note C)	200.15.b			3,267,177,889
3	Property Taxes	Actual Attachment H, Page 3, Line 16	28,273,987	0.9086%	29,686,080

NOTES:

A Charge Factor: Actual O&M expenses & Other Taxes divided by total actual net plant from Actuals Attachment H. This is used as one of the basis to calculate projected O&M costs and projected Other Taxes.

B -When the Net Plant Change % falls within a minimum or maximum threshold, Projected Costs = Row 2, Col. (f) times Col. (d)
-When the Net Plant Change % is greater than the maximum threshold, Projected Costs = Col. (c) times Maximum Percentage
-When the Net Plant Change % is less than the minimum threshold, Projected Costs = Col. (c) times Minimum Percentage

Net Plant Change %	1.7%	Use Calculated Factors in column 4
Maximum percentage change applied	2.5%	Use Maximum Percentage Change
Minimum percentage change applied	0.0%	Use Minimum Percentage Change
	Result:	**Use Maximum Percentage Change**

C Property tax expenses relate to plant balances as of December 31, 2 Years prior to the expense period.

FERC Form 1 Reporting Period for Actual	2019
FERC Form 1 Reporting Period for Projected	2020

D Transmission rate case cost amortization balance is the remaining balance of total projected rate case costs amortized over a 3 year period.

El Paso Electric Company
Worksheet P3
Projected Divisor - Network Transmission Load

Line No.				
1	Peak Network Load (MW) During:	2021	=	3,325
	a	b	c	d
	Month	**Actual Transmission Network Load (Worksheet A-6)**	**Percentage of Maximum Transmission Network Load**	**Projected Transmission Network Load (Col c x Line 1)**
2	January	2,352	68.23%	2,269
3	February	2,407	69.83%	2,322
4	March	2,289	66.41%	2,208
5	April	2,660	77.17%	2,566
6	May	2,924	84.83%	2,821
7	June	3,206	93.01%	3,093
8	July	3,447	100.00%	3,325
9	August	3,374	97.88%	3,255
10	September	3,144	91.21%	3,033
11	October	2,723	79.00%	2,627
12	November	2,316	67.19%	2,234
13	December	2,371	68.78%	2,287
14	Total	33,213		32,037
15	12-CP	2,768		**2,670**

Note: Maximum Transmission Network Load is the maximum hourly load measured on the system for the listed year at the time of the Projection.

El Paso Electric Company
Worksheet P4
Projected Incentive Plant Worksheet
Estimated - For the 12 months ended 12/31/2022

Incentive Projects

Line					
1	**Project:**	Project 1		**Project:**	Project 2
2	Proj. ID	n/a		Proj. ID	n/a
3	Deprec. Rate/Month:	0.00%	(Note A)	Deprec. Rate/Month:	0.00%	(Note A)
4	ROE Adder	0.00%	(Note B)	ROE Adder	0.00%	(Note B)
5	Weighted ROE Adder:	0.00%		Weighted ROE Adder:	0.00%
6	Beginning Bal:	-		Beginning Bal:	-
7	Beginning Dep:	-		Beginning Dep:	-
8	Beginning Year:			Beginning Year:	

Line	Mon/Yr (a)	Total Gross Plant (b)	Total Depreciation (c)	Total Accum. Dep. (d)	Total Incentive Ret (e)	Project 1 Gross Plant (f)	Project 1 Depreciation (g)	Project 1 Accum. Dep. (h)	Project 1 Net Plant (i)	Project 2 Gross Plant (j)	Project 2 Depreciation (k)	Project 2 Accum. Dep. (l)	Project 2 Net Plant (m)
						$ -				$ -			
9	Jan-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
10	Feb-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
11	Mar-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
12	Apr-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	May-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	Jun-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15	Jul-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
16	Aug-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
17	Sep-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18	Oct-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19	Nov-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
20	Dec-21	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21	Jan-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
22	Feb-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
23	Mar-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
24	Apr-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
25	May-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
26	Jun-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
27	Jul-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
28	Aug-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
29	Sep-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
30	Oct-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
31	Nov-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
32	Dec-22	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
33	12 Mon Tot		$ -				$ -				$ -		
34	13 Mon Avg	$ -		$ -		$ -		$ -	$ -	$ -		$ -	$ -
35	Total Incentive Return				$0.00				$0.00				$0.00

Notes
A Special depreciation rates may be utilized for specific incentive transmission projects if approved by the FERC.
B Incentive ROE requires authorization by the Commission

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/2022

1 **Account 190**

Line	Days in Period					Averaging with Proration - Projected		
3	(a) Month	(b) Days in the Month	(c) Number of Days Prorated	(d) Total Days in Future Portion of Test Period	(e) Proration Amount (c /d)	(f) Projected Monthly Activity	(g) Prorated Projected Monthly Activity (e x f)	(h) Prorated Projected Balance (Cumulative Sum of g)
4								
5	December 31st balance Prorated Items (P5-2.61.f)							17,730,853
6	January	31	335	365	91.78%	-	-	17,730,853
7	February	28	307	365	84.11%	-	-	17,730,853
8	March	31	276	365	75.62%	-	-	17,730,853
9	April	30	246	365	67.40%	-	-	17,730,853
10	May	31	215	365	58.90%	-	-	17,730,853
11	June	30	185	365	50.68%	-	-	17,730,853
12	July	31	154	365	42.19%	-	-	17,730,853
13	August	31	123	365	33.70%	-	-	17,730,853
14	September	30	93	365	25.48%	-	-	17,730,853
15	October	31	62	365	16.99%	-	-	17,730,853
16	November	30	32	365	8.77%	-	-	17,730,853
17	December	31	1	365	0.27%	-	-	17,730,853
18	Total	365				-	-	

Line	Description	Reference	Amount
19	Beginning Balance-Total	Worksheet P5-2.58.f	23,657,755
20	Beginning Balance-Not Subject to Proration	Worksheet P5-2.64.f	5,926,901
21	Beginning Balance-Subject to Proration	(Line 5, Col H)	17,730,853
22	Ending Balance-Total	Worksheet P5-2.58.g	23,657,755
23	Ending Balance-Not Subject to Proration	Worksheet P5-2.64.g	5,926,901
24	Ending Balance-Subject to Proration	Worksheet P5-2.61.g	17,730,853
25	Average Balance	Line 17 Col N + (Lines 20 + 23 Col N)/2	23,657,755
26	Reserved		-
27	Amount for Attachment H	(Line 25 less line 26)	**23,657,755**

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/2022

28 **Account 282**

	Days in Period					Averaging with Proration - Projected		
29	**(a)**	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**
30	Month	Days in the Month	Number of Days Prorated	Total Days in Future Portion of Test Period	Proration Amount (c /d)	Projected Monthly Activity	Prorated Projected Monthly Activity (e x f)	Prorated Projected Balance (Cumulative Sum of g)
31								
32	December 31st balance Prorated Items (P5-2.79.f)							(117,270,825)
33	January	31	335	365	0.918	-	-	(117,270,825)
34	February	28	307	365	0.841	-	-	(117,270,825)
35	March	31	276	365	0.756	-	-	(117,270,825)
36	April	30	246	365	0.674	-	-	(117,270,825)
37	May	31	215	365	0.589	-	-	(117,270,825)
38	June	30	185	365	0.507	-	-	(117,270,825)
39	July	31	154	365	0.422	-	-	(117,270,825)
40	August	31	123	365	0.337	-	-	(117,270,825)
41	September	30	93	365	0.255	-	-	(117,270,825)
42	October	31	62	365	0.170	-	-	(117,270,825)
43	November	30	32	365	0.088	-	-	(117,270,825)
44	December	31	1	365	0.003	-	-	(117,270,825)
45	Total	365				-	-	

46	Beginning Balance-Total	Worksheet P5-2.76.f	(117,270,825)
47	Beginning Balance-Not Subject to Proration	Worksheet P5-2.82.f	-
48	Beginning Balance-Subject to Proration	(Line 32, Col H)	(117,270,825)
49	Ending Balance-Total	Worksheet P5-2.76.g	(117,270,825)
50	Ending Balance-Not Subject to Proration	Worksheet P5-2.82.g	-
51	Ending Balance-Subject to Proration	Worksheet P5-2.79.g	(117,270,825)
52	Average Balance	Line 44 Col H + (Lines 47 + 50 Col H)/2	(117,270,825)
53	Reserved		
54	Amount for Attachment H	(Line 52 less line 53)	**(117,270,825)**

El Paso Electric Company
Worksheet P5-1
Projected Accumulated Deferred Income Taxes
Estimated - For the 12 months ended 12/31/2022

Line								
55	**Account 283**							
56	**Days in Period**					**Averaging with Proration - Projected**		
57	**(a)** Month	**(b)** Days in the Month	**(c)** Number of Days Prorated	**(d)** Total Days in Future Portion of Test Period	**(e)** Proration Amount (c /d)	**(f)** Projected Monthly Activity	**(g)** Prorated Projected Monthly Activity (e x f)	**(h)** Prorated Projected Balance (Cumulative Sum of g)
58								
59	December 31st balance Prorated Items (P5-2.126.f)							-
60	January	31	334	365	0.915	-	-	-
61	February	28	306	365	0.838	-	-	-
62	March	31	275	365	0.753	-	-	-
63	April	30	245	365	0.671	-	-	-
64	May	31	214	365	0.586	-	-	-
65	June	30	184	365	0.504	-	-	-
66	July	31	153	365	0.419	-	-	-
67	August	31	122	365	0.334	-	-	-
68	September	30	92	365	0.252	-	-	-
69	October	31	61	365	0.167	-	-	-
70	November	30	31	365	0.085	-	-	-
71	December	31	1	365	0.003	-	-	-
72	Total	365				-	-	
73	Beginning Balance-Total				Worksheet P5-2.123.f			-
74	Beginning Balance-Not Subject to Proration				Worksheet P5-2.129.f			-
75	Beginning Balance-Subject to Proration				(Line 59, Col H)			-
76	Ending Balance-Total				Worksheet P5-2.123.g			-
77	Ending Balance-Not Subject to Proration				Worksheet P5-2.129.g			-
78	Ending Balance-Subject to Proration				Worksheet P5-2.126.g			-
79	Average Balance				Line 71 Col H + (Lines 74 + 77 Col H)/2			-
80	Reserved							
81	Amount for Attachment H				(Line 79 less line 80)			-
82	**Total Amount for Projected Attachment H**				**(Lines 27+54+81)**			**(93,613,070)**

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/2022

No.	(a)	(b) Dec-2020	(c) Dec-2021	(e)		(f) Dec-2020	(g) Dec-2021	(h)	(i)	(j)
Line No.	Item	BOY Balance	EOY Balance	Allocator		BOY Allocated Amount	EOY Allocated Amount	Prorated (Yes/No) (Note C)	Explanation (Note B)	Projection Classification (Note D)
	ACCOUNT 190 ACCUMULATED DEFERRED INCOME TAXES									
1	Plant	70,288,139	70,288,139	NP	25.226%	17,730,853	17,730,853	Yes	Plant	A
2	Other	79,864,250	79,864,250	NA	0.000%	-	-	No	ONT	A
3	Pension and Benefits	28,129,230	28,129,230	W/S	21.070%	5,926,901	5,926,901	No	Labor	A
4	Reserved	-	-		0.000%	-	-			
5	Reserved	-	-		0.000%	-	-			
6	Reserved	-	-		0.000%	-	-			
7	Reserved	-	-		0.000%	-	-			
8	Reserved	-	-		0.000%	-	-			
9	Reserved	-	-		0.000%	-	-			
10	Reserved	-	-		0.000%	-	-			
11	Reserved	-	-		0.000%	-	-			
12	Reserved	-	-		0.000%	-	-			
13	Reserved	-	-		0.000%	-	-			
14	Reserved	-	-		0.000%	-	-			
15	Reserved	-	-		0.000%	-	-			
16	Reserved	-	-		0.000%	-	-			
17	Reserved	-	-		0.000%	-	-			
18	Reserved	-	-		0.000%	-	-			
19	Reserved	-	-		0.000%	-	-			
20	Reserved	-	-		0.000%	-	-			
21	Reserved	-	-		0.000%	-	-			
22	Reserved	-	-		0.000%	-	-			
23	Reserved	-	-		0.000%	-	-			
24	Reserved	-	-		0.000%	-	-			
25	Reserved	-	-		0.000%	-	-			
26	Reserved	-	-		0.000%	-	-			
27	Reserved	-	-		0.000%	-	-			
28	Reserved	-	-		0.000%	-	-			
29	Reserved	-	-		0.000%	-	-			
30	Reserved	-	-		0.000%	-	-			
31	Reserved	-	-		0.000%	-	-			
32	Reserved	-	-		0.000%	-	-			
33	Reserved	-	-		0.000%	-	-			
34	Reserved	-	-		0.000%	-	-			
35	Reserved	-	-		0.000%	-	-			
36	Reserved	-	-		0.000%	-	-			
37	Reserved	-	-		0.000%	-	-			
38	Reserved	-	-		0.000%	-	-			
39	Reserved	-	-		0.000%	-	-			
40	Reserved	-	-		0.000%	-	-			
41	Reserved	-	-		0.000%	-	-			
42	Reserved	-	-		0.000%	-	-			
43	Reserved	-	-		0.000%	-	-			
44	Reserved	-	-		0.000%	-	-			
45	Reserved	-	-		0.000%	-	-			

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/2022

No.	(a)	Dec-2020 (b)	Dec-2021 (c)	(e)	Dec-2020 (f)	Dec-2021 (g)	(h)	(i)	(j)
Line No.	**Item**	**BOY Balance**	**EOY Balance**	**Allocator**	**BOY Allocated Amount**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note C)**	**Explanation (Note B)**	**Projection Classification (Note D)**
46	Reserved	-	-	0.000%	-	-			
47	Reserved	-	-	0.000%	-	-			
48	Reserved	-	-	0.000%	-	-			
49	Reserved	-	-	0.000%	-	-			
50	Reserved	-	-	0.000%	-	-			
51	Reserved	-	-	0.000%	-	-			
52	Reserved	-	-	0.000%	-	-			
53	Reserved	-	-	0.000%	-	-			
54	Reserved	-	-	0.000%	-	-			
55	**Total Account 190**	**178,281,619**	**178,281,619**		**23,657,755**	**23,657,755**			
	Tax Reg Asset / Liab Adjustments (Note A)								
56	Remove regulatory gross-up for Excess Deferred	(66,762,983)	(66,762,983)	NA 0.000%	-	-	No	ONT	A
57	Remove regulatory gross-up for ITC	(4,944,037)	(4,944,037)	NA 0.000%	-	-	No	ONT	A
58	**Total Account 190 After Adjustments**				**23,657,755**	**23,657,755**			
59	Prorated Balances				17,730,853	17,730,853			
60	Tax Reg Asset / Liab Adjustments				-	-			
61	**Prorated Account 190 Balances After Adjustments**				**17,730,853**	**17,730,853**			
62	Non-Prorated Balances				5,926,901	5,926,901			
63	Tax Reg Asset / Liab Adjustments				-	-			
64	**Non-Prorated Account 190 Balances After Adjustments**				**5,926,901**	**5,926,901**			
	ACCOUNT 282 ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Enter Negative)								
65	Plant	(437,176,539)	(437,176,539)	NP 25.226%	(110,281,951)	(110,281,951)	Yes	Plant	P
66	Regulatory assets related to income taxes	(26,307,759)	(26,307,759)	NA 0.000%	-	-	No	ONT	A
67	Decommissioning	(27,705,091)	(27,705,091)	NP 25.226%	(6,988,873)	(6,988,873)	Yes	Plant	A
68	CWIP	(7,967,314)	(7,967,314)	NA 0.000%	-	-	No	ONT	A
69	Reserved	-	-	0.000%	-	-			
70	Reserved	-	-	0.000%	-	-			
71	Reserved	-	-	0.000%	-	-			
72	Reserved	-	-	0.000%	-	-			
73	**Total Account 282**	**(499,156,703)**	**(499,156,703)**		**(117,270,825)**	**(117,270,825)**			
	Tax Reg Asset / Liab Adjustments (Note A)								
74	Remove regulatory gross-ups for AEFUDC	(26,728,615)	(26,728,615)	NA 0.000%	-	-	No	ONT	A
75	Reserved	-	-	0.000%	-	-			
76	**Total Account 282 After Adjustments**				**(117,270,825)**	**(117,270,825)**			
77	Prorated Balances				(117,270,825)	(117,270,825)			
78	Tax Reg Asset / Liab Adjustments				-	-			
79	**Prorated Account 282 Balances After Adjustments**				**(117,270,825)**	**(117,270,825)**			
80	Non-Prorated Balances				-	-			
81	Tax Reg Asset / Liab Adjustments				-	-			
82	**Non-Prorated Account 282 Balances After Adjustments**				**-**	**-**			

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/2022

No.	(a)	Dec-2020 (b)	Dec-2021 (c)	(e)	Dec-2020 (f)	Dec-2021 (g)	(h)	(i)	(j)
Line No.	Item	BOY Balance	EOY Balance	Allocator	BOY Allocated Amount	EOY Allocated Amount	Prorated (Yes/No) (Note C)	Explanation (Note B)	Projection Classification (Note D)
	ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES - OTHER (Enter Negative)								
83	Electric	(42,801,748)	(42,801,748)	NA 0.000%	-	-	No	ONT	A
84	Reserved	-	-	0.000%	-	-			
85	Reserved	-	-	0.000%	-	-			
86	Reserved	-	-	0.000%	-	-			
87	Reserved	-	-	0.000%	-	-			
88	Reserved	-	-	0.000%	-	-			
89	Reserved	-	-	0.000%	-	-			
90	Reserved	-	-	0.000%	-	-			
91	Reserved	-	-	0.000%	-	-			
92	Reserved	-	-	0.000%	-	-			
93	Reserved	-	-	0.000%	-	-			
94	Reserved	-	-	0.000%	-	-			
95	Reserved	-	-	0.000%	-	-			
96	Reserved	-	-	0.000%	-	-			
97	Reserved	-	-	0.000%	-	-			
98	Reserved	-	-	0.000%	-	-			
99	Reserved	-	-	0.000%	-	-			
100	Reserved	-	-	0.000%	-	-			
101	Reserved	-	-	0.000%	-	-			
102	Reserved	-	-	0.000%	-	-			
103	Reserved	-	-	0.000%	-	-			
104	Reserved	-	-	0.000%	-	-			
105	Reserved	-	-	0.000%	-	-			
106	Reserved	-	-	0.000%	-	-			
107	Reserved	-	-	0.000%	-	-			
108	Reserved	-	-	0.000%	-	-			
109	Reserved	-	-	0.000%	-	-			
110	Reserved	-	-	0.000%	-	-			
111	Reserved	-	-	0.000%	-	-			
112	Reserved	-	-	0.000%	-	-			
113	Reserved	-	-	0.000%	-	-			
114	Reserved	-	-	0.000%	-	-			
115	Reserved	-	-	0.000%	-	-			
116	Reserved	-	-	0.000%	-	-			
117	Reserved	-	-	0.000%	-	-			
118	Reserved	-	-	0.000%	-	-			
119	Reserved	-	-	0.000%	-	-			
120	**Total Account 283**	**(42,801,748)**	**(42,801,748)**		**-**	**-**			

El Paso Electric Company
Worksheet P5-2
Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/2022

No.	(a)	Dec-2020 (b)	Dec-2021 (c)	(e)		Dec-2020 (f)	Dec-2021 (g)	(h)	(i)	(j)
Line No.	Item	BOY Balance	EOY Balance	Allocator		BOY Allocated Amount	EOY Allocated Amount	Prorated (Yes/No) (Note C)	Explanation (Note B)	Projection Classification (Note D)
	Tax Reg Asset / Liab Adjustments (Note A)									
121	Remove regulatory gross-ups for Excess Deferred Taxes	6,847,188	6,847,188	NA	0.000%	-	-	No	ONT	
122	Reserved	-	-		0.000%	-	-			
123	**Total Account 283 After Adjustments**					-	-			
124	Prorated Balances					-	-			
125	Tax Reg Asset / Liab Adjustments					-	-			
126	**Prorated Account 283 Balances After Adjustments**					-	-			
127	Non-Prorated Balances					-	-			
128	Tax Reg Asset / Liab Adjustments					-	-			
129	**Non-Prorated Account 283 Balances After Adjustments**					-	-			
	ACCOUNT 255: ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Enter Negative) (Note E)									
130	Intangible			NP	25.226%	-	-			
131	Production	(19,339,718)	(19,339,718)	NA	0.000%	-	-			A
132	Transmission			DA	100.000%	-	-			
133	Distribution			NA	0.000%	-	-			
134	General Plant			NP	25.226%	-	-			
135	**Total Account 255 (266.8.b & 267.8.h)**	**(19,339,718)**	**(19,339,718)**			**-**	**-**			
136	Unrealized ITC Adjustment									
137	Account 255 balance after Unrealized Adjustment					-	-			
138	**Average ITC Balance for Attachment H**						-			

Notes:

A The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax-related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules P6-1 and P6-2 and presented in Att-H separately from ADIT.

B Each ADIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the ADIT balance.
1) Prod: The ADIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The ADIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related ADIT for which the NA Allocator is applied. Such items shall include:
- ADIT related to the Income Tax Regaultory Assets and Liabilities
- ADIT related to Pension and PBOP
- Any other ADIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
4) Trans: The ADIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The ADIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: ADIT balances other than PP&E where the NP Allocator is applied.
7) Labor: The ADIT balance is labor related and the W/S Allocator is applied.

C Each ADIT Item must be categorized into balances that require proration and those that do not. ADIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

D A=Actuals from most recent FERC Form 1 are used. P=A projection of the ADIT balance is calculated.

E The balance in Account 255 is directly allocated among types of depreciable plant based the amount of investment tax credit (ITC) allowed for each type of property. In accordance with the normalization requirements applicable to utilities, the Company has elected to reduce rate base by unamortized ITC rather than to reduce income tax expense by ITC amortization. Rate base is not reduced by unamortized ITC until the ITC has been utilized by the Company on its tax return.

El Paso Electric Company
Worksheet P6-1
Excess / Deficient Deferred Income Taxes ("EDIT")

Proration Used for Projected Revenue Requirement Calculation

1	**EDIT included within Accounts 182.3 & 254**								
2	**Days in Period**					**Projection - Proration of Deferred Tax Activity**			
	(a)	**(b)**	**(c)**	**(d)**	**(e)**		**(f)**	**(g)**	**(h)**
3	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period (Line 18, Col b)	Proration Amount (Lines 6 to 17, Col c / Col d)		Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g)
4									
5	December 31st balance Prorated Items (Worksheet P6-2.61.g)								(63,607,543)
6	January	31	335	365	91.78%		241,120	221,302	(63,386,241)
7	February	28	307	365	84.11%		241,120	202,805	(63,183,436)
8	March	31	276	365	75.62%		241,120	182,326	(63,001,110)
9	April	30	246	365	67.40%		241,120	162,508	(62,838,602)
10	May	31	215	365	58.90%		241,120	142,029	(62,696,573)
11	June	30	185	365	50.68%		241,120	122,211	(62,574,362)
12	July	31	154	365	42.19%		241,120	101,733	(62,472,629)
13	August	31	123	365	33.70%		241,120	81,254	(62,391,375)
14	September	30	93	365	25.48%		241,120	61,436	(62,329,939)
15	October	31	62	365	16.99%		241,120	40,957	(62,288,982)
16	November	30	32	365	8.77%		241,120	21,139	(62,267,842)
17	December	31	1	365	0.27%		241,120	661	(62,267,182)
18	Total (sum of Lines 6 -17)	365					2,893,436	1,340,361	
19	Beginning Balance-Total				Worksheet P6-2.62.g				(57,291,997)
20	Beginning Balance-Not Subject to Proration				Worksheet P6-2.55.g				6,315,546
21	Beginning Balance-Subject to Proration				(Line 5, Col H)				(63,607,543)
22	Ending Balance-Total				Worksheet P6-2.62.i				(55,660,886)
23	Ending Balance-Not Subject to Proration				Worksheet P6-2.55.i				5,053,221
24	Ending Balance-Subject to Proration				Worksheet P6-2.61.i				(60,714,107)
25	Average Balance				Line 17 Col N + (Lines 20 + 23 Col N)/2				(56,582,798)
26	Reserved				Reserved				
27	Amount for Attachment H				(Line 25 less line 26)				**(56,582,798)**

El Paso Electric Company
Worksheet P6-2
Accumulated Excess / Deficient Deferred Income Taxes ("EDIT")
Estimated - For the 12 months ended 12/31/2022

No.	(a)	(b) Dec-2020	(c) 2021	(d) 2021	(e) Dec-2021	(f)		(g) Dec-2020	(h) 2021	(i) Dec-2021	(j)	(k)	(l)
Line No.	Item	BOY Balance (Note D)	Current Period Amortization	Current Period Other Activity (Note C)	EOY Balance (Note D)	Allocator		BOY Allocated Amount	Amortization Allocated	EOY Allocated Amount	Prorated (Yes/No) (Note B)	Amort Period or Method	Explanation (Note A)
	NON-PLANT UNPROTECTED EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254												
1	Excess 2017 TCJA	18,930,446	(4,732,612)		14,197,834	W/S	21.070%	3,988,694	(997,174)	2,991,520	No	Rev S. GA	Labor
2	Excess State from normalization	9,224,040	(1,051,104)		8,172,936	NP	25.226%	2,326,852	(265,151)	2,061,701	Yes	Rev S. GA	Plant
3	Excess 2017 TCJA	(70,816,242)	-		(70,816,242)	NA	0.000%	-	-	-	No	-	ONT
4	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
5	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
6	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
7	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
8	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
9	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
10	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
11	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
12	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
13	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
14	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
15	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
16	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
17	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
18	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
19	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
20	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
21	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
22	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
23	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
24	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
25	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
26	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
27	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
28	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
29	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
30	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
31	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
32	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
33	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
34	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
35	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
36	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
37	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
38	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
39	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
40	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
41	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT
42	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	ONT

El Paso Electric Company
Worksheet P6-2
Accumulated Excess Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details
Estimated - For the 12 months ended 12/31/2022

No.	(a)	Dec-2020 (b)	2021 (c)	2021 (d)	Dec-2021 (e)	(f)		Dec-2020 (g)	2021 (h)	Dec-2021 (i)	(j)	(k)	(l)
Line No.	**Item**	**BOY Balance (Note D)**	**Current Period Amortization**	**Current Period Other Activity (Note C)**	**EOY Balance (Note D)**	**Allocator**		**BOY Allocated Amount**	**Amortization Allocated**	**EOY Allocated Amount**	**Prorated (Yes/No) (Note B)**	**Amort Period or Method**	**Explanation (Note A)**
43	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
44	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
45	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
46	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
47	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
48	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
53	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
54	Reserved	-	-		-	NA	0.000%	-	-	-	No	-	-
55	**Total Non Plant Unprotected**	**(42,661,756)**	**(5,783,716)**	**-**	**(48,445,472)**			**6,315,546**	**(1,262,325)**	**5,053,221**			
	PLANT EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254												
56	Excess 1986/1989	(7,973,399)	194,580		(7,778,819)	NP	25.226%	(2,011,366)	49,085	(1,962,281)	Yes	ARAM	Plant
57	Excess 2017 TCJA	(244,177,792)	11,275,495		(232,902,297)	NP	25.226%	(61,596,177)	2,844,351	(58,751,826)	Yes	ARAM	Plant
58	Reserved	-	-		-		0.000%	-	-	-			
59	Reserved						0.000%	-	-	-			
60	Reserved						0.000%	-	-	-			
61	**Total Plant**	**(252,151,191)**	**11,470,075**	**-**	**(240,681,116)**			**(63,607,543)**	**2,893,436**	**(60,714,107)**			
62	**Total Excess/Deficient Deferred Income Tax**	**(294,812,947)**	**5,686,359**	**-**	**(289,126,588)**			**(57,291,997)**	**1,631,111**	**(55,660,886)**			

Notes:

A Each EDIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the EDIT balance.
1) Prod: The EDIT balance is 100% related to production of electricity and the NA Allocator is applied.
2) Retail: The EDIT balance is 100% related to retail operations and the NA Allocator is applied.
3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related EDIT for which the NA Allocator is applied. Such items shall include:
- EDIT related to Pension and PBOP
- Any other EDIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
4) Trans: The EDIT balance is 100% related to transmission operations and the DA Allocator is applied.
5) Plant: The EDIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
6) NPO: EDIT balances other than PP&E where the NP Allocator is applied.
7) Labor: The EDIT balance is labor related and the W/S Allocator is applied.

B Each EDIT Item must be categorized into balances that require proration and those that do not. EDIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".

C Includes the impact of tax rate changes enacted during the period.

D EDIT balances exclude income tax gross-ups recorded to accounts 182.3 and 254

El Paso Electric Company
Worksheet P7
Projected Adjustments to Rate Base
Estimated - For the 12 months ended 12/31/2022

Line No	Month (a)	Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	CWIP (d)
1	December Prior Year	-	-	-
2	January	-	-	-
3	February	-	-	-
4	March	-	-	-
5	April	-	-	-
6	May	-	-	-
7	June	-	-	-
8	July	-	-	-
9	August	-	-	-
10	September	-	-	-
11	October	-	-	-
12	November	-	-	-
13	December	-	-	-
14	Average of the 13 Monthly Balances	-	-	-

El Paso Electric Company
Schedule 1
Ancillary Services, Schedule No. 1 - Scheduling System Control and Dispatch Service
Estimated - For the 12 months ended 12/31/2022

Line No.	Description	Reference		Amount	
1	**Revenue Requirement**				
2	Total Load Dispatch and Scheduling (Account 561)	321.85-92.b	$	3,473,962	
3	Less: Scheduling, System Control & Dispatch Services (Account 561.4)	321.88.b	$	652,858	
4	Less: Reliability, Planning and Standards Development (Account 561.5)	321.89.b	$	678,638	
5	Less: Transmission Service Studies (Account 561.6)	321.90.b	$	-	
6	Less: Generation Interconnection Studies (Account 561.7)	321.91.b	$	-	
7	Less: Reliability, Planning & Standards Development Services (Account 561.8	321.92.b	$	-	
8	Total 561 Costs for Schedule 1 Annual Rev Req	Sum Lines 2 through 7	$	2,142,466	
9					
10	Less: Schedule 1 Point to Point Revenues	Company records	$	1,017,318	
11					
12	Actual Schedule 1 Annual Rev Req (before True Up)	Line 8 - Line 10	$	1,125,148	
13					
14	**True Up Adjustment**				
15	Actual Revenue Requirement	Line 8	$	2,142,466	
16	Originally Projected Revenue Requirement without True Up Adjustment	Previous Filing (Note B)	$	2,142,466	
17	True-up Amount (before interest)	Line 15 - Line 16	$	-	
18	Interest Rate on True-up Amount	(Worksheet TU, Line 33)		0.0000%	
19	Interest on True-up Amount	Line 17 * Line 18 * 24 / 12		-	
20	True-up Adjustment	Line 17 + Line 19	$	-	
21					
22	**Net Schedule 1 Annual Rev Req**	Line 12 + Line 20 (Note A)	$	1,125,148	
23					
24	**Divisor**				
25	Divisor (kW)	(Worksheet P3, Line 15)		2,670,000	
26					
27	**Rates**				
28	Annual		$	0.420	/kW-year
29	Monthly	12 months/year	$	0.040	/kW-month
30	Weekly	52 weeks/year	$	0.010	/kW-week
31	Daily On-Peak	6 days/week	$	0.002	/kW-day
32	Daily Off-Peak	7 days/week	$	0.001	/kW-day
33	Hourly On-Peak	16 hours/day	$	0.104167	/MW-hour
34	Hourly Off-Peak	24 hours/day	$	0.059524	/MW-hour

Notes
A Net Schedule 1 Annual Revenue Requirement projection is set to Actual amount from previous year plus Sch 1 True Up Adjustment
B Explanatory comment(s) for Originally Projected Sch 1 Rev Req without True Up Adjustment from Previous Filing:
True Up Adjustment is not applicable to first year when transitioning from stated rate to formula rate, so this line is set equal to Line 15 in order to set True-Up Amount (before interest) to zero.

EPE OATT Rates & Revenue
Schedules 7 & 8

#	Service	Present Rate ($/MW)			Proposed Rate ($/MW)	Increase (%)		
	PER UNIT RATES IN OATT							
#	Service	Native	PV-WW	PV-JO-KY	All	Native	PV-WW	PV-JO-KY
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	**Long Term Firm**							
2	Yearly	27,720.00	4,060.00	10,400.00	47,160.00	70%	1062%	353%
3	**Short Term Firm PTP**							
4	Monthly	2,310.00	340.00	870.00	3,930.00	70%	1056%	352%
5	Weekly	530.00	78.11	200.04	910.00	72%	1065%	355%
6	Daily On Peak	88.85	13.01	33.34	151.67	71%	1066%	355%
7	Daily Off Peak	76.15	11.15	28.58	130.00	71%	1066%	355%
8	Hourly On Peak	5.55	0.81	2.08	9.48	71%	1070%	356%
9	Hourly Off Peak	3.17	0.46	1.19	5.42	71%	1078%	355%
10	**Non-Firm PTP**							
11	Monthly	2,310.00	340.00	870.00	3,930.00	70%	1056%	352%
12	Weekly	530.00	78.11	200.04	910.00	72%	1065%	355%
13	Daily On Peak	88.85	13.01	33.34	151.67	71%	1066%	355%
14	Daily Off Peak	76.15	11.15	28.58	130.00	71%	1066%	355%
15	Hourly On Peak	5.55	0.81	2.08	9.48	71%	1070%	356%
16	Hourly Off Peak	3.17	0.46	1.19	5.42	71%	1078%	355%
17								

#								
18	**ANNUAL REVENUES**							
19								
20		2020 Revenue ($)			PRESENT	PROPOSED		
21	Service	Native	PV-WW	PV-JO-KY	TOTAL	NEW TOTAL	INCREASE	%
22								
23	**Long Term Firm**							
24	Yearly	11,420,640	1,014,999	1,476,801	13,912,440	23,669,215	9,756,776	70%
25	**Short Term Firm PTP**							
26	Monthly	704,550	17,000	-	721,550	1,227,572	506,022	70%
27	Weekly	62,540	11,717	-	74,257	127,497	53,241	72%
28	Daily On Peak	1,439,637	24,069	-	1,463,705	2,498,540	1,034,835	71%
29	Daily Off Peak	177,514	1,182	-	178,696	305,061	126,366	71%
30	Hourly On Peak	1,752,246	73,093	1,546,705	3,372,971	5,760,893	2,387,922	71%
31	Hourly Off Peak	785,491	14,018	1,071,481	1,871,668	3,198,171	1,326,503	71%
32	Subtotal	4,921,977	141,078	2,618,185	7,682,846	$ 13,117,734	$ 5,434,888	71%
33	**Non-Firm PTP**							
34	Monthly	92,400	-	-	92,400	$ 157,200	$ 64,800	70%
35	Weekly	-	-	-				
36	Daily On Peak	168,904	30,209	2,501	201,614	344,154	142,540	71%
37	Daily Off Peak	10,737	7,248	-	17,985	30,703	12,718	71%
38	Hourly On Peak	773,859	439,596	32,804	1,302,859	2,225,228	922,369	71%
39	Hourly Off Peak	306,187	110,630	16,006	441,690	754,727	313,038	71%
40	Subtotal	1,352,087	587,683	51,310	2,056,547	$ 3,512,012	$ 1,455,465	71%
41						-		
42	TOTAL	17,694,704	1,743,759	4,146,295	$ 23,651,833	$ 40,298,961	$ 16,647,129	70%

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	**)))**	**Docket No. ER22-___-000**

PREPARED DIRECT TESTIMONY OF

BRYN T. DAVIS

ON BEHALF OF

EL PASO ELECTRIC COMPANY

OCTOBER 29, 2021

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	)))	**Docket No. ER22-___-000**

PREPARED DIRECT TESTIMONY OF

BRYN T. DAVIS

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Bryn T. Davis. My business address is El Paso Electric Company, P.O. Box 982, El Paso, Texas, 79960.

Q. BY WHOM ARE YOU EMPLOYED?

A. I am employed by El Paso Electric Company ("EPE" or the "Company") as Senior Director, Asset Management Services.

Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS TESTIMONY?

A. I am testifying on behalf of EPE.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I have a Bachelor of Science degree in Mechanical Engineering from Pennsylvania State University. I have been employed by EPE since 2016.

Q. WHAT ARE YOUR RESPONSIBILITIES IN YOUR CURRENT POSITION?

A. My current responsibilities include oversight of EPE's asset management function, which includes project management, financial analysis and planning, and land management. EPE's System Planning Department reports to me.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE FERC OR BEFORE OTHER REGULATORY AGENCIES ON UTILITY-RELATED MATTERS?

A. No.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony in this proceeding is to:

(1) identify EPE's demarcation between transmission and distribution facilities;

(2) describe how EPE plans for new transmission projects; and

(3) identify the transmission projects EPE has planned for 2022.

Q. ARE YOU SPONSORING ANY EXHIBITS WITH YOUR TESTIMONY?

A. Yes. I am sponsoring Exhibit No. EPE-0011 - EPE's Year 2022 Planned Transmission Projects.

Q. WAS YOUR TESTIMONY PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

A. Yes.

Q. WHICH OF EPE'S FACILITIES COMPRISE EPE'S TRANSMISSION SYSTEM?

A. EPE's transmission system consists of its transmission lines and related facilities that operate at or above 69 kV. EPE has long used 69 kV as a generally applicable line of demarcation between distribution and transmission on the EPE system.

Q. AS A GENERAL MATTER, IS EPE THE SOLE OWNER OF ITS TRANSMISSION FACILITIES?

A. No. For certain transmission facilities, EPE is one of multiple co-owners, each of which holds an assigned ownership share. For purposes of EPE's plant records and other purposes, the Company's transmission assets are comprised of EPE's applicable ownership share only.

Q. HOW DOES EPE IDENTIFY THE NEED FOR AND PLAN NEW TRANSMISSION PROJECTS?

A. EPE's expansions and improvements to its transmission system are driven by a number of factors, including the long-term transmission services subscribed by customers, the transmission system upgrades or additions identified as necessary to provide generator interconnection services, and infrastructure to maintain transmission system reliability and serve load growth.

Q. HOW DOES RELIABILITY PLANNING AFFECT EPE'S TRANSMISSION PROJECT PLANNING?

A. EPE is subject to operating and planning requirements and criteria at the federal level. FERC reliability requirements are largely driven by the North American Electric Reliability Corporation ("NERC") reliability standards. Regional operating criteria also plays a role. Various regional entities across the nation implement NERC's operating and reliability standards. The NERC regional entity that is in charge of the western United States is the Western Electricity Coordinating Council ("WECC"). NERC reliability standards and WECC criteria affect EPE's transmission planning.

Q. PLEASE DESCRIBE EPE'S SYSTEM PLANNING DEPARTMENT AND HOW IT HELPS TO IDENTIFY THE NEED FOR TRANSMISSION PROJECTS.

A. EPE's System Planning Department plays a major role in the process of identifying needed transmission infrastructure improvement projects. This department is responsible for assessing the performance and capability of EPE's transmission assets. Transmission lines, substations, interconnections with neighboring systems, and associated transmission equipment such as transformers, are evaluated by the System Planning Department to determine how they perform under various system conditions. The results of the evaluations are considered in EPE's transmission planning in identifying needed transmission infrastructure improvement projects.

Q. PLEASE DESCRIBE THE PROCESS FOR THE IDENTIFICATION OF NEW TRANSMISSION PROJECTS.

A. Transmission projects are identified in a 10-year Transmission System Expansion Plan that EPE produces each year. As part of the annual transmission planning process, EPE reviews the prior year's plan and makes modifications, updates and additions to the plan, based upon then-current information.

Q. ARE ALL TRANSMISSION PROJECTS IDENTIFIED AND DEFINED THROUGH THE SYSTEM PLANNING EFFORTS DESCRIBED ABOVE?

A. No. At times, the need for transmission infrastructure is identified during the regular course of EPE's field inspections. EPE patrols the routes of its transmission lines looking for right-of-way changes or obstructions, and conducts a visual inspection of transmission infrastructure. EPE also regularly performs above-ground and sub-surface structural inspections and testing of wood pole transmission structures. Sometimes, this field work reveals the need for transmission facility replacements or additions.

Q. DOES EPE'S CURRENT 10-YEAR TRANSMISSION PLAN IDENTIFY ANY TRANSMISSION PROJECTS FOR YEAR 2022?

A. Yes. See my Exhibit No. EPE-0011.

Q. HOW LIKELY IS IT THAT THE PROJECTS IDENTIFIED IN THE TRANSMISSION PLAN FOR CALENDAR YEAR 2022 WILL BE IN-SERVICE BEFORE YEAR-END 2022?

A. It is likely that many, but not all, of those projects will be in service before year-end 2022. The Apollo-Cox, Jornado-Arroyo and Moongate-Apollo projects are likely to be in service in year 2023.

Q. ARE ALL OF THE 2022 PROJECTS AND THEIR COSTS SUBJECT TO TRUE-UP?

A. Yes. As Mr. Wolfram explains in his testimony, differences between the project cost projections in the rate filing, and EPE's actual project costs will be subject to true-up in a subsequent annual update filing. EPE's true-up filing will capture differences between the project cost projections and actual project costs (up or down) with interest.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	)	Docket No. ER22-___-000

VERIFICATION

Pursuant to 28 U.S.C. § 1746 (2000), I state under penalty of perjury that I am the Bryn T. Davis referred to in the foregoing "Prepared Direct Testimony of Bryn T. Davis on Behalf of El Paso Electric Company," that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Executed this 29th day of October, 2021.

B. T. Davis

BRYN T. DAVIS

Transmission Projects in 2022

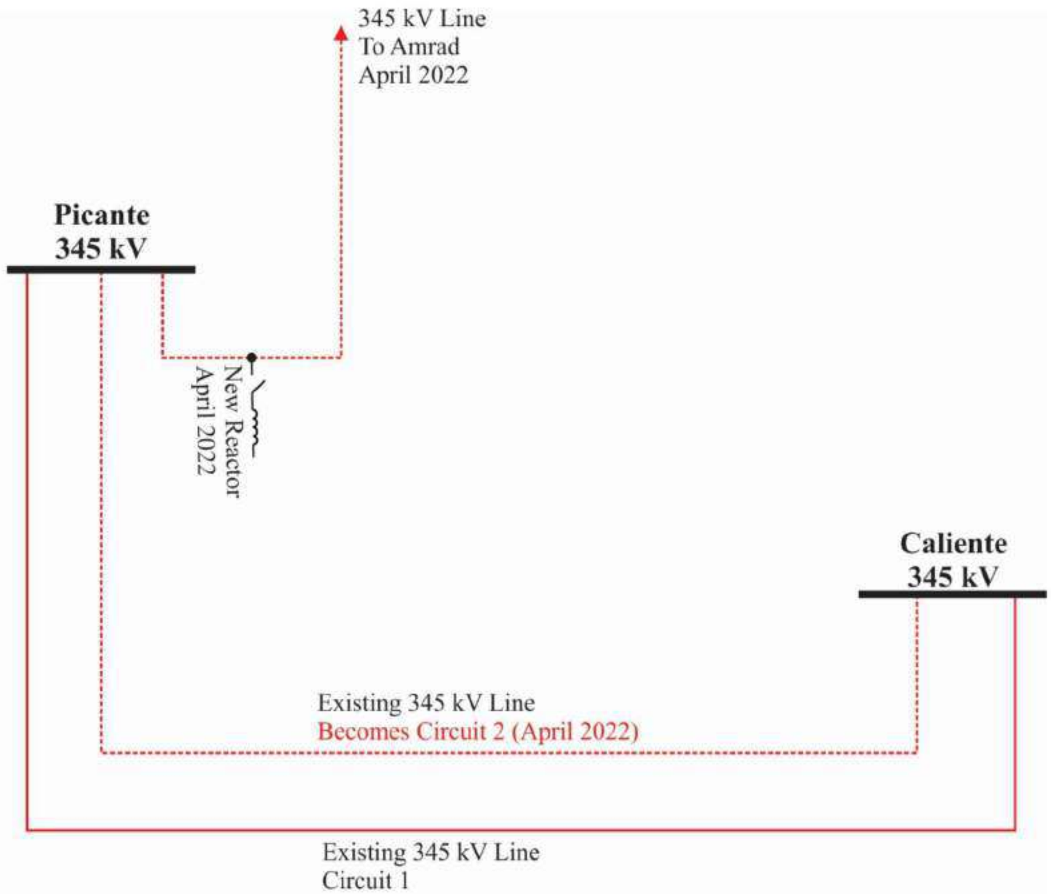
PLANNED PROJECTS
YEAR 2022

Project Name:	Newman-Chaparral 115 kV Line (Reconductor)
Operating Voltage:	115 kV
Project Number:	TL294
In Service Date:	March 2022
Peak Modeling Year:	2022
Project Description:	The project consists of reconductoring the Newman to Chaparral 115 kV transmission line with conductor that provides a normal capacity rating of 185 MVA and an emergency capacity rating of 246 MVA.
Project Justification:	This project has been identified as part of a facilities upgrade required to relieve conditional limitations identified as part of a third-party request. The reconductoring of the line is needed to address overloads on this line during certain N-1 contingencies.

PLANNED PROJECTS
YEAR 2022

Project Name:	In-and-Out into Picante 345 kV Substation from Caliente-Amrad 345 kV Line and Associated Line Reactor at Picante
Operating Voltage:	345 kV
Project Number:	TS125
In Service Date:	April 2022
Peak Modeling Year:	2022
Project Description:	EPE's Caliente to Amrad 345 kV transmission line runs adjacent to Picante Substation and will be reconfigured to connect to this substation's ring bus. This requires the addition of three 345 kV Gas Circuit Breakers as well as disconnect switches with motor operated devices. A new in-line 345 kV reactor will be installed at Picante Substation of what will become the Amrad-Picante 345 kV line.
Project Justification:	EPE's existing Caliente-Amrad 345 kV will be reconfigured to be the Amrad-Picante 345 kV and the Picante-Caliente 345 kV lines. As a result of this re-configuration, two parallel transmission lines from Picante Substation to Caliente Substation will now exist. The project will provide increased reliability within the area.

**IN-AND-OUT INTO PICANTE 345 kV SUBSTATION
FROM CALIENTE-AMRAD 345 kV LINE
AND ASSOCIATED LINE REACTOR AT PICANTE
YEAR 2022**



NOTE: FOR ILLUSTRATION PURPOSES ONLY.
FINAL DESIGN WILL BE COMPLETED
BY TRANSMISSION LINE DESIGN
AND SR ENGINEERING

PLANNED PROJECTS
YEAR 2022

Project Name:	Caliente-MPS 16700 115 kV Line (Reconductor)
Operating Voltage:	115 kV
Project Number:	TBD
In Service Date:	May 2022
Peak Modeling Year:	2022
Project Description:	The project consists of reconductoring the Caliente-MPS 16700 115 kV line transmission line with conductor that provides a normal capacity rating of 185 MVA and an emergency capacity rating of 246 MVA.
Project Justification:	System Planning studies have indicated that this line has the potential to load above its emergency rating under certain planning event contingencies.

PLANNED PROJECTS
YEAR 2022

Project Name: Diamond Head Capacitor Banks

Operating Voltage: 115 kV

Project Number: TBD

In Service Date: May 2022

Peak Modeling Year: 2022

Project Description: The project consists of two 15.6 MVAR bus shunt capacitor banks connected to the 115 kV bus.

Project Justification: This project has been identified to provide reactive and voltage support in the eastern El Paso area.

PLANNED PROJECTS
YEAR 2022

Project Name: Talavera Capacitor Banks

Operating Voltage: 115 kV

Project Number: TBD

In Service Date: May 2022

Peak Modeling Year: 2022

Project Description: The project consists of two 15.6 MVAR bus shunt capacitor banks connected to the 115 kV bus.

Project Justification: This project has been identified to provide reactive and voltage support in the Las Cruces area.

PLANNED PROJECTS
YEAR 2022

Project Name: Apollo-Cox Line (Conversion/Reconductor) 69 kV to 115 kV

Operating Voltage: 115 kV

Project Number: TL194

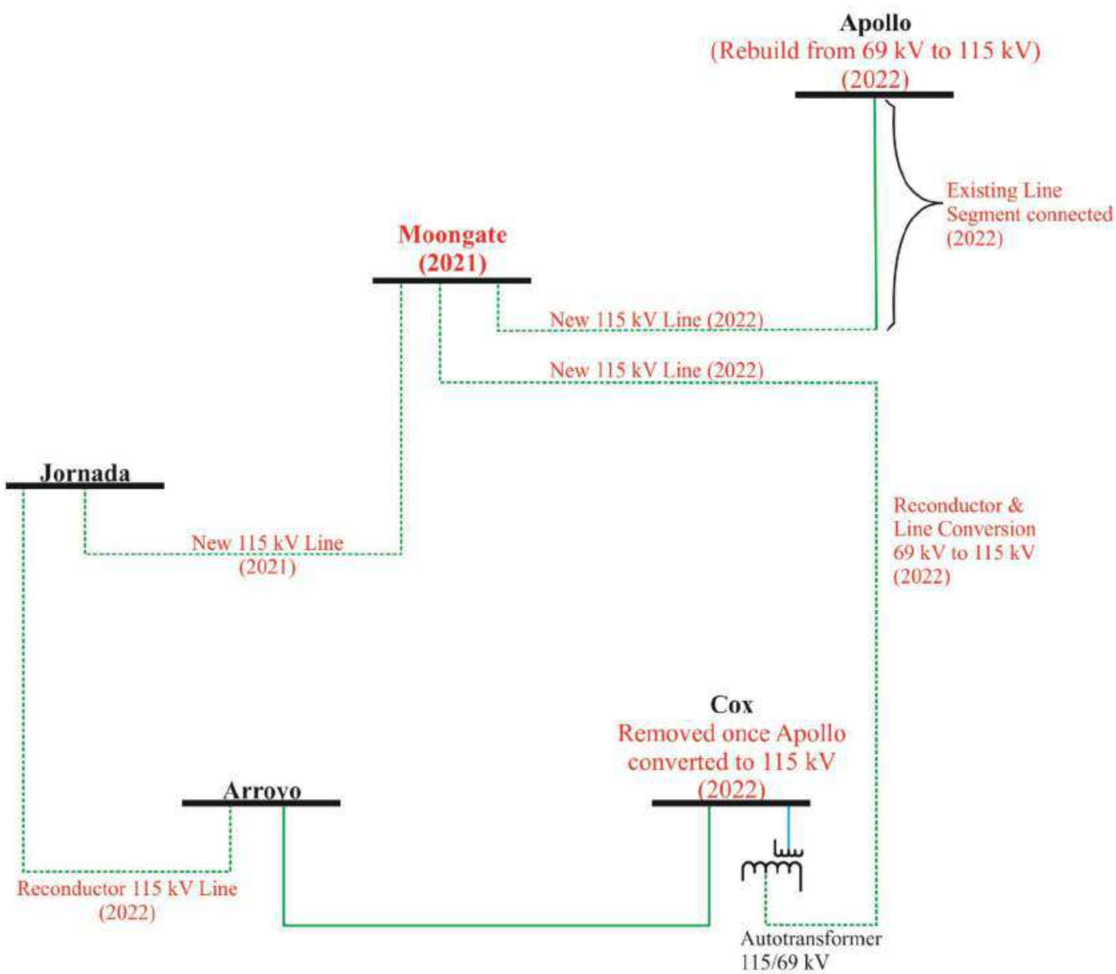
In Service Date: July 2022

Peak Modeling Year: 2023

Project Description: This project consists of converting from a nominal operating voltage of 69 kV to a nominal operating voltage of 115 kV. It also calls for the reconductor of the Apollo-Cox transmission line with at least a normal capacity rating of 185 MVA and emergency capacity rating of 246 MVA.

Project Justification: The existing Apollo to Cox 69 kV line will be converted to 115 kV and upgraded to mitigate N-1 contingency conditions. As part of this conversion, the removal of the Cox 69 kV substation is planned, and the portion of the line that formerly terminated at the Cox 69 kV bus will now be terminated at the Arroyo 115 kV bus.

LAS CRUCES LOOP
YEAR (2021-2022)



NOTE: FOR ILLUSTRATION PURPOSES ONLY.
FINAL DESIGN WILL BE COMPLETED
BY TRANSMISSION LINE DESIGN
AND SR ENGINEERING

PLANNED PROJECTS
YEAR 2022

Project Name: McCombs Substation (New) and Related 115 kV Line Reconfiguration

Operating Voltage: 115 kV

Project Number: DT420

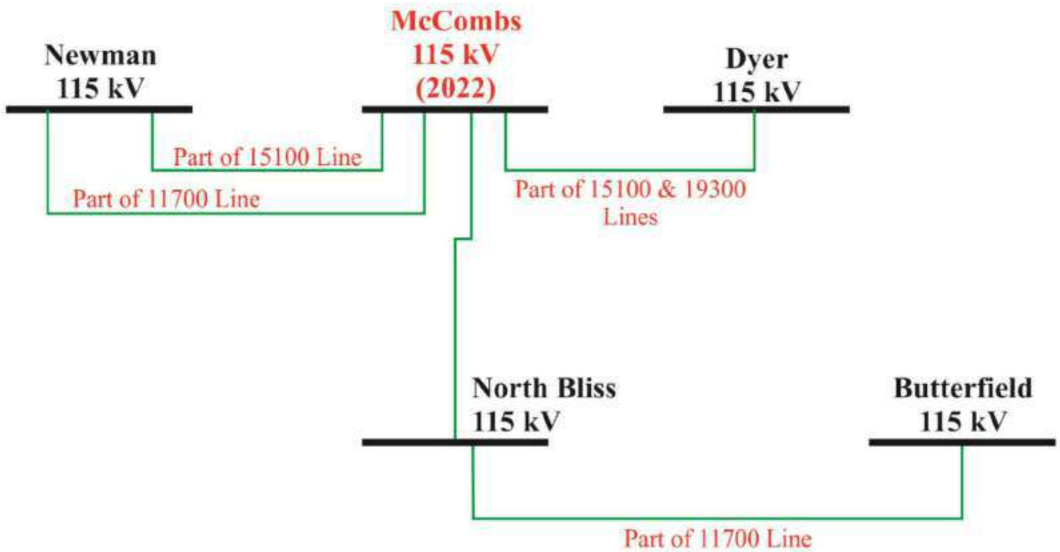
In Service Date: September 2022

Peak Modeling Year: 2023

Project Description: The new McCombs will be built to serve the load from Shearman and Shearman Temporary substations that will be removed after McCombs Substation is in-service. In addition, there are several existing lines and line segments that will connect to McCombs Substation resulting in an EPE transmission system reconfiguration.

Project Justification: Distribution planning project that results in an EPE transmission system reconfiguration. Shearman Substation is being replaced to improve capacity, address legacy equipment, and location issues impacting access and operation.

MCCOMBS SUBSTATION (NEW)
AND RELATED 115 kV LINE RECONFIGURATION
YEAR 2022



NOTE: FOR ILLUSTRATION PURPOSES ONLY.
FINAL DESIGN WILL BE COMPLETED
BY TRANSMISSION LINE DESIGN
AND SR ENGINEERING

PLANNED PROJECTS
YEAR 2022

Project Name: Jornada-Arroyo 115 kV Line (Reconductor/Rebuild)

Operating Voltage: 115 kV

Project Number: TL186

In Service Date: October 2022

Peak Modeling Year: 2023

Project Description: This project consists of reconductoring the Arroyo to Jornada 115 kV line to increase the capacity of the line with at least a normal capacity rating of 185 MVA and emergency capacity rating of 246 MVA.

Project Justification: The line experiences an increase in loading under heavy summer conditions. The increase in line rating with at least a normal capacity rating of 185 MVA and emergency capacity rating of 246 MVA will relieve identified overloads.

PLANNED PROJECTS
YEAR 2022

Project Name: Moongate-Apollo 115 kV Line (New)

Operating Voltage: 115 kV

Project Number: TL241

In Service Date: December 2022

Peak Modeling Year: 2023

Project Description: This project consists of constructing a new Moongate 115 kV Substation in the Las Cruces New Mexico area, with two transmission lines connecting the Moongate Substation to the Jornada and Apollo (rebuilt from a 69 kV substation) 115 kV substations. The Jornada-Moongate 115 kV line will use a conductor that provides at least a normal capacity rating of 185 MVA and an emergency capacity rating of 246 MVA.

Project Justification: Moongate Substation will be constructed to meet load growth and will be part of the planned Las Cruces Loop Project.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

	)	
El Paso Electric Company	**)**	**Docket No. ER22-___-000**
	)	

PREPARED DIRECT TESTIMONY OF

CYNTHIA S. PRIETO

ON BEHALF OF

EL PASO ELECTRIC COMPANY

OCTOBER 29, 2021

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	)))	**Docket No. ER22-___-000**

PREPARED DIRECT TESTIMONY OF
CYNTHIA S. PRIETO

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is Cynthia S. Prieto. I am the Vice President and Controller at El Paso Electric Company ("EPE"). My business address is P.O. Box 982, El Paso, Texas 79960.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of EPE.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE.

A. I earned a Bachelor of Business Administration Degree with a concentration in Accounting from the University of New Mexico in 1985. I was employed by Ernst & Young in the Audit section from 1985 to 1992 where I was assigned to various clients, including oil and gas companies. I was employed as an Audit Senior Manager by KPMG LLP from 1993 to 1996 where I was assigned to various clients. I accepted a position with EPE in 2006 as a financial accountant, a position I held until I was transferred to the Tax department in 2007. Since that time, I held various positions until I was promoted to my current position in September 2020.

Q. WHAT ARE YOUR DUTIES IN YOUR CURRENT POSITION?

A. I serve under the general direction of the Chief Financial Officer, and I direct the establishment and maintenance of the Company's accounting principles, practices, and procedures for the maintenance of its fiscal records and the preparation of its financial reports. I also oversee the activities of the Financial and Regulatory Accounting, Revenue and Energy Accounting, Tax, Plant Accounting, and Payroll Departments. Finally, I am responsible for appraising operating results in terms of costs, budgets, operating policies, trends and increased profit opportunities.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION OR BEFORE OTHER REGULATORY AGENCIES AND COURTS ON UTILITY-RELATED MATTERS?

A. Yes. I have filed testimony and testified before the New Mexico Public Regulation Commission ("NMPRC") and have filed testimony before the Public Utility Commission of Texas ("PUCT").

Q. WAS YOUR TESTIMONY PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

A. Yes.

II. BACKGROUND

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. In this proceeding, EPE is submitting a transmission formula rate ("Formula Rate") and accompanying formula rate protocols. The purpose of my testimony is to:

1) Describe the accounting procedures and practices for EPE and explain how the accounting is consistent with Federal Energy Regulatory Commission ("FERC" or the "Commission") precedent;

2) Describe the accounting procedures and practices for EPE related to administrative and general ("A&G") expense and taxes other than income taxes, the extent to which such expenses are directly assigned to particular functions, and how the methodology is consistent with the Commission Uniform System of Accounts ("USofA").

3) Describe how the Pensions and Post-Employment Benefits Other than Pensions ("PBOP") expenses are determined, and the actuarial support relied upon by EPE for those expenses; and

4) Support the federal and state income taxes included in this filing and the rate base impacts associated with accumulated deferred income tax balances ("ADIT"), including excess accumulated deferred income taxes ("EDIT") as a result of the Tax Cuts and Jobs Act of 2017 ("TCJA").

Q. ARE YOU SPONSORING ANY EXHIBITS IN SUPPORT OF YOUR TESTIMONY IN THIS CASE?

A. Yes. These include:

1) Exhibit No. EPE-0013 Actuarial Report for Pension Plan and PBOP as of December 31, 2020;

2) Exhibit No. EPE-0014 Combined State Income Tax Rate Derivation; and

3) Exhibit No. EPE-0015 EDIT Worksheets.

III. EPE ACCOUNTING PROCEDURES AND SYSTEMS

Q. ARE EPE'S ACCOUNTING METHODS CONSISTENT WITH THE USofA?

A. Yes, they are. EPE's books, accounts and records are kept in compliance with the Commission's USofA.

IV. ADMINISTRATIVE AND GENERAL EXPENSES

Q. WHAT TYPE OF EXPENSES FALL UNDER A&G EXPENSES AND HOW ARE THEY RECORDED?

A. A&G expenses at EPE consist of employee time and expenses devoted to A&G work, office supplies and expenses, outside services employed, insurance, injuries and damages, employee pension and benefit costs, general regulatory expenses, maintenance of general plant and miscellaneous general expenses. These expenses are recorded on EPE's books and records in accordance with the USofA and in the appropriate accounts designated by the USofA.

Q. HOW ARE A&G EXPENSES REFLECTED IN EPE'S PROPOSED TRANSMISSION FORMULA RATE?

A. For purposes of the Formula Rate, A&G expenses are, for the most part, allocated to transmission (and thus included in the formula rate) using allocation factors. The exception is Commission-related regulatory costs, which are directly assigned to particular jurisdictions. As such, it is appropriate to assign Commission-related regulatory costs directly to the transmission function.

I understand EPE witness Mr. Wolfram utilizes a Wages & Salaries allocator for all the remaining A&G expenses except property insurance costs, for which he uses a gross plant allocator to allocate to transmission.

Q. WHAT ARE TAXES OTHER THAN INCOME TAXES AND HOW ARE THEY RECOVERED IN RATES?

A. Taxes other than income taxes ("Other Taxes") include payroll taxes, property taxes, gross receipts taxes and other taxes (regulatory commission fees, use taxes and compensating taxes). These expenses are recorded on EPE's books and records in accordance with the USofA and in the appropriate accounts designated by the USofA. Payroll taxes are allocated by Mr. Wolfram utilizing a Wages & Salaries allocator, property taxes are allocated using a Net Plant allocator and other taxes are allocated using a Gross Plant allocator.

V. <u>PENSIONS AND POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS</u>

Q. WHAT ARE PENSION COSTS AND HOW ARE THEY RECOVERED IN RATES?

A. Prepaid and accrued pension costs arise when a utility makes contributions to meet employee pension plan obligations. A prepaid pension expense is when a utility's pension contributions exceed cumulative pension expenses. An accrued pension expense is when a cumulative pension expense exceeds cumulative contributions.

The costs associated with pension plans that are reported on a utility's income statement are referred to as the utility's pension expense or net periodic pension cost. Utilities generally receive recovery of pension costs based on the amount of the pension expense recorded on the books.

Q. WHAT IS PBOP?

A. PBOP are benefits (other than pensions) that are provided to retired employees. These benefits typically involve health care and life insurance benefits. While the acronym "OPEB" is also sometimes used instead of PBOP, both terms mean the same thing.

Q. WHERE CAN PBOP EXPENSES BE FOUND IN EPE'S FORMULA RATE TEMPLATE?

A. EPE shows PBOP expenses on Actual Attachment H, page 3, line 4d.

Q. HOW DOES EPE PROPOSE TO RECOVER PBOP COSTS IN THE FORMULA RATE?

A. EPE is basing its recovery of PBOP costs as A&G expense in the Formula Rate based on actual expense incurred. The PBOP amounts are supported by the actuarial report performed by an independent third party, attached to this filing as Exhibit No. EPE-0013. In particular, the amount included in Exhibit No. EPE-0008, Actual Attachment H-, page 3, line 4d is the amount of EPE's net periodic benefit cost for the test year, which is found in Section 2.5 – Summary and comparison of benefit cost and cash flows of Exhibit No. EPE-0013 on page 87, line A8.

Q. UNDER THE FORMULA RATE, CAN THE RECOVERABLE PBOP EXPENSE BE MODIFIED AS A RESULT OF THE ANNUAL UPDATE?

A. No. As reflected in the Formula Rate template, page 3, Exhibit No. EPE-0008, Projected Attachment H, the stated PBOP amounts may only be changed pursuant to a separate Federal Power Act section 205 or section 206 filing. This treatment is consistent with *Trans-Allegheny Interstate Line Co.*, 124 FERC ¶ 61,075 (2008).

VI. <u>ACCUMULATED DEFERRED INCOME TAXES</u>

Q. WHAT IS ADIT?

A. Deferred income taxes arise when there is a difference between income taxes recovered in a utility's rates and the actual taxes paid by a utility. ADIT is the cumulative amount of income taxes EPE will either pay to or receive from the Internal Revenue Service ("IRS") or state governmental authorities in the future as a result of tax reporting on prior or current tax returns that is different from EPE's book accounting under generally accepted accounting principles ("GAAP"). The temporary differences and associated deferrals or prepayments of tax will reverse on income tax returns to be filed in the future. ADIT is recorded in after-tax dollars, currently reflected using a 21% federal income tax rate and a 3.44% combined state income tax rate, derived as shown in Exhibit No. EPE-0014.

Q. WHAT KINDS OF ADIT HAS EPE INCLUDED IN THE FORMULA RATE TEMPLATE?

A. EPE has included in the Formula Rate template plant-related ADIT, which is allocated to transmission using a net plant allocator, and pension-related ADIT, which is allocated to transmission using a Wages and Salaries allocator. For purposes of the transmission Formula Rate, all other ADIT is assigned a 0% allocator.

Q. HOW DOES ADIT IMPACT THE REVENUE REQUIREMENT?

A. ADIT is reflected as a reduction to rate base.

Q. PLEASE DESCRIBE THE ADIT WORKSHEET IN THE FORMULA RATE TEMPLATE.

A. The A3-2 ADIT-ITC Details worksheet in Exhibit No. EPE-0008 provides additional detail regarding the specific book/tax timing differences that are included in the FERC ADIT accounts 190, 282 and 283. Lines 1, 6 and 12 of that worksheet provide the break-down between plant, pension-related, and other non-transmission ADIT balances in account 190. The gross-up for regulatory assets and liabilities included in account 190 and related to the EDIT and investment tax credit ("ITC") is removed from this balance on lines 56 and 57 of the worksheet. Lines 65 to 68 of the worksheet include the ADIT liability balances in account 282, and adjustments to remove gross-ups for plant-related regulatory assets and liabilities are included on line 74. Other non-transmission ADIT balances in account 283 are listed on line 86 of the worksheet and the gross-ups for regulatory assets and liabilities included in account 283 are removed on lines 121 and 122. Lastly, accumulated deferred ITC balances in account 255 are included on line 131 of the worksheet.

Q. HAS ADIT BEEN FUNCTIONALIZED IN THIS FILING?

A. No. EPE does not record ADIT on a functionalized basis.

VII. EXCESS/DEFICIENT ACCUMULATED DEFERRED INCOME TAXES

Q. WHAT IS EDIT?

A. EDIT is excess or deficient accumulated deferred income taxes created as a result of governmental tax rate changes. ADIT is recorded at the federal and state tax rates in effect when temporary differences arise. When tax rates change, the ADIT balance is adjusted to reflect the new tax rates. The change in ADIT is called EDIT and is recorded as a regulatory asset in Account 182.3 for increases in tax rates or as a regulatory liability in Account 254.3 for decreases in tax rates. The EDIT in Accounts 182.3 and 254.3 will be either recovered from customers or provided to customers in the future through the amortization of the regulatory asset or liability, respectively.

Q. WHAT IS THE TCJA AND HOW DOES IT AFFECT EPE'S INCOME TAX CALCULATIONS IN THE FORMULA RATE TEMPLATE?

A. The TCJA reduced the federal corporate tax rate from a maximum of 35% under the graduated rate structure, to a flat 21% rate, effective January 1, 2018. The reduction in the federal corporate tax rate resulted in EDIT balances for EPE and many other transmission owners. At the time TCJA was enacted, EPE had stated rates and therefore was subject to a Commission order to show cause why its stated transmission rates should not be revised to reflect the reduced federal income tax rate. EPE demonstrated that since its transmission rates were adopted in 1998, EPE had experienced a significant increase in its transmission plant, such that even after reflecting the tax reduction resulting from the TCJA, a rate reduction with respect to taxes was not justified. The Commission found EPE had shown cause, determined no revisions were needed to its stated transmission rates, and terminated the show cause proceeding by order issued November 15, 2018, in Docket No. EL18-95-000. Now that EPE is filing a formula transmission rate, it needs to demonstrate compliance with *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (2019) ("ADIT Rule"), *order on reh'g & clarification*, Order No. 864-A, 171 FERC ¶ 61,033 (2020).

Q. DOES EPE'S PROPOSED TRANSMISSION FORMULA COMPLY WITH THE ADIT RULE?

A. Yes. Consistent with the ADIT Rule, EPE has included in its transmission Formula Rate the following components: (1) a mechanism to decrease or increase the income tax allowance by any amortized excess or deficient ADIT, respectively; (2) a mechanism to deduct any excess ADIT from, or add any deficient ADIT to, its rate base; and (3) permanent worksheets that will annually track information related to excess or deficient ADIT. Excess ADIT resulting from the TCJA is being returned to customers. These line items are also explained further in Exhibit No. EPE-0008, in Note W on page 5 of Actual Attachment H.

Q. HOW DOES THE INCOME TAX CALCULATION IN THE EPE FORMULA RATE ACCOUNT FOR THE EXCESS DEFERRED TAXES ARISING FROM THE TCJA AND THE RETURN TO CUSTOMERS OF THOSE EXCESS DEFERRED TAXES, AS REQUIRED BY THE ADIT RULE?

A. To address the amortization of the EDIT related to the TCJA and EDIT related to other rate changes on an on-going basis, the Formula Rate template reflects the EDIT adjustment to the income tax allowance on Exhibit No. EPE-0008, line 24 under Income Taxes on Projected Attachment H, page 3. The EDIT calculations on Exhibit No. EPE-0008, Worksheets P6-1 and P6-2 support the EDIT adjustment on line 24. These calculations are further supported by Exhibit No. EPE-0015. By adding line 24 to the Formula Rate template and the related worksheets, EPE has adopted the general approach that the Commission accepted in 2018 to resolve this same issue for International Transmission Company (d/b/a ITC Transmission), Michigan Electric Transmission Company, LLC, and ITC Midwest LLC in Docket No. ER16-208-000, and for Ameren Services Company in Docket No. ER17-2323-000. The approach is also consistent with the principles set forth by the Commission in the ADIT Rule.

Q. DOES EDIT IMPACT RATE BASE?

A. Yes. Decreases in income tax rates require reducing the net temporary income tax savings, recorded as ADIT. This results in a regulatory liability, which is subtracted from rate base.[1] Until the net EDIT regulatory liability is refunded to customers via amortization reducing deferred income tax expense, EDIT will be reflected as a reduction to rate base. The adjustment to rate base for EDIT is included in Exhibit No. EPE-0008, Projected Attachment H, on page 2, line 13 and is supported by Worksheets P6-1 and P6-2 and Exhibit No. EPE-0015.

Q. PLEASE DESCRIBE THE EDIT WORKSHEETS A8-1, A8-2, P6-1 AND P6-2 IN EXHIBIT NO. EPE-0008.

A. Exhibit No. EPE-0008, Worksheets A8-1 and A8-2 provide additional detail on the breakdown of EDIT included in Accounts 182.3 and 254.3 for the test year ended December 31, 2020. The shaded highlighting in the Formula Rate template is intended to accommodate expansion or contraction, as necessary, of the specific excess deferred tax items recorded in Accounts 182.3 and 254 as reported in the FERC Form 1 in future years, including any items recorded due to subsequent changes in federal or state income tax law. Line 62 in Worksheet A8-2 is a summary of the EDIT presented in FERC Form 1. Lines 1-61 include the details of EDIT that are contained in each account. EDIT balances are divided into two sections – non-plant and plant EDIT. Both sections contain columns to adjust out balances not considered in ratemaking or balances not related to transmission in order to develop the transmission-related ADIT balances. Finally, in lines 1-61,

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[1] Increases in income tax rates would have the opposite effect by increasing rate base.

columns (g)-(l), the transmission-related EDIT is prorated. Plant-related (protected) EDIT is prorated using the Net Plant allocator and non-plant (unprotected) related EDIT is prorated based on the type of EDIT. EDIT related to pensions and benefits is prorated using the Wages & Salaries allocator and other EDIT is not allocated to transmission rates, similar to ADIT balances. EDIT related to state income tax changes is primarily related to plant EDIT and is prorated using the Net Plant allocator. Worksheets P6-1 and P6-2 provide the EDIT balances included in the formula rate and the amortization of EDIT included in the income tax calculation in the formula rate requested.

Q. PLEASE DESCRIBE THE DIFFERENT KINDS OF EDIT.

A. EDIT includes both protected and unprotected EDIT. Protected EDIT is for plant-related balances, primarily resulting from accelerated depreciation. Unprotected EDIT is not capital-related and includes both deferred tax assets and liabilities.

Q. PLEASE DESCRIBE HOW PROTECTED EDIT IS AMORTIZED.

A. "Protected" EDIT refers to the reduction in depreciation-related ADIT that is subject to the normalization requirements of the Internal Revenue Code ("IRC") and the TCJA. This is EDIT associated with particular property accounts. The EDIT normalization rules restrict the timing of the reduction of income tax expense related to amortization of depreciation-related EDIT and limit the amount of EDIT that may reduce income tax expense. In general, the amortization of protected EDIT may reduce income tax expense over the remaining book lives of the underlying depreciable plant assets as the book/tax differences reverse. This methodology is referred to as the Average Rate Assumption Method ("ARAM").

Q. PLEASE FURTHER DESCRIBE THE ARAM.

A. Under the ARAM, the amortization of EDIT begins when the amount of tax depreciation taken with respect to each asset (generally determined with respect to all assets with the same vintage and asset class) is less than the amount of the book depreciation with respect to the asset on an annual basis. If a utility does not have books and records to support a full ARAM computation, it may rely on an alternative method of amortization known as the Reverse South Georgia Method ("RSGM"). Under the RSGM, the EDIT is amortized ratably over the average estimated book life of the underlying assets without any restriction regarding when the amortization may begin. EPE has employed the ARAM for amortizing protected EDIT.

Q. PLEASE ADDRESS UNPROTECTED EDIT.

A. "Unprotected" EDIT refers to the reduction in ADIT that is not subject to the normalization requirements. The TCJA does not specify what method a public utility must use for unprotected EDIT. Amortization periods are evaluated by the Commission on a case-by-case basis. Pension and state book/tax differences are examples of unprotected EDIT. EPE has utilized the RSGM to calculate the amortization period for the unprotected EDIT. The average life of the unprotected EDIT that resulted from the TCJA as calculated by the RSGM was approximately four years.

Q. HAS EPE AMORTIZED PROTECTED EDIT FROM THE TCJA?

A. No. EPE has not amortized EDIT from the TCJA as of December 31, 2020.

Q. HOW DOES EPE PROPOSE TO AMORTIZE THE EDIT FROM THE TCJA IN THIS FILING?

A. EPE is proposing that the EDIT from the TCJA that would have been amortized between January 1, 2018 and December 31, 2021 be included as an additional EDIT amortization for a period of four years. A four-year period was chosen because the protected EDIT was not amortized for four years (2018-2021) and the average life of the unprotected EDIT is four years. EPE is proposing to combine the amortization of the protected EDIT as calculated under ARAM for 2018 to 2021 with the amortization of the entire balance of unprotected EDIT. The combined EDIT amortization for both protected and unprotected EDIT from the TCJA for 2018 to 2021 is $2,693,425 and is calculated at Exhibit No. EPE-0015 on Worksheet WP4 Excess TCJA 2018-2021. When this amount is allocated to the four-year recovery period, the additional amortization is $673,356.

Q. DOES EPE HAVE EDIT RELATED TO STATE INCOME TAXES?

A. Yes. In the last transmission rate case filed by EPE in 1996, EPE utilized the flow-through method for the calculation of state income taxes. However, on January 1, 2016, EPE changed its method of calculating state income taxes to the normalization method. EPE recorded a regulatory asset of $18,930,305 on January 1, 2016, for the state-related ADIT that had not previously been collected from customers.

Additionally, after January 1, 2016, the state income tax rates in Arizona and New Mexico decreased, which resulted in excess state ADIT which was recorded as a regulatory liability of $3,163,736. The excess state ADIT is recorded on separate lines in Exhibit No. EPE-0008, Worksheet P6-2 in line 2 Excess state

ADIT is primarily related to plant ADIT and was therefore assigned to transmission using the Net Plant allocator. The amortization of the excess state ADIT was calculated using the RSGM because the detail needed to calculate the amortization using ARAM is not available at the state level. Under the RSGM, the average life of the state EDIT was calculated as 15 years and therefore, the amortization period proposed for the state EDIT is 15 years. The use of the RSGM and the 15-year life were approved for use on the excess state ADIT by the PUCT and the NMPRC. The calculation of the amortization of the state EDIT is included in Exhibit No. EPE-0015 on Worksheet WP 2-EDSIT.

Q. DOES EPE HAVE ANY OTHER PERMANENT DIFFERENCES IN INCOME TAXES THAT REQUIRE AN ADJUSTMENT TO INCOME TAX EXPENSE?

A. Yes. EPE has permanent differences that are required to adjust current tax expense. Permanent differences include non-deductible meals and entertainment expenses, Allowance for Funds Used During Construction, and certain employee benefits. Because permanent differences are treated differently in EPE's GAAP books than in EPE's income tax returns and these differences will not reverse over time, no deferred taxes are recorded for permanent differences. Therefore, a direct adjustment is recorded to income tax expense to reflect the permanent difference.

Q. AS A PART OF THIS FILING, IS EPE SEEKING TO HAVE THE COMMISSION FIND THAT ITS TRANSMISSION FORMULA RATE COMPLIES WITH THE ADIT RULE?

A. No. EPE will submit a separate compliance filing shortly after the filing of this transmission formula rate case demonstrating that EPE's Formula Rate complies with the ADIT Rule.

VIII. INVESTMENT TAX CREDITS

Q. WHAT IS THE ITC AND HOW DOES EPE TREAT IT FOR RATEMAKING PURPOSES?

A. The ITC, which has gone in and out of existence over the years, lowers income tax expense permanently if certain qualifying investments are made. It is intended as an incentive for companies to invest in qualifying assets. To make sure that its objectives are met for regulated utilities, the IRC prescribes methods of sharing the benefit between the customers and the shareholders.

The ITC is a direct reduction to income taxes payable in a given year. Unlike accelerated depreciation and other book/tax differences that will eventually reverse over time, the ITC is akin to a rebate. The ITC provides an incentive for capital investment by granting a tax credit (a direct dollar-for-dollar offset to current taxes payable) based on a percentage applied to investment in qualifying tangible personal property (most generation, transmission, and distribution assets).

Most utilities, like EPE, account for the ITC by reducing current income taxes payable in the year the credit is earned by the full amount of the credit, while recognizing an equal and offsetting amount of deferred income tax expense. The amount of the credit is then amortized to reduce income tax expense over the book life of the property giving rise to the ITC. This is referred to as "Method 2."

In 1972, for ratemaking purposes, the IRS required utilities to elect how they intended to share the ITC between customers and shareholders. EPE elected to share the ITC using Method 2, as described in the preceding paragraph, by including the annual amortization of the credit amount as a reduction to income tax expense. Reduced income tax expense benefits customers when it is included in rates.

Q. DOES ACCUMULATED DEFERRED ITC IN ACCOUNT 255 IMPACT RATE BASE?

A. No. Under Method 2, ITC is recorded as a reduction to income tax expense and not a reduction to rate base. The ITC is detailed in Exhibit No. EPE-0008, Worksheet A3-2-ADIT-ITC Details. The resulting income tax expense reduction is reflected in line 25b of Actual Attachment H. However, because all EPE's ITC is related to production, the amount allocated to transmission is zero.

IX. CONCLUSION

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	)	Docket No. ER22-___-000

VERIFICATION

Pursuant to 28 U.S.C. § 1746 (2000), I state under penalty of perjury that I am the Cynthia S. Prieto referred to in the foregoing "Prepared Direct Testimony of Cynthia S. Prieto on Behalf of El Paso Electric Company," that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Executed this 29th day of October, 2021.

Cynthia Prieto

CYNTHIA S. PRIETO

El Paso Electric Company
Retirement Income Plan

Actuarial Valuation Report

Employer Contributions for Plan Year Beginning January 1, 2020
Benefit Cost for Fiscal Year Beginning January 1, 2020 under US GAAP

September 30, 2020

Table of Contents

Purposes of valuation

El Paso Electric Company (the Company) retained Willis Towers Watson US LLC ("Willis Towers Watson"), to perform an actuarial valuation of the Retirement Income Plan for Employees of El Paso Electric Company for the purpose of determining the following:

1. The minimum required contribution in accordance with ERISA and the Internal Revenue Code (IRC) for the plan year beginning January 1, 2020.

2. The estimated maximum tax-deductible contribution for the tax year in which the 2020 plan year ends in accordance with ERISA as allowed by the IRC. The maximum tax-deductible contribution should be finalized in consultation with the Company's tax advisor.

3. An assessment of ERISA §4010 reporting requirements for the plan for 2020.

4. Determination of the Funding Target Attainment Percentage (FTAP) under IRC §430(d)(2), as reported in the Annual Funding Notice required under ERISA §101(f).

5. The value of benefit obligations as of January 1, 2020 and El Paso Electric Company's pension cost for fiscal year ending December 31, 2020 in accordance with FASB Accounting Standards Codification Topic 715 (ASC 715-30).

6. As requested by El Paso Electric Company, a "specific certification" of the Adjusted Funding Target Attainment Percentage (AFTAP) for the Retirement Income Plan for Employees of El Paso Electric Company under IRC §436 for the plan year beginning January 1, 2020. Please see Section 4 for additional information. Note that the AFTAP certification included herein may be superseded by a subsequent AFTAP certification for the Retirement Income Plan for Employees of El Paso Electric Company for the plan year beginning January 1, 2020.

Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. This report does not determine the plan's liquidity shortfall requirements (if any) under IRC §430(j)(4). If applicable, we will determine such requirements separately as requested by the Company.

2. This report does not present liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, as all such measures differ in some way from plan termination obligations. For example, measures shown in this report may reflect smoothed assets or interest rates, rather than current values, in accordance with funding and

accounting rules. In addition, funded status measures shown in this report do not reflect the current costs of settling the plan obligations by offering immediate lump sum payments to participants and/or purchasing annuity contracts for the remaining participants (e.g., insurer profit, insurer pricing of contingent benefits and/or provision for anti-selection in the choice of a lump sum vs. an annuity).

3. The cost method for the minimum required contribution is established under IRC §430 and may not in all circumstances produce adequate assets to pay benefits under all optional forms of payment available under the plan when benefit payments are due.

4. The comparison of the plan's funding target to its actuarial value of assets (the funding shortfall (surplus) shown in Section 1) is used in determining required contributions for the coming year, and a contribution made on the valuation date equal to the shortfall would be considered to "fully fund" the plan for benefits accrued as of the valuation date under the funding rules, and thus is useful for assessing the need for and amount of future contributions. However, the funding shortfall (surplus) cannot be relied upon to determine either the need for or the amount of future contributions. The funding shortfall (surplus) is based on the interest rates elected to be used for funding purposes, which may be smoothed rates not reflecting current market conditions and will in any event change over time. It is also based on the actuarial value of assets, so if an asset smoothing method is used, it would be different than if based on market value of assets. In addition, asset gains and losses, demographic experience different from assumed, and future benefit accruals (if any) will all affect the need for and amount of future contributions.

5. There may be certain events that occurred since the valuation date that are not reflected in this valuation. See Subsequent Events (under the "Basis for valuation" portion of Section 1 below) for more information.

6. This valuation reflects our understanding of the relevant provisions of the Pension Protection Act of 2006 (PPA); the Worker, Retiree and Employer Recovery Act of 2008 (WRERA); the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (PRA); the Moving Ahead for Progress in the 21st Century Act (MAP-21); the Highway and Transportation Funding Act of 2014 (HATFA); and the Bipartisan Budget Act of 2015. The IRS has yet to issue final guidance with respect to certain aspects of these laws. It is possible that future guidance may conflict with our understanding of these laws based on currently available guidance and could therefore affect results shown in this report.

7. This report does not provide information for plan accounting and financial reporting under ASC 960.

Section 1: Summary of results

Summary of valuation results

All monetary amounts shown in US Dollars

Plan Year Beginning	01/01/2020	01/01/2019[1]
Funding		
Market value of plan assets with discounted receivable contributions	334,318,551	279,967,233
Actuarial value of plan assets	316,157,560	302,164,872
Funding balances	32,768,713	24,489,067
Funding target	280,463,565	268,950,352
Target normal cost[2]	9,030,381	8,194,905
Funding shortfall (surplus)	(2,925,282)	(8,725,453)
Funding target attainment percentage (FTAP)	101.04%	103.24%
Minimum required contribution		
Prior to application of funding balances	6,105,099	0
Net of available funding balances	0	0
Effective interest rate	5.38%	5.54%
U.S. GAAP Accounting (ASC 715) as of Measurement Date	**01/01/2020**	**01/01/2019**
Projected benefit obligation (PBO)	394,749,268	335,931,648
Fair value of plan assets, excluding receivable contributions	327,152,316	272,803,260
Funded status	(67,596,952)	(63,128,388)
Pension cost (excluding effects of settlements, curtailments and termination benefits) for fiscal year	4,591,228	3,004,987
Benefit cost/(income) due to special events	0	0
Total benefit cost/(income)	4,591,228	3,004,987
Equivalent Single Discount Rate for Benefit Obligations	3.39%	4.42%
Equivalent Single Discount Rate for Service Cost	3.60%	4.50%
Equivalent Single Discount Rate for Interest Cost	2.99%	4.12%
Participants as of Census Date	**01/01/2020[3]**	**01/01/2019**
Active employees	1,126	1,090
Participants with deferred benefits	341	344
Participants receiving benefits	803	771
Total	2,270	2,205

1 January 1, 2019 actuarial valuation performed by prior actuary
2 Includes assumed administrative expenses of $469,681 for the 2019 plan year and $868,426 for the 2020 plan year. Assumed administrative expenses for 2020 are equal to the 2020 PBGC premiums paid from plan assets.
3 Counts include 39 alternate payees, 14 of whom have survived the original participant.

Minimum required contribution and funding policy

All monetary amounts shown in US Dollars

Plan Year Beginning	01/01/2020	01/01/2019
Minimum Required Contribution (MRC)		
Prior to application of funding balances	6,105,099	0
Net of available funding balances	0	0
Sponsor's Funding Policy Contribution	$7,300,00 (budgeted)	$7,300,000

The plan sponsor's funding policy is to make the minimum required contribution with consideration for amounts included in customer rates. At its discretion, the Company may determine from time to time whether to make additional contributions. We understand the sponsor may deviate from this policy based on cash, tax or other considerations.

The minimum required contribution includes a contribution to cover the benefits expected to accrue in the coming year (if any) plus any expenses expected to be paid from the trust in the coming year (target normal cost), as well as a 7-year amortization (with a somewhat longer amortization period for shortfall amortization bases established in any year for which funding relief was elected) of any funding shortfall (amortization installments) (See Section 2.4 for a break-down of the minimum required contribution into target normal cost and amortization installments, and see Section 2.5 for a schedule of amortization installments for future years.) Thus, assuming that all actuarial assumptions are realized and do not change and the plan sponsor contributes the minimum required contribution each year (target normal cost plus amortization installments), the plan would generally be expected to be fully funded in 7 years, and the minimum required contribution would be expected to drop to target normal cost. During the 7 year period, there will be some variability in minimum required contributions due to amortization installments from prior years dropping out as the 7-year amortization period ends (and for deferred asset gains or losses becoming reflected in assets if an asset smoothing method is used for the actuarial value of assets). In reality, gains and losses will occur, and the plan sponsor may fail to contribute the minimum required contribution (or may contribute more than the minimum required contribution in accordance with the funding policy described above), which may cause the plan to take more or less than 7 years to become fully funded. Note that being fully funded under the funding rules is not the same as being fully funded on a plan termination basis, as different assumptions apply (e.g., the cost of annuity contracts or lump sums to participants) on plan termination.

Target normal cost for individual participants accruing benefits will grow from year to year as participants age (and as their salaries increase, if benefit accruals are pay related), but the changes in total target normal cost will depend on the numbers of participants earning benefits and their ages. Because the number and ages of active participants covered by the plan are not expected to change significantly from year to year, target normal cost is expected to remain level. Of course, changes in discount rates and other assumptions in future years will also influence the pattern of future required contributions.

The minimum required contribution for the 2020 plan year must be satisfied by September 15, 2021. This requirement may be satisfied through contributions and/or an election to apply the available funding balances. No quarterly installments are required. The minimum required contribution is determined assuming it is paid as of the valuation date for the plan year. Contributions made on a date other than the valuation date must be adjusted for interest at the plan's effective interest rate.

A schedule reflecting budgeted employer contributions to satisfy the 2020 minimum required contribution (MRC) is shown below (subject to change).

All monetary amounts shown in US Dollars

Date	Funding Balance Applied	Current Plan Year Contributions	Discounted Value of Contributions as of Valuation Date	Sum of Funding Balance Elections and Discounted Contributions
January 3, 2021	0	811,112	769,478	769,478
February 3, 2021	0	811,111	766,124	766,124
March 3, 2021	0	811,111	762,786	762,786
April 3, 2021	0	811,111	759,462	759,462
May 3, 2021	0	811,111	756,153	756,153
June 3, 2021	0	811,111	752,858	752,858
July 3, 2021	0	811,111	749,578	749,578
August 3, 2021	0	811,111	746,311	746,311
September 3, 2021	0	811,111	743,059	743,059
Total				6,805,809

Because the plan does not have a funding shortfall, no quarterly contributions will be required for the 2021 plan year based on this year's valuation results.

Change in minimum funding requirement and funding shortfall (surplus)

The minimum funding requirement increased from $0 for the 2019 plan year to $6,105,099 for the 2020 plan year, and the funding shortfall (surplus) increased from $(8,725,453) on January 1, 2019 to $(2,925,282) on January 1, 2020.

Significant reasons for these changes include the following:

- The return on the actuarial value of assets since the prior valuation was greater than expected, which reduced the minimum funding requirement and the funding shortfall.
- The plan's effective interest rate declined 16 basis points compared to the prior year, which increased the minimum funding requirement and the funding shortfall.
- The valuation reflects the updated static mortality tables and updated IRC §417(e) mortality tables provided by IRS for 2020 plan years, which reduced the minimum funding requirement and the funding shortfall.

Funding ratios

The Pension Protection Act of 2006 (PPA) defines several Funding Ratios. All of these ratios are based on a ratio of plan assets to plan liabilities, but the assets and liabilities are defined differently for different purposes. Depending on the purpose, the assets may be market value or, if different, a smoothed actuarial value of assets, and may be reduced by the prefunding balance or all funding balances. The liabilities may be based on the funding target, funding target disregarding at-risk assumptions, or the funding target calculated using at-risk assumptions (see the At-Risk status section below), and may or may not reflect stabilized interest rates.

Following are the key funding ratios and their implications for the 2020 or 2021 plan years. See Appendix D for details on how each ratio is calculated.

January 1, 2019 Funding ratios

	Ratio Test Implications	Threshold	Ratio Value
1	Funding balances can be used to satisfy the 2020 Minimum Required Contribution (MRC) if threshold met	80%	103.24%
2	Quarterly contribution exemption applies in 2020 if threshold met	100%	103.24%
3	Plan is not at-risk for 2020 if the threshold for either the Prong 1 or Prong 2 test is met		
	- Prong 1 Test	80%	103.24%
	- Prong 2 Test	70%	N/A

January 1, 2020 Funding ratios

	Ratio Test Implications	Threshold	Ratio Value
1	Funding balances can be used to satisfy the 2021 MRC if threshold met	80%	101.04%
2	Quarterly contribution exemption applies in 2021 if threshold met	100%	101.04%
3	Plan is not at-risk for 2021 if the threshold for either the Prong 1 or Prong 2 test is met		
	- Prong 1 Test	80%	101.04%
	- Prong 2 Test	70%	N/A
4	PBGC 4010 filing may be required in 2021 if threshold is not met by every plan in the controlled group	80%	85.81%
5	Plan is exempt from creating a new Shortfall Amortization Base (SAB) for 2020 when prefunding balance is applied to the 2020 MRC if threshold met	100%	101.04%
6	Plan is exempt from creating a new SAB for 2020 when prefunding balance is not applied to the 2020 MRC if threshold met	100%	112.72%
7	Previously established SABs are eliminated for 2020 if threshold met	100%	101.04%

Benefit limitations

The Adjusted Funding Target Attainment Percentage (AFTAP) for the plan year beginning January 1, 2020 is 112.72%. This AFTAP may be changed by subsequent events.

Under the PPA, a plan may become subject to various benefit limitations if its AFTAP falls below certain thresholds.

If the AFTAP is below 60% (100%, calculated ignoring stabilized interest rates, if the plan sponsor is in bankruptcy), plans are prohibited from paying lump sums or other accelerated forms of distribution (such as Social Security level payment options). If the AFTAP is at least 60% but less than 80%, the amounts that can be paid are limited. In addition, lump sums to the 25 highest paid employees may be restricted if a plan's AFTAP is below 110%. These limitations do not apply to mandatory lump sum cash-outs of $5,000 or less. In addition, plans that were completely frozen before September 2005 are exempt from the restrictions on lump sums and other accelerated forms of distribution.

If the AFTAP is below 60%, benefit accruals must cease, amendments to improve benefits cannot take effect, and plant shutdown benefits and other Unpredictable Contingent Event Benefits (UCEBs) cannot be paid without being fully paid for. In addition, if the AFTAP would be below 80% reflecting a proposed amendment, the plan amendment cannot take effect unless actions are taken to increase plan assets.

To avoid these benefit limitations, a plan sponsor may take a variety of steps, including reducing the funding balances, contributing additional amounts to the plan for the prior plan year, contributing special "designated IRC §436 contributions" for the current plan year, or providing security outside the plan. Not all of these approaches are available for all of the restrictions discussed above. For example, restrictions on accelerated distributions cannot be avoided by making designated IRC §436 contributions.

As requested by El Paso Electric Company in your letter dated September 15, 2020, this report is intended to constitute a "specific certification" of the AFTAP, effective as of September 30, 2020, for the plan year beginning January 1, 2020 for the purpose of determining benefit restrictions under IRC §436 for the Retirement Income Plan for Employees of El Paso Electric Company. This AFTAP certification is based on the data, methods, assumptions, plan provisions, annuity purchase information, and other information provided in this report. Please see the Appendices for additional information. Note that the AFTAP certification provided herein may be superseded by a subsequent AFTAP certification for the plan year beginning January 1, 2020. Please see Section 4 for a discussion of the implications of this certified AFTAP.

PBGC reporting requirements

Certain financial and actuarial information (i.e., a “4010 filing”) must be provided to the PBGC if the PBGC Funding Target Attainment Percentage (PBGC FTAP) is less than 80% for any plan in the contributing sponsor’s controlled group. However, this reporting requirement may be waived for controlled groups with no more than $15 million in aggregate funding shortfall (PBGC 4010 FS), or with fewer than 500 participants in all defined benefit plans. Note that interest rate stabilization does not apply for purposes of determining the PBGC FTAP or the PBGC 4010 FS.

The 2020 PBGC FTAP is 85.81%. In addition, we understand that there are no other pension plans within the Company’s controlled group. As a result, no 4010 filing is expected to be required for 2020 as a result of the plans’ funded status. However, the only plan we have considered in this analysis is the Retirement Income Plan; if there are other plans within the controlled group, a filing may be required.

At-Risk status for determining minimum required contributions

The plan is not in at-risk status, as defined in the PPA, for the 2020 plan year, because the plan’s FTAP for the 2019 plan year was at least 80%, and/or the plan’s FTAP measured using “at-risk assumptions” was at least 70%.

The plan will not be in at-risk status, as defined in the PPA, for the 2021 plan year, because the plan’s FTAP for the 2020 plan year is at least 80%, and/or the plan’s FTAP measured using “at-risk assumptions” is at least 70%.

When a plan is in at-risk status as defined in the PPA*:*

The plan is subject to potentially higher minimum contribution requirements. The funding target and target normal cost for purposes of determining the minimum required contribution must be measured reflecting certain mandated assumptions (“at-risk assumptions”). Specifically, participants eligible to retire within the next 11 years must be assumed to retire immediately when first eligible (but not before the end of the current year, except in accordance with the regular valuation assumptions), and all participants must be assumed to elect the most valuable form of payment available when they begin receiving benefits. In addition, plans that have been at-risk in past years may also be required to increase the funding target and target normal cost for prescribed assumed expenses. The net effect of these assumptions and expense adjustments in most cases is to increase required contributions and PBGC variable premiums.

The plan sponsor must indicate in the annual funding notice for the plan that the plan is at-risk and disclose additional at-risk funding targets.

Immediate taxation of non-qualified pension or deferred compensation for certain employees may occur if the plan sponsor is a public company. This may result when non-qualified pension or deferred compensation for such employees is funded during a period when a plan sponsored by the plan sponsor or another member of the plan sponsor's controlled group is in at-risk status.

Pension cost and funded position

The cost of the pension plan is determined in accordance with ASC 715. The Fiscal 2020 pension cost for the plan is $4,591,228.

Under ASC 715, the funded position (fair value of plan assets less the projected benefit obligation, or “PBO”) of each pension plan at the plan sponsor’s fiscal year-end (measurement date) is required to be reported as an asset (for overfunded plans) or a liability (for underfunded plans). The PBO is the actuarial present value of benefits attributed to service rendered prior to the measurement date, taking into consideration expected future pay increases for pay-related plans. The plan’s overfunded/(underfunded) PBO as of January 1, 2020 was $(67,596,952), based on the fair value of plan assets of $327,152,316 and the PBO of $394,749,268.

Fiscal year-end financial reporting information and disclosures are prepared before detailed participant data and full valuation results are available. Therefore, the funded position at December 31, 2019 was derived from a roll forward of the January 1, 2019 valuation results, adjusted for the year-end discount rate, changes in other key assumptions and asset values, as well as significant changes in plan provisions and participant population. The fiscal year-end December 31, 2020 financial reporting information will be developed based on the results of the January 1, 2020 valuation, projected to the end of 2020 and similarly adjusted for the year-end discount rate and asset values, as well as significant changes in plan provisions and participant population.

Change in pension cost and funded position

The pension cost increased from $3,004,987 in fiscal 2019 to $4,591,228 in fiscal 2020 and the funded position declined from $(63,128,388) to $(67,596,952), as set forth below:

Significant reasons for these changes include the following:

- The actual return on the fair value of plan assets since the prior measurement date was greater than expected, which improved the funded position.
- Contributions to the plan during the prior year improved the funded status and therefore reduced the net periodic cost.
- The single equivalent discount rate used to measure PBO declined 103 basis points compared to the prior year and the single equivalent discount rate used to measure interest cost declined 113 basis points, which resulted in a net increase in the pension cost and caused the funded position to deteriorate.

Basis for valuation

Appendix A summarizes the assumptions and methods used in the valuation. Appendix B summarizes the principal provisions of the plan being valued. Both of these appendices include a summary of any changes since the prior valuation. Unless otherwise described below under Subsequent Events, assumptions were selected based on information known as of the measurement date.

Changes in assumptions

- For funding purposes, the segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of January 2019 to January 2020.
- For funding purposes, the assumed plan-related expenses added to the target normal cost were changed from $469,681 for 2019 to $868,426 for 2020.
- For funding purposes, the mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC §430.
- For accounting purposes, the single equivalent discount rate used to measure PBO decreased from 4.42 to 3.39%.
- For accounting purposes, the mortality assumption was updated from the RP-2014 Total Data Set Mortality Tables, with projection from 2006 to 2014 using Scale MP-2014 improvement removed, then projected generationally using Scale MP-2018 to the Pri-2012 Collar-Adjusted Mortality tables with separate base tables used for actives and retirees and the retiree base table used for contingent survivors and projected generationally using Scale MP-2019.

Changes in methods

Change in enrolled actuary and change in actuarial consulting firm.

Changes in estimation techniques

The valuation software used for the plan was changed as part of the actuarial transition to Willis Towers Watson.

For accounting purposes, El Paso Electric Company adopted the Willis Towers Watson RATE:Link 40:90 yield curve model for determining discount rates beginning January 1, 2020.

Changes in benefits valued

None.

Subsequent events

The results provided in this report reflect data and assumptions appropriate for the purpose of the measurement. Effects of COVID-19 on the financial markets, regulations, and experience are uncertain and still evolving. The results in this report make no allowances for the effects of COVID-

19. There may be significant effects on plan experience and/or assumptions, both demographic and economic, used for future measurements.

Additional information

None.

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Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information discussed below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied upon information regarding plan provisions, participants, plan assets and sponsor elections provided by El Paso Electric Company and other persons or organizations designated by El Paso Electric Company. See the Sources of Data and Other Information section in Appendix A for further information. In addition, the results in this report are dependent on contributions reported for the prior plan year and maintenance of funding balance elections after the valuation date.

We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

We have relied on all the information provided as complete and accurate. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or information regarding contributions or funding balance elections provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by El Paso Electric Company, may produce materially different results that could require that a revised report be issued.

Assumptions and methods under ERISA and the Internal Revenue Code for funding purposes

The plan sponsor selected, as prescribed by regulation, key assumptions and funding methods (including the mortality assumption, asset valuation method and the choice among prescribed interest rates) employed in the development of the contribution amounts and communicated them to us in the letter dated September 15, 2020.

To the extent not prescribed by ERISA, the Internal Revenue Code and regulatory guidance from the Treasury and the IRS, or selected by the sponsor, the actuarial assumptions and methods employed in the development of the contribution amounts have been selected by Willis Towers Watson, with the concurrence of the plan sponsor. It is beyond the scope of this actuarial valuation to analyze the reasonableness and appropriateness of prescribed methods and assumptions, or to analyze other sponsor elections from among the alternatives available for prescribed methods and assumptions.

Other than prescribed assumptions, ERISA and the Internal Revenue Code require the use of assumptions each of which is “reasonable (taking into account the experience of the plan and reasonable expectations), and which, in combination, offer the actuary’s best estimate of anticipated experience under the plan.” The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated or selected by Willis Towers Watson, we consider to be reasonable. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

A summary of the assumptions, methods and sources of data and other information used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the 2020 plan year will change the results shown in this report and could result in plan qualification issues under IRC §436 if the application of benefit restrictions is affected by the change.

Assumptions and methods under U.S. GAAP

The methods employed in the development of the pension cost and other disclosures have been selected by the plan sponsor, with the concurrence of Willis Towers Watson. The actuarial assumptions were also selected by the plan sponsor as required by U.S. GAAP, but without using the work of Willis Towers Watson. Evaluation of the actuarial assumptions was outside the scope of Willis Towers Watson’s assignment and would have required substantial additional work that we were not engaged to perform. U.S. GAAP requires that each significant assumption “individually represent the best estimate of a particular future event.”

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by Willis Towers Watson, we consider to be reasonable. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

A summary of the assumptions, methods and sources of data and other information used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the January 1, 2020 measurement date will change the results shown in this report.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined by El Paso Electric Company in consultation with its tax advisors and independent accountants.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs or contribution requirements reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period) or additional contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. It is beyond the scope of this valuation to analyze the potential range of future pension contributions, but we can do so upon request. See Appendix C for disclosures required under ASOP No. 51 of significant risks related to the plan.

See Basis for Valuation in Section 1 above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter dated March 9, 2020 and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of El Paso Electric Company and its auditors and any organization that provides benefit administration services for the plan, in connection with our actuarial valuation of the pension plan as described in Purposes of Valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. El Paso Electric Company may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require El Paso Electric Company to provide them this report, in which case El Paso Electric Company will use best efforts to notify Willis Towers Watson in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Willis Towers Watson's prior written consent. Willis Towers Watson accepts no responsibility for any consequences arising from any other party relying on this report or any advice relating to its contents.

Professional qualifications

The undersigned consulting actuaries are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans. Our objectivity is not impaired by any relationship between El Paso Electric Company and our employer, Willis Towers Watson US LLC.

Cat Kenagy

Cat Kenagy, FSA, EA
Senior Director, Retirement
20-07490
September 30, 2020

David Anderson, ASA, EA
Director, Retirement
20-07493
September 30, 2020

Elizabeth Welborne, ASA, EA
Lead Associate, Retirement
20-08703
September 30, 2020

Willis Towers Watson US LLC

September 30, 2020

http://natct.internal.towerswatson.com/clients/612160/ElPasoElectric2020/Documents/2020 RIP Consolidated Report.docx

Section 2: Actuarial exhibits

2.1 Summary of liabilities for minimum funding purposes

All monetary amounts shown in US Dollars

Plan Year Beginning	01/01/2020	01/01/2019[1]
A Funding Target (Disregarding At-risk Assumptions)		
1 Funding target		
a Active employees – non-vested benefits [5]	8,100,868	15,974,026
b Active employees – vested benefits [5]	111,961,336	97,813,859
c Participants with deferred benefits	15,733,050	15,454,597
d Participants receiving benefits	144,668,311	139,707,870
e Total funding target	280,463,565	268,950,352
2 Target normal cost	9,030,381	8,194,905
B Funding Target (At-risk Assumptions)		
1 Funding target	N/A	N/A
2 Target normal cost	N/A	N/A
C Funding Target		
1 Number of consecutive years at-risk	0	0
2 Funding target		
a Active employees – non-vested benefits [5]	8,100,868	15,974,026
b Active employees – vested benefits [2]	111,961,336	97,813,859
c Participants with deferred benefits	15,733,050	15,454,597
d Participants receiving benefits	144,668,311	139,707,870
e Total funding target	280,463,565	268,950,352
3 Target normal cost	9,030,381	8,194,905

[1] January 1, 2019 actuarial valuation performed by prior actuary.
[2] See section 2.7 for definition of vested benefits.

2.2 Change in plan assets during plan year

All monetary amounts shown in US Dollars

Plan Year Beginning	January 1, 2019
A Reconciliation of Market Value of Plan Assets	
1 Market value of plan assets at January 1, 2019 (including discounted contributions receivable)	279,967,233
2 Discounted contributions receivable at January 1, 2019	7,163,973
3 Market value of plan assets at January 1, 2019 (excluding contributions receivable)	272,803,260
4 Employer contributions	
a For prior plan year	7,300,000
b For current plan year	0
c IRC §436 contributions for current plan year	0
d Total	7,300,000
5 Employee contributions	0
6 Benefit payments	(15,955,118)
7 Administrative expenses paid by plan	(1,364,016)
8 Transfers from/(to) other plans	0
9 Investment return	
a Interest and dividends	0
b Investment expenses	0
c Realized gains/(losses)	64,368,190
d Change in unrealized appreciation	0
e Total	64,368,190
10 Market value of plan assets at January 1, 2020 (excluding contributions receivable)	327,152,316
11 Discounted contributions receivable at January 1, 2020	7,166,235
12 Market value of plan assets at January 1, 2020 (including discounted contributions receivable)	334,318,551
B Rate of Return on Invested Plan Assets (i.e., for crediting unused funding balances)	
1 Weighted invested plan assets	268,951,782
2 Rate of return	23.93%

C Discounted Receivable Contributions at January 1, 2020

Date	Prior Year Contributions	Discounted Value at January 1, 2020
January 21, 2020	811,112	808,686
February 4, 2020	811,111	807,112
March 3, 2020	811,111	803,614
April 2, 2020	811,111	800,131
May 4, 2020	811,111	796,305
June 2, 2020	811,111	792,972
August 4, 2020	811,111	785,643
September 2, 2020	811,111	782,355
July 2, 2020	811,111	789,417
Total		7,166,235

2.3 Development of actuarial value of plan assets

All monetary amounts shown in US Dollars

Plan Year Beginning		January 1, 2020
A	**Preliminary Actuarial Value of Plan Assets before Corridor as of January 1, 2020**	
	1 Market value of plan assets as of January 1, 2020	327,152,316
	2 Discounted receivable employer contributions	7,166,235
	3 Deferred investment gains/(losses) for prior periods	

Period Beginning	Gain/(Loss)	Percent Deferred	Deferred Amount
10/01/2019	5,947,569	88.889%	5,286,728
07/01/2019	7,608,464	77.778%	5,917,694
04/01/2019	10,255,310	66.667%	6,836,873
01/01/2019	23,091,379	55.556%	12,828,544
10/01/2018	(24,497,202)	44.444%	(10,887,645)
07/01/2018	947,921	33.333%	315,974
04/01/2018	(4,894,404)	22.222%	(1,087,645)
01/01/2018	(9,445,790)	11.111%	(1,049,532)
Total			18,160,990

	4 Preliminary actuarial value of plan assets before application of corridor	316,157,560
B	**Lower Bound of Corridor**	300,886,696
C	**Upper Bound of Corridor**	367,750,406
D	**Actuarial Value of Plan Assets after Corridor as of January 1, 2020**	316,157,560
E	**Rate of Return used for Calculation**	6.29% for 2018 6.11% for 2019

2.4 Calculation of minimum required contribution

All monetary amounts shown in US Dollars

Reconciliation of Funding Balances as of January 1, 2020	Funding Standard Carryover Balance	Prefunding Balance	Total
A Determination of Funding Balances			
1 Funding balance as of January 1, 2019	0	24,489,067	24,489,067
2 Amount used to offset prior year minimum required contribution[1]	0	0	0
3 Adjustment for investment experience	0	5,860,234	5,860,234
4 Amount of additional prefunding balance created by election	N/A	2,419,412	2,419,412
5 Amount of funding balance reduction for current year by election or deemed election	0	0	0
6 Funding balance as of January 1, 2020	0	32,768,713	32,768,713

Plan Year Beginning	January 1, 2020
B Calculation of Minimum Required Contribution	
1 Target normal cost	9,030,381
2 Funding surplus	(2,925,282)
3 Net shortfall amortization installment (see section 2.5)	0
4 Waiver amortization installment	0
5 Minimum required contribution	6,105,099
6 Funding balance available	32,768,713
7 Remaining cash requirement (assuming sponsor elects full use of the available funding balances)	0

The minimum required contribution is determined as of the plan's valuation date. Any payment made on a date other than the valuation date must be adjusted for interest using the plan's effective interest rate of 5.38%.

Additional details regarding the calculation of the minimum required contribution may be obtained from the Form 5500 Schedule SB forms and attachments.

[1] Net of revoked excess application of funding balance, if any.

2.5 Schedule of minimum funding amortization bases

All monetary amounts shown in US Dollars

Type of Base	Date Established	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
Total			0	0

2.6 Calculation of estimated maximum deductible contribution

All monetary amounts shown in US Dollars

Based on Plan Year		2020
A	**Basic Maximum**	
	1 Funding target	330,215,292
	2 Target normal cost	11,035,364
	3 Actuarial value of plan assets	316,157,560
	4 50% of funding target	165,107,646
	5 Additional funding target for future compensation or benefit increases	28,427,436
	6 Basic maximum deductible contribution	218,628,178
B	**At-risk Maximum**[1]	
	1 Funding target (at-risk assumptions)	N/A
	2 Target normal cost (at-risk assumptions)	N/A
	3 Actuarial value of plan assets	N/A
	4 At-risk maximum deductible contribution	N/A
C	**Minimum Required Contribution**	6,105,099
D	**Estimated Maximum Deductible Contribution**	218,628,178

The estimated maximum deductible contribution applies to the tax year in which the plan year ends, and is based on our understanding of IRC §404(a)(1). No regulatory guidance has been provided by the IRS/Treasury. Allocations of costs to inventory have not been considered, and amounts deductible for state income tax purposes may differ. Deductibility can be influenced by timing of contributions, differences between fiscal year and plan year, and differences (if any) between the years to which prior contributions were assigned for minimum funding purposes and the years in which they were deducted. Our results have not been adjusted for non-deducted contributions included in the valuation assets, nor is it clear that such adjustment is appropriate post-PPA. We recommend the plan sponsor review with tax counsel the tax-deductibility of all contributions as Willis Towers Watson does not provide legal or tax advice.

In addition, the actuarial value of plan assets shown is the same as used for determining the minimum required contribution. Thus contributions receivable (if any) are discounted at stabilized rates, and the limit on the expected return on assets reflected in asset smoothing (if applicable) is the 3rd segment rate, reflecting stabilized rates as expressly allowed by IRS Notice 2012-61 when the stabilized 3rd segment rate is higher than the rate ignoring the corridors.

This limit has been determined without regard to the special rule of IRC §404(o)(2)(B) providing a potentially higher maximum deduction based on at-risk assumptions, which is available for plans that are not at risk.

[1] At-risk maximum applies only for plans not in at-risk status for purposes of determining maximum deductible contributions for the plan year.

2.7 Calculation of PBGC variable rate premium

All monetary amounts shown in US Dollars

Premium Payment Year	2020
A Assumptions and Methods Used to Determine Premium Funding Target	
1 Premium funding target method	Standard
2 Premium funding target method election date	2017
3 UVB valuation date	January 1, 2020
4 Discount rates	
a First segment rate	2.03%
b Second segment rate	3.06%
c Third segment rate	3.59%
B Premium Funding Target	
1 Attributable to active participants	153,170,657
2 Attributable to terminated vested participants	22,105,840
3 Attributable to retirees and beneficiaries receiving payment	174,158,377
4 Total premium funding target[1]	349,434,874
C Market Value of Plan Assets	334,318,551
D Unfunded Vested Benefits	15,117,000
E Uncapped Variable Rate Premium[2]	680,265
F Maximum VRP[3]	1,259,445
G Variable Rate Premium	680,265

1 Reflects at-risk status, if applicable.
2 Using variable rate premium of $45 per $1,000 of unfunded vested benefits.
3 Using maximum per-participant premium of $561.

2.8 Pension obligations and funded position under U.S. GAAP (ASC 715)

All monetary amounts shown in US Dollars

Measurement Date			01/01/2020	01/01/2019[1]
A	**Obligations**			
	1	Accumulated Benefit Obligation (ABO)		
		a. Active participants	163,032,582	Not available
		b. Participants with deferred benefits	22,164,766	Not available
		c. Participants receiving benefits	175,830,377	Not available
		d. Total	361,027,725	Not available
	2	Future salary increases	33,721,543	Not available
	3	Projected benefit obligation (PBO)	394,749,268	335,931,648
B	**Plan Assets**			
	1	Fair value [FV], excluding receivable contributions	327,152,316	272,803,260
	2	Investment losses/(gains) not yet in market-related value	(15,430,932)	19,507,166
	3	Market-related value	311,721,384	292,310,426
C	**Funded Position**			
	1	Overfunded/(underfunded) PBO	(67,596,952)	(63,128,388)
	2	PBO funded percentage	82.9%	81.2%
D	**Amounts in Accumulated Other Comprehensive Income**			
	1	Prior service cost/(credit)	(13,475,378)	(16,942,456)
	2	Net actuarial loss/(gain)	118,263,564	112,967,065
	3	Total	104,788,186	96,024,609
E	**Key Assumptions**			
	1a	Equivalent single discount rate for benefit obligations	3.39%	4.42%
	1b	Equivalent single discount rate for service cost	3.60%	4.50%
	1c	Equivalent single discount rate for interest cost	2.99%	4.12%
	2	Rate of compensation increase	4.50%	4.50%
F	**Census Date**		01/01/2020	01/01/2019

The results above may differ from the amounts reported in El Paso Electric Company's December 31, 2019 financial statements because year-end financial reporting is prepared before the corresponding valuation results are available.

[1] January 1, 2019 actuarial valuation performed by prior actuary.

2.9 Changes in plan benefit obligations and assets

All monetary amounts shown in US Dollars

Period Beginning		01/01/2020	01/01/2019[1]
A	**Change in Projected Benefit Obligation (PBO)**		
	1 PBO at beginning of prior fiscal year	335,931,648	362,689,644
	2 Employer service cost	9,490,539	10,607,747
	3 Interest cost	13,451,291	12,013,062
	4 Actuarial loss/(gain)	53,194,924	(30,176,034)
	5 Plan participants' contributions	0	0
	6 Benefits paid from plan assets	(15,955,118)	(17,680,828)
	7 Administrative expenses paid, if accrued through service cost	(1,364,016)	(1,521,943)
	8 Plan change	0	0
	9 Acquisitions/divestitures	0	0
	10 Curtailments	0	0
	11 Settlements	0	0
	12 Special/contractual termination benefits	0	0
	13 PBO at beginning of current fiscal year	394,749,268	335,931,648
B	**Change in Plan Assets**		
	1 Fair value of plan assets at beginning of prior fiscal year	272,803,260	304,388,588
	2 Actual return on plan assets	64,368,190	(19,682,557)
	3 Employer contributions	7,300,000	7,300,000
	4 Plan participants' contributions	0	0
	5 Benefits paid	(15,955,118)	(17,680,828)
	6 Administrative expenses paid	(1,364,016)	(1,521,943)
	7 Acquisitions/divestitures	0	0
	8 Settlements	0	0
	9 Fair value of plan assets at beginning of current fiscal year	327,152,316	272,803,260

[1] January 1, 2019 actuarial valuation performed by prior actuary.

2.10 Pension cost under U.S. GAAP (ASC 715)

All monetary amounts shown in US Dollars

	Fiscal Year Ending	12/31/2020	12/31/2019[1]
A	**Pension Cost**		
1	Service cost[2]	11,628,833	9,490,539
2	Interest cost	11,517,230	13,451,291
3	Expected return on plan assets	(22,977,561)	(21,492,142)
4	Net prior service cost/(credit) amortization	(3,467,078)	(3,467,078)
5	Net loss/(gain) amortization/recognition	7,889,804	5,022,377
6	Net periodic pension cost/(income)	4,591,228	3,004,987
7	Curtailments	0	0
8	Settlements	0	0
9	Special/contractual termination benefits	0	0
10	Total pension cost	4,591,228	3,004,987
B	**Key Assumptions** (See Appendix A for interim measurements, if any)		
1a	Equivalent single discount rate for benefit obligations	3.39%	4.42%
1b	Equivalent single discount rate for service cost	3.60%	4.50%
1c	Equivalent single discount rate for interest cost	2.99%	4.12%
2	Expected long-term rate of return on plan assets	7.50%	7.50%
3	Rate of compensation increase	4.50%	4.50%
4	Cash balance (or similar formula) interest crediting rate	3.80%	3.80%
C	**Census Date**	01/01/2020	01/01/2019

1 Fiscal year 2019 benefit cost determined by prior actuary.
2 Service Cost includes assumed expenses equal to 0.5% of plan assets

2.11 Development of market-related value of plan assets under U.S. GAAP (ASC 715)

All monetary amounts shown in US Dollars

Fiscal Year Ending				12/31/2020
Market-Related Value of Plan Assets as of January 1, 2020				
1	Fair value of plan assets as of January 1, 2020			327,152,316
2	Deferred investment (gains)/losses for prior periods			
	Fiscal Year	**(Gain)/Loss**	**Percent Deferred**	**Deferred Amount**
a	12/31/2019	44,188,641	66.67%	29,459,241
b	12/31/2018	(42,084,086)	33.33%	(14,028,309)
c	12/31/2017	25,646,673	0.00%	N/A
d	Total			(15,430,932)
3	Market-Related Value of Plan Assets			311,721,384

2.12 Summary of net balances

All monetary amounts shown in US Dollars

A Reconciliation of Net Prior Service Cost/(Credit)

Measurement Date Established	Original Amount	Net Amount at prior financial year end	Remaining Amortization Period	Amortization Amount	Effect of Curtailments	Other Events
02/28/2014	(33,700,000)	(13,475,378)	3.88666	(3,467,078)	0	0
Total		(13,475,378)		(3,467,078)	0	0

All monetary amounts shown in US Dollars

B Reconciliation of Net Loss/(Gain) (see Appendix A for a description of amortization method)

Net Amount at 01/01/2020 [1]	Amortization Amount in 2020	Effect of Curtailments	Effect of Settlements	Other Events (Identify)
118,263,564	7,889,804	0	0	0

[1] Before any immediate recognition on the same date.

Section 3: Participant data

3.1 Summary of participant data

All monetary amounts shown in US Dollars

Census Date		01/01/2020[1]	01/01/2019
A	**Active Employees**		
	1 Number	1,126	1,090
	2 Average plan compensation	87,036	87,865
	3 Average age	46.02	46.34
	4 Average credited service	14.20	15.07
B	**Participants with Deferred Benefits**		
	1 Number	341	344
	2 Deferred annuity benefit		
	Total	2,022,062	2,156,522
	Average	6,379	6,496
	3 Deferred cash balance accounts		
	Total	652,859	452,090
	Average	10,363	9,226
	4 Average age	53.43	54.02
C	**Participants Receiving Benefits**		
	1 Number	803	771
	2 Total annual pension	13,001,200	12,568,191
	3 Average annual pension	16,191	16,301
	4 Average age	71.35	70.06
	5 Distribution at January 1, 2020		

Age	Number	Annual Pension
Under 55	6	49,057
55-59	31	518,258
60-64	118	2,157,360
65-69	239	3,961,240
70-74	187	3,179,930
75-79	99	1,460,951
80-84	68	964,016
85 and over	55	710,388

[1] Headcounts as of 01/01/2020 reflect 39 alternate payees, 14 of whom have survived the original participant.

3.2 Participant reconciliation

	Active	Deferred Inactive	Currently Receiving Benefits	Total
1 Included in January 1, 2019 valuation	1,090	344	771	2,205
2 Change due to:	0	0	0	0
a New hire and rehire	89	(1)	0	88
b Non-vested termination	0	0	0	0
c Vested termination	(19)	19	0	0
d Retirement	(23)	(18)	41	0
e Disability	0	0	0	0
f Death without beneficiary	0	0	(15)	(15)
g Death with beneficiary	0	0	(6)	(6)
h Cashout	(11)	(1)	0	(12)
i Miscellaneous	0	0	1	1
j QDROs	0	0	3	3
k Beneficiary Commencement	0	(2)	8	6
l Net change	36	(3)	32	65
3 Included in January 1, 2020 valuation[1]	1,126	341	803	2,270

[1] Headcounts as of 01/01/2020 reflect 39 alternate payees, 14 of whom have survived the original participant.

3.3 Age and service distribution of participating employees

Number distributed by attained age and attained years of credited service

Attained Age	Attained Years of Credited Service[1]													
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	16	0	6	14	1	4	0	0	0	0	0	0	0	41
25-29	22	1	15	17	11	22	0	0	0	0	0	0	0	88
30-34	14	8	10	25	10	58	7	0	0	0	0	0	0	132
35-39	17	2	8	9	8	61	32	5	0	0	0	0	0	142
40-44	3	1	4	6	7	44	28	16	8	0	0	0	0	117
45-49	9	1	2	7	4	39	33	31	10	16	0	0	0	152
50-54	3	1	2	3	3	24	24	17	11	23	17	2	0	130
55-59	3	0	0	3	3	12	13	12	11	36	35	15	7	150
60-64	1	0	2	0	0	8	7	6	7	28	18	15	29	121
65-69	0	0	0	0	0	1	6	3	0	1	3	8	25	47
70 & over	0	0	0	0	0	1	0	2	1	0	0	0	2	6
Total	88	14	49	84	47	274	150	92	48	104	73	40	63	1,126

Average:	Age	46	Number of Participants:	Fully vested	951	Males	812
	Service	14		Partially vested	0	Females	314

Census data as of January 1, 2020

[1] Age and service for purposes of determining category are based on exact (not rounded) values.

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Section 4: Adjusted Funding Target Attainment Percentage (AFTAP)

El Paso Electric Company retained Towers Watson Delaware Inc., a subsidiary of Willis Towers Watson PLC ("Willis Towers Watson") to perform a valuation of its pension plan for the purpose of measuring the plan's AFTAP for the plan year beginning January 1, 2020 in accordance with ERISA and the Internal Revenue Code. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

The enrolled actuaries making this certification are members of the Society of Actuaries and other professional actuarial organizations and meet their "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States."

We hereby certify that the plan's AFTAP for the plan year beginning January 1, 2020 is 112.72%. This percentage is based on the assumptions, participant data, and plan provisions we relied upon to prepare the results shown in this report, reflects the valuation limitations discussed in this report and is also based on the following additional information:

Annuity Purchases

- El Paso Electric Company's representation is that there were no annuity purchases made for non-highly compensated employees by the plan in the plan years beginning in 2018 and 2019.

Funding Balances

- Our understanding is that El Paso Electric Company has not elected to reduce the plan's funding balance as of the first day of the 2020 plan year.

- Our understanding is that the plan is not subject to a deemed election to reduce the funding balances in 2020.

- Our understanding is that El Paso Electric Company has not elected to apply any of the plan's funding balances to the 2020 minimum required contribution.

- Our understanding is that El Paso Electric Company has elected to increase the prefunding balance as of the first day of the 2020 plan year as follows:

Date	Amount
January 1, 2020	$2,419,412
Total	$2,419,412

Contributions

- Our understanding is that El Paso Electric Company has made the following employer contributions after December 31, 2019 and before September 30, 2020, for the 2019 plan year, as follows:

Date	Amount
January 21, 2020	811,112
February 4, 2020	811,111
March 3, 2020	811,111
April 2, 2020	811,111
May 4, 2020	811,111
June 2, 2020	811,111
July 2, 2020	811,111
August 4, 2020	811,111
September 2, 2020	811,111
Total	$7,300,000

Subsequent Events

- There were no plan amendments that took effect in the current plan year that were taken into account for the current plan year's AFTAP certification.
- There were no unpredictable contingent event benefits (UCEBs) that took effect in the current plan year that were taken into account for the current plan year's AFTAP certification.
- There were no previously suspended accruals restored during the current plan year that were taken into account for the current plan year's AFTAP certification.

Elections

- Our understanding of sponsor elections required under the Pension Protection Act of 2006 (PPA) , with respect to interest rates, Actuarial Value of Plan Assets and other methods and/or assumptions, as confirmed in the Sponsor's letter dated September 15, 2020.

In making this certification, we relied on asset, contribution, funding balance election, and annuity purchase information provided by the Company, including dates and amounts of contributions made to the plan through the date of this certification, dates and amounts of funding balance elections by the Company through the date of this certification, and amounts of annuity purchases in the past two years, as shown above. We have reviewed this information for overall reasonableness and consistency but, consistent with the scope of our engagement, have neither audited nor independently verified this information. We do not certify to the accuracy or completeness of asset, contribution, funding balance election and annuity purchase information, and this certification relies on and is contingent on the accuracy and completeness of this information.

The development of the AFTAP is shown below:

All monetary amounts shown in US Dollars

Plan Year Beginning	01/01/2020
Actuarial value of plan assets as of January 1, 2020[1]	316,157,560
Funding standard carryover balance at January 1, 2020[2]	0
Prefunding balance at January 1, 2020[20]	32,768,713
Funding target (disregarding at-risk assumptions)	280,463,565
AVA/funding target (disregarding at-risk assumptions)	112.72%
Plan assets for AFTAP calculation[3]	316,157,560
Annuity purchases for NHCEs during 2018 and 2019	0
Specific AFTAP	
Adjusted Funding Target Attainment Percentage (AFTAP)	**112.72%**

Immediate Implications of AFTAP Certification

We believe that the certified AFTAP of 112.72% for the 2020 plan year has the following implications for benefit limitations described in IRC §436. El Paso Electric Company should review these conclusions with ERISA counsel:

Benefit accruals called for under the plan without regard to IRC §436 must continue.

Accelerated distributions called for under the plan without regard to IRC §436 must continue in full.

Amendments that increase benefits must be evaluated at the time they would take effect to determine if they are permissible.

Plant shutdown and other UCEBs must be evaluated at the time they would take effect to determine if they are permissible. However, El Paso Electric Company has advised us that the plan does not provide any benefits that would constitute UCEBs.

1 Reflects discounted contributions made for the 2019 plan year only if paid on or before the certification date. Includes security posted by the beginning of the plan year in the form of a bond or cash held in escrow.
2 Reflects elections made to-date (other than elections to apply the funding balances to 2020 MRC).
3 AVA if AVA/Funding Target (disregarding at-risk assumptions) >=100%; otherwise (AVA-funding balances).

Implications of 2020 AFTAP for Presumptions in Next Plan Year

Because the AFTAP for the 2020 plan year is at least 90%, the presumed AFTAP for 2021 will remain equal to the 2020 certified AFTAP, and changes in benefit restrictions will not occur, before the 2021 AFTAP is certified, provided that the 2021 AFTAP is certified before the first day of the tenth month of the plan year.

Note, however, that adoption of plan amendments and/or payment of UCEBs may change this result.

Cat Kenagy

Cat Kenagy, FSA, EA
Senior Director, Retirement
20-07490
September 30, 2020

David Anderson, ASA, EA
Director, Retirement
20-07493
September 30, 2020

Elizabeth Welborne, ASA, EA
Lead Associate, Retirement
20-08703
September 30, 2020

Willis Towers Watson US LLC

Appendix A: Statement of actuarial assumptions, methods and data sources

Assumptions and methods for contribution purposes

Economic Assumptions		
Interest rate basis		
■ Applicable month	January	
■ Interest rate basis	Segment Rates from Valuation Date	
Interest rates	**Reflecting Stabilization**	**Not Reflecting Stabilization**
■ First segment rate	3.64%	2.77%
■ Second segment rate	5.21%	3.83%
■ Third segment rate	5.94%	4.28%
■ Effective interest rate	5.38%	3.97%
Annual rates of increase		
■ Compensation:	4.50%	
■ Statutory limits on compensation	2.40%	
Plan-related expenses	$868,426	
Cash balance interest crediting rate	3.80%	

Rates not reflecting stabilization are used to determine PBGC variable rate premiums if the alternative method is used, and are used to determine the PBGC FTAP and the PBGC 4010 FS.

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees It was assumed there will be no new or rehired employees.

Mortality

- Healthy: Separate rates for non-annuitants (based on RP-2014 “Employees” table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2018 and annuitants (based on RP-2014 “Healthy Annuitants” table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2018.

- Disabled: Separate rates for non-annuitants (based on RP-2014 “Employees” table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2018 and annuitants (based on RP-2014 “Healthy Annuitants” table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2018.

Termination Rates varying by age and gender

Representative Termination Rates

Percentage leaving during the year		
Attained Age	Males	Females
20	5.00%	6.00%
25	5.00%	6.00%
30	5.00%	6.00%
35	4.00%	6.00%
40	3.00%	6.00%
45	2.00%	4.00%
50	1.00%	2.00%

Disability

The rates at which participants become disabled by age and gender are shown below:

Percentage becoming disabled during the year	
Age	Males and Females
20	0.14%
25	0.15%
30	0.16%
35	0.19%
40	0.30%
45	0.45%
50	0.69%

Retirement

Rates varying by age

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below.

Percentage assumed to retire during the year				
	Active Participants			
	Final Average Pay			
Age	Reduced Early Retirement	Unreduced Retirement	Cash Balance	Terminated Vested Participants
55	3%	5%	10%	3%
56 - 59	3%	5%	10%	3%
60	3%	10%	10%	15%
61	3%	10%	10%	5%
62	20%	20%	20%	5%
63	10%	10%	10%	5%
64	10%	10%	10%	20%
65-69	25%	25%	25%	40%
70+	100%	100%	100%	100%

Benefit commencement date:

- Preretirement death benefit — The later of the death of the active participant or the date the participant would have attained age 55

■ Deferred vested benefit	The later of age 55 or termination of employment
■ Disability benefit	Upon disablement
■ Retirement benefit	Upon termination of employment

Form of payment

■ Final Average Pay Participants	100% are assumed to elect a Single Life Annuity
■ Cash Balance Participants	90% of participants are assumed to elect a lump sum form of payment and 10% are assumed to elect a Single Life Annuity. Lump sums were valued using the substitution of annuity form under IRS Regulation §1.430(d)-1(f)(4) without application of generational mortality.

Lump Sum & Annuity Conversion	Cash balances are converted to annuities using “annuity substitution” with valuation interest rates and the “applicable mortality table” under Code Section 417(e)(B). Cash balance participants’ frozen FAP benefits are converted to lump sum using “annuity substitution” with valuation interest rates and the “applicable mortality table” under Code Section 417(e)(B).
Percent married	75% of participants eligible for pre-retirement death benefits are assumed to have an eligible spouse.
Spouse age	Wife three years younger than husband.
Covered pay	Assumed plan compensation for the year beginning on the valuation date was determined as an employee's annualized rate of basic compensation, excluding overtime, bonuses, expense allowances, profit sharing, and any other extra compensation in any form.

Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits as required by regulations under IRC §430.

Target normal cost

Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430.

Decrement timing

The approach used is called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.

Actuarial value of assets for determining minimum required contributions

Average of the fair market value of assets on the valuation date and 3, 6, 9, 12, 15, 18, 21, and 24 months preceding the valuation date, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2019 plan year.)

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with the plan sponsor and, based on that review, is not aware of any significant benefits required to be valued that were not.

Sources of Data and Other Information

The plan sponsor furnished participant data as of 1/1/2020. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available. Since hours of service were not provided by the plan sponsor, it was assumed that all employees who were both active at 01/01/2019 and 01/01/2020 earned 1,000 hours during the 2019 plan year.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate	The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.
Cash Balance Interest crediting rate	The plan credits interest to cash balance accounts using the 30-year Treasury rate, but with a minimum interest credit rate of 3.80%.
Annuity conversion rate	As required by IRC §430, cash balances are converted to annuities using “annuity substitution”, so that the interest rates assumed are effectively the same as described above for the discount rate.
Plan-related expenses	As required by regulations, plan-related expenses are calculated by estimating the expenses to be paid from the trust during the coming year (including, for example, expected PBGC premiums and actuarial, accounting, legal, administration and trustee fees to be paid from the trust).
Rates of increase in:	
■ Compensation	Assumed compensation increases are based on plan sponsor expectations.
■ Increases in statutory limits (CPI)	The assumed CPI increases are based on forecasts prepared by Russell Investments.

■ Assumed return for asset smoothing	The assumed return used for asset smoothing is the third segment rate.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Disabled Mortality	Assumptions used for funding purposes are as prescribed by IRC §430(h).
Termination	Termination rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Disability	Disability rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Retirement	Retirement rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Benefit commencement date for deferred benefits:	
■ Preretirement death benefit	Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
■ Deferred vested benefit	Based on plan sponsor's historical experience and expectations for the future with periodic adjustment based on observed gains and losses.
Form of payment	The percentage of retiring participants assumed to take lump sums or an annuity is based on historical experience and best

	expectations for the future with consideration of whether any conditions have changed that would be expected to produce different results in the future.
Percent married	The assumed percentage married is based on historical experience of marital statuses, with consideration of changes expected to occur in marriage patterns of retirement age individuals in the future.
Spouse age	The assumed age difference for spouses is based on plan sponsor expectations.

Prescribed Methods	
Funding methods	The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are “prescribed methods set by law”, as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions and Methods	
Change in assumptions since prior valuation	The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC §430. The mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvement, as required by IRC §430. The assumed plan-related expenses added to the target normal cost were changed from $469,681 for the prior valuation to $868,426 for the current valuation to account for higher expected expenses to be paid from the trust.
Change in methods since prior valuation	The valuation software used to produce the actuarial information in this report is different than used for the previous valuation due to a change in both the enrolled actuary for the plan and the business organization providing actuarial services to the plan, and such change in software may be considered to be a method change. The new method is substantially the same as the method used by the prior enrolled actuary and is consistent with the description of the method contained in the prior actuarial valuation report and Schedule SB of Form 5500 (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations). The funding target

and target normal cost (without regard to any adjustments for employee contributions and plan-related expenses), as determined for the prior plan year by the new enrolled actuary (using the actuarial assumptions of the prior enrolled actuary and disregarding the effects of any changes that are automatically approved under final IRC 430 regulations) are both within 3% of those values as determined by the prior enrolled actuary. The actuarial value of plan assets, as determined by the new enrolled actuary as of the valuation date for the prior plan year (using actuarial assumptions of the prior enrolled actuary), is within 2% of the value for that prior plan year as determined by the prior enrolled actuary. Therefore the change in funding method receives automatic approval under IRS Rev. Proc. 2017-56.

Assumptions and methods for pension cost purposes

Actuarial Assumptions and Methods — Pension Cost

Economic Assumptions

Pre-tax rate of return on assets for	7.50%
Discount rate:	
■ Equivalent single discount rate for benefit obligations	3.39%
■ Equivalent single discount rate for service cost	3.60%
■ Equivalent single discount rate for interest cost	2.99%
Annual rates of increase:	
■ Inflation	2.40%
■ Compensation:	4.50%
■ Statutory limits on compensation and benefits	2.40%
■ Cash balance interest credit rate	3.80%
Annuity conversion	Cash balances are converted to annuities using “annuity substitution” with valuation interest rates and the “applicable mortality table” under Code Section 417(e)(B)

The return on assets shown above is gross of investment expenses. Administrative expenses are accounted for as an addition to Service Cost, as described below.

Demographic Assumptions
(where different from those used for contribution purposes)

Mortality:

■ Healthy mortality rates — Base Mortality Table (Male Table used for males; Female Table used for Females)

1. Base table: Pri-2012
2. Base mortality table year: 2012
3. Table type: White Collar for non-union participants, Blue-Collar for union participants, and Total Dataset for participants with an unknown union status
4. Healthy or Disabled: Healthy
5. Table weighting: Benefit

6. Blending of annuitants and non-annuitants: Separate rates for annuitants and non-annuitants (based on Employees table)
7. Blending of retirees and contingent annuitants: Combined non-disabled annuitant mortality.

Mortality Improvement Scale (Male Table used for males; Female Table used for Females)

1. Base scale: MP-2019
2. Projection Type: Generational

- Disabled life mortality rates

Base Mortality Table

1. Base table: Pri-2012 Disabled Retiree
2. Base mortality table year: 2012
3. Table type: No Collar
4. Healthy or Disabled: Disabled
5. Blending of annuitants and non-annuitants: Single blended table of rates for annuitants and non-annuitants

Mortality Improvement Scale

1. Base scale: MP-2019
2. Projection Type: Generational

Additional Assumptions

Administrative expenses

Service cost includes $1,635,762 in administrative expenses expected to be paid from the trust during the current year.

Cash flow

- Decrement timing

The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.

- Timing of benefit payments

Benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year.

- Amount and timing of contributions

Contributions are assumed to be made on the schedule specified by the Company.

Funding policy

El Paso Electric Company's funding policy is to contribute an amount equal to the minimum required contribution with consideration for amounts included in customer rates. El Paso Electric Company considers each year whether to contribute additional amounts (e.g., to reach certain funded status thresholds to avoid benefit restrictions, at-risk status, ERISA §4010 filings or other requirements).

Methods – Pension Cost and Funded Position

Census date January 1, 2020

Measurement date January 1, 2020

Service cost and projected benefit obligation

The Unit Credit Cost Method is used to determine the Projected Benefit Obligation (PBO) and related current service cost. Under this method, the accrued benefit is calculated based upon service as of the measurement date. The PBO is the present value of this benefit and the service cost is the present value of the increase in the benefit due to service in the upcoming year. In normal circumstances the "accrued benefit" is based upon the Plan's accrual formula. However, if service in later years leads to a materially higher level of benefit than in earlier years, the "accrued benefit" is calculated by attributing benefits on a straight-line basis over the relevant period.

The benefits described above are used to determine both ABO and PBO except that final average pay is assumed to remain constant in the future when calculating ABO.

PBO and service cost are measured by separately discounting the projected benefit payments underlying these measures, determined using the methodology described above, using the spot rates on the December 31, 2019 Willis Towers Watson RATE:Link 40:90 yield curve. Interest cost was measured by summing the individual interest costs associated with each future benefit payment underlying the PBO and service cost. These individual interest costs are developed by multiplying the present value of each benefit payment, discounted using the applicable spot rate on the yield curve relating to the future benefit payment, by that spot rate. Equivalent single discount rates that would reproducing the resulting benefit obligation, service cost and interest cost have been determined and disclosed.

Market-related value of assets

The market-related value of assets is determined by adjusting the market value of assets to reflect the investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last 2 years at the rate of 33% per year. Expected investment return is a component of NPBC.

Amortization of unamortized amounts:

- Recognition of past service cost/(credit)

Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Benefit Cost/(Income) in the year first recognized and every year thereafter until it is fully amortized. The annual amortization payment is determined in the first year as the increase in PBO due to the plan change divided by the average remaining service period of active participants expected to receive benefits under the plan.

However, when a plan change reduces the PBO, existing positive prior service costs are reduced or eliminated starting with the earliest established before a new prior service credit base is established.

- Recognition of gains or losses

Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of Net Periodic Benefit Cost/(Income) for a year.

If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the PBO and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of active plan participants.

Under this methodology, the gain/loss amounts recognized in AOCI are not expected to be fully recognized in benefit cost until the plan is terminated (or an earlier event, like a settlement, triggers recognition) because the average expected remaining service of active participants expected to benefit under the plan over which the amounts are amortized is redetermined each year and amounts that fall within the corridor described above are not amortized.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with the plan sponsor and, based on that review, is not aware of any significant benefits required to be valued that were not.

Sources of Data and Other Information

The plan sponsor furnished participant data and claims data as of January 1, 2020. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available. Since hours of service were not provided by the plan sponsor, it was assumed that all employees who were both active at 01/01/2019 and 01/01/2020 earned 1,000 hours during the 2019 plan year.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with the Company's tax advisors and auditors.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions	
Discount rate(s)	As required by U.S. GAAP the discount rate methodology was chosen by the plan sponsor based on market information on the measurement date.
Expected return on plan assets	We understand that the expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions.
Cash balance interest crediting rate	Based on 20-year expectation of long-term government bonds, since the plan credits interest to cash balance accounts using the 30-year Treasury rate, but with a minimum interest credit rate of 3.80%.
Annuity conversion rate	Cash balances are converted to annuities using "annuity substitution".
Rates of increase in compensation	Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience.
Administrative expenses	Administrative expenses are estimated based on an assumption of past expenses paid from the trust assets as a percentage of held assets.

Assumptions Rationale - Significant Demographic Assumptions *(where different from those used for contribution purposes)*	
Healthy Mortality	Assumptions were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.
Disabled Mortality	Assumptions used for accounting purposes were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.

Source of Prescribed Methods (Required for ASOP compliance, otherwise optional)	
Accounting methods	The methods used for accounting purposes as described in Appendix A, including the method of determining the market-related value of plan assets, are "prescribed methods set by another party", as defined in the actuarial standards of practice (ASOPs). As

required by U.S. GAAP, these methods were selected by the plan sponsor.

Changes in Assumptions, Methods and Estimation Techniques

Change in assumptions since prior valuation	The single equivalent PBO discount rate decreased from 4.42% as of January 1, 2019 to 3.39% as of January 1, 2020 to reflect the change in yields on high-quality corporate bonds. The single equivalent service cost discount rate decreased from 4.50% as of January 1, 2019 to 3.60% as of January 1, 2020 to reflect the change in yields on high-quality corporate bonds The single equivalent interest cost discount rate decreased from 4.12% as of January 1, 2019 to 2.99% as of January 1, 2020 to reflect the change in yields on high-quality corporate bonds. The mortality assumption was updated from the RP-2014 Total Data Set Mortality Tables, with projection from 2006 to 2014 using Scale MP-2014 improvement removed, then projected generationally using Scale MP-2018 to the Pri-2012 Collar-Adjusted Mortality Tables with separate base tables used for actives and retirees and the retiree base table used for contingent survivors and projected generationally using Scale MP-2019. The annuity conversion assumptions were updated to the IRC Section 417(e)(3) applicable interest rates for August 2019 and applicable mortality table for lump sum payments in 2020
Change in methods since prior valuation	None.
Change in estimation techniques since prior valuation	The valuation software used for the plan was changed as part of the actuarial transition to Willis Towers Watson. El Paso Electric Company adopted the Willis Towers Watson RATE:Link 40:90 yield curve model for determining discount rates beginning January 1, 2020 as a result of actuarial transition. Previously, Ryan ALM Above Median Yield Curve was used.

Appendix B: Summary of principal plan provisions

Plan Provisions

The most recent amendment reflected in the following plan provisions was adopted on April 1, 2014.

Covered employees All employees

Participation date Prior to April 1, 2014, each employee who has completed a year of Eligibility Service shall become a Member in the plan. An employee receives a year of Eligibility Service if he completes 1,000 or more Hours of Service within a 12-month period commencing with his date of employment or any anniversary date.

Effective April 1, 2014, an employee hired or re-hired on or after April 1, 2014 shall become a Cash Balance Member on his employment commencement date or re-employment commencement date. An employee who is hired or re-hired after December 31, 2013 and before April 1, 2014 shall become a Cash Balance Member on April 1, 2014.

Definitions

Vesting service One year for each 1,000-hour calendar year of employment with El Paso Electric Company

Benefit service:

- Final Average Pay — One year for each 1,000-hour calendar year of employment.
- Cash Balance — Prior to January 1, 2014, a Member receives credit for one full year for each Plan Year in which he completes 1,000 or more hours of service. A Cash Balance Member (other than a Cash Balance Member who is hired or re-hired after December 31, 2013 and before April 1, 2014) who completes at least one Hour of Service during the period beginning January 1,2014 and ending March 31, 2014 shall receive credit for 0.25 year of Benefit Accrual Service for the 2014 Plan Year. After March 31, 2014, no additional Benefit Service shall be earned by a Cash Balance Member.

Pensionable pay An employee's annualized rate of basic compensation, excluding overtime, bonuses, expense allowances, profit sharing, and any other extra compensation in any form.

Average earnings:

■ Final Average Pay	The monthly average of a participant's pensionable pay computed by summing his pensionable pay as of any date and for each of the days beginning the four years preceding such date and dividing by sixty.
■ Cash Balance	For a Cash Balance Member who is employed by the employer as of April 1, 2014 and becomes a Cash Balance Member as of April 1, 2014, the monthly average of a Member's pensionable pay computed by summing his pensionable pay as of March 31, 2014 and as of March 31 of the preceding four calendar years and dividing by sixty.
Normal retirement date (NRD)	First day of the month coinciding with or next following the attainment of age 65 with five years of benefit service

Accrued benefit:

■ Final Average Pay

The monthly accrued benefit payable as a single life annuity upon Normal Retirement is the greater of (a), (b), (c) or (d) below, less any frozen benefit provided under group annuity contracts deemed purchased prior to August 1, 1989 as illustrated in Appendix A of the plan document:

(a) 1-1/4% of Average Monthly Earnings multiplied by years of benefit service.

(b) $25.00 multiplied by years of projected benefit service at normal retirement date, not to exceed 10.

> This amount multiplied by the ratio of years of benefit service earned to date, divided by years of projected benefit service at normal retirement date. This benefit shall be no greater than $250 per month.

(c) Amount of benefit payable in accordance with the Plan in effect on June 30, 1982 with Earnings frozen at the rate on June 30, 1982.

(d) Amount of accrued benefit earned as of October 17, 1990 under the prior benefit formula

■ Cash Balance

The Accrued Benefit for a Cash Balance Member is (a) plus (b), as follows:

(a) The benefit accrued under the Plan prior to becoming a Cash Balance Member, as determined under the Final Average Pay formula above.

(b) The Cash Balance Account, consisting of pay credits and interest credits.

- **Pay Credits**

For each Plan Year beginning on January 1, 2014, a Cash Balance Member shall receive a pay credit to his Cash Balance Account as of the last day of the Plan year (or termination date, if earlier). The pay crediting rate is based on the member's age and years of Vesting Service, as shown below:

Age Plus Vesting Service	Percentage of Base Pay for the Plan Year
Less than 30	3.00%
30-39	4.00%
40-49	5.00%
50-59	6.00%
60-69	7.00%
70-79	8.00%
80 or More	9.00%

- **Interest Credits**

Interest credits are allocated to the Cash Balance Account as of the last day of each month. The interest credit is determined by multiplying the Cash Balance Account as of the last day of the preceding month by the 30-Year Treasury Bond Rate for the month, which when compounded monthly for the 12 months of the Plan Year, is equal to the 30-Year Treasury Bond Rate for August of the preceding year (but no less than 3.80% for the Plan Year, compounded monthly).

Monthly preretirement death benefit:

- **Before Normal Retirement Age**

Payable upon the death of a participant employed by the company who had completed 5 years of Vesting Service. If the participant dies before attaining age 50 with 10 years of service, the amount payable to the spouse, to whom the participant was legally married during the one year period immediately preceding his death, is 50% of the amount the participant would have been entitled to had the participant separated from service on the date of his death, survived to the earliest retirement age, retired with an immediate qualified joint and survivor annuity and died the day after the earliest retirement age. If the participant dies after attaining age 50 with 10 years of service, the amount payable to the eligible spouse is 50% of the participant's Accrued Benefit, commencing immediately.

■ After Normal Retirement Age	If the participant dies after his Normal Retirement Age but before benefit payments commence, survivorship benefits will be paid in accordance with the form in which the participant's benefits would be paid if he had retired on the first day of the month following his date of death.

Eligibility for Benefits

Normal retirement	Retirement on NRD
Early retirement:	
■ Final Average Pay	After attainment of age 55 and completion of 5 years of Vesting Service, the participant may elect to commence his Accrued Benefit on a reduced basis prior to age 65. If the participant retires with at least 20 years of Vesting Service, he may receive his Accrued benefit as early as age 62 without any reduction. If the sum of the participant's age and years of Vesting Service equals or exceeds 85, he may receive his Accrued Benefit without any reduction.
■ Cash Balance	Early retirement under the plan is age 55 and completion of 3 years of Vesting Service.
Postponed retirement	Retirement after NRD
Deferred vested termination	Termination for reasons other than death or retirement after completing five years of vesting service for a Final Average Pay participant or three years of vesting service for a Cash Balance Member
Disability	Permanent and total disability prior to NRD, and participant is receiving a Social Security disability benefit
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse

Benefits Paid Upon the Following Events

Normal retirement	The monthly pension benefit determined as of NRD
Early retirement:	
■ Final Average Pay	The monthly pension benefit determined as of NRD reduced 6.667% for each of the first five years and 3.333% for each of the next five years that payment precedes the participant’s NRD.

■ Cash Balance	The frozen accrued benefit excluding his Cash Balance Benefits determined as of NRD actuarially reduced to the commencement date. The Cash Balance Benefit determined as of the commencement date will be actuarially reduced to be equivalent to the member's Cash Balance Account.
Postponed retirement	The monthly pension benefit determined as of the actual retirement date.
Deferred vested termination:	
■ Final Average Pay	The participant may elect to commence as early as their Early Retirement with the monthly pension benefit determined as of NRD reduced 6.667% for each of the first five years and 3.333% for each of the next five years that payment precedes the participant's NRD.
■ Cash Balance	The frozen accrued benefit excluding Cash Balance Benefits will be payable as of NRD or may elect to commence at any time after termination with actuarial reductions. 100% of the Cash Balance account is payable on the first day of any month following termination.
Disablement:	
■ Final Average Pay	Payable to a participant beginning at NRD after becoming totally and permanently disabled while employed by the company. The annuity payable is based on Average Monthly Earnings at date of Disability and Benefit Service, including all credit for all years while disabled, at NRD. The qualified joint and spouse survivor death benefit will apply.
■ Cash Balance	Payable to a participant immediately after becoming totally and permanently disabled while employed by the company. The benefit payable is the Frozen Final Average Pay Accrued Benefit as of March 31, 2014 and the Cash Balance Account based on Earnings and Vesting Service through date of Disability.
Preretirement death	If participant has attained age 50 and earned at least 10 years of vesting service, then the monthly preretirement death benefit payable on behalf of an active employee is unreduced for form of payment and early retirement. In all other cases, the monthly preretirement death benefit payable is reduced 6.667% for each of the first five years and 3.333% for each of the next five years that payment precedes the participant's NRD.

Other Plan Provisions

Forms of payment	Preretirement death benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of a 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 25%, 75% and 100% joint and survivor annuity, a ten-year certain and life annuity, (for married participants) a life annuity, or (for Cash Balance Members) a lump sum distribution. Actuarial equivalence for annuity forms uses the 1971 Group Annuity Mortality Table for males, set back three years, and an interest rate of 6% compounded annually. Actuarial equivalence for lump sum purposes is the “applicable mortality table” under Code Section 417(e)(3)(B) and the “applicable interest rate” under Code Section 417(e)(3)(C) determined as of the fifth month immediately preceding the first day of the Plan Year in which the distribution is being made.
Pension Increases	None
Plan participants’ contributions	None
Automatic Cash Out	Upon termination of service, if the lump sum value of the accrued benefit is less than $1,000, the lump sum amount is paid as soon as practical after termination.
Maximum limits on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes take effect.

Future Plan Changes

No future plan changes were recognized in determining pension cost or funding requirements. Willis Towers Watson is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Appendix C: Statement of funding-related risks of plan in accordance with ASOP No.

Potentially Significant Risks Associated with the Plan

The following sections discuss certain risks associated with the Retirement Income Plan. The specific risks discussed below do not represent a comprehensive list of all risks that could potentially affect the plan, its participants, the sponsor, or any other party. In our professional judgment, we believe these risks to be most relevant to the plan's future financial condition. Not all possible sources of risk were considered. We have not assessed the likelihood or consequences of potential future changes in applicable law. Nothing contained in this report is intended to provide investment advice.

The results shown in this report rely on assumptions regarding future economic and demographic experience. Actual future experience will deviate from the actuarial assumptions, and thus future actuarial measurements and future contribution requirements will differ (perhaps significantly) from the current measurements and contribution requirements presented in this report. Following is a discussion of some of the risks that have the potential to significantly increase the future contributions needed to satisfy legal requirements and secure the benefits of participants. While the discussion below focuses on elements that can increase contributions, contributions may also significantly decline, if these elements move in the opposite direction than discussed below. *Note also that any assessment of the risk provided below is speculative and made by the actuary who may not have all the information necessary to evaluate the significance of the risk to the company or plan participants of changes in the plan's funded status; the plan sponsor and its advisors should consider the assessment and any reasons given, and other information, and come to their own conclusions as to the significance of the risk presented.* A more complete understanding of these or other risks would require a separate analysis. Such analysis would provide information about the consequences of different plausible experience and about the severity of adverse experience that could be tolerated within a range of funding levels. We recommend that such an analysis be performed or considered.

We also note that the financial condition of a plan, as well as the contributions caused by this condition, tend to be highly leveraged amounts. When referring to a plan's financial condition below, we generally mean the difference between the plan's assets and its liabilities. As each of these numbers is typically much larger than their difference, even a small change in either one can cause a large percentage change in the financial condition and the resulting contributions.

Financial Risks

Willis Towers Watson's Cost & Risk Management Channel is updated each year based on the most recent funding actuarial valuation and performs a high-level projection of funding requirements over the next few years, taking into account the projected stabilized interest rates. El Paso Electric Company has access to this tool as well as the ability to perform their own "what-if" scenarios if so desired. This tool can assist in El Paso Electric Company's understanding and assessment of the financial risks in this plan.

Asset-Liability Mismatch Risk

There is generally a substantial risk to a plan's financial condition if the changes in asset values are not matched by changes in the value of liabilities. This risk exists because much of the plan's assets are invested in securities that would not be expected to move in any predictable pattern relative to plan liabilities. That said, there is a portion of the plan's assets which are invested in securities that are expected to move in the same direction as liabilities, which may serve to partially mitigate a portion of this risk.

Investment Risk

Much of the plan's assets are invested in return-seeking asset classes that can experience volatile returns. Several consecutive years of moderately poor returns or a single year of exceptionally poor returns may cause a significant increase in minimum required contributions or in contributions required to reach desired funding targets (e.g., to fully fund plan termination liability, to fully fund the plan under the minimum funding rules, to avoid PBGC variable rate premiums or an ERISA §4010 filing, to avoid benefit restrictions or to meet other goals of the plan sponsor). Failure to compensate for adverse investment experience with increased contributions could result in further degradation of the funded status of the plan over time, even if investments return at expected rates thereafter.

Generally there is a substantial risk to a plan's financial condition if investment returns are lower than expected. In this situation the risk is present because some of the plan's assets are allocated to investments that would not be expected to move in any predictable pattern relative to plan liabilities.

Interest Rate Risk

The funding requirements use a measure of plan obligations based on recent high quality (rated A or better) corporate bond yields, adjusted so that they do not deviate by more than a specified percentage (which differs by year) from a 25-year average of such yields. If yields trend downward, the pension obligations and required contributions may increase significantly and the higher contribution rates may persist for a long period of time. The 25-year average currently results in the use of interest rates that are higher than current market yields. Under current law the effect of the averaging will decline over time because the specified percentage will be increased from the current 10% to 30%. Together these two facts mean that the interest rates used to measure liabilities will decline over time if market yields remain at current levels, Therefore, we expect interest rates used to measure liabilities to decline, the plan's funded status to deteriorate and minimum required contributions to increase.

There is generally a substantial risk to a plan's financial condition due to changes in interest rates because plan liabilities increase as interest rates decline. In this situation the risk is somewhat mitigated because the plan's liabilities used to determine required contributions are determined based on stabilized interest rates that do not reflect current market conditions.

Demographic Risks

The demographic risks discussed below are typically not as significant as the economic risks discussed above since both the degree of variation from assumptions and the effect on funded status tend to be smaller. However, situations do exist such as certain plan designs or corporate activity where the risks below may be more significant.

Longevity Risk

Measurements of the plan obligations are based on the assumptions of participant longevity described in Appendix A. Expert opinions about future longevity vary widely. If lifespans of plan participants exceed those expected under the assumptions used in preparing the results presented in this report, future measures of the plan obligation and future contribution requirements will gradually increase over time. Furthermore, an emerging pattern of longer lifespans or new research that increases the plausibility of longer lifespans may require a future adjustment in the mortality assumptions that results in a permanent significant increase in the plan obligation measurements and contribution requirements.

Retirement Risk

The plan includes valuable early retirement subsidies. As a result, plan costs will increase if participants retire at younger ages than assumed. This might occur, for example, if business conditions were to cause reductions in force. Currently, retirements are expected to occur at various ages, using the retirement rates summarized in Appendix A.

Lump Sum Risk

The plan includes an annuity conversion of the cash balance accounts determined using interest rates under IRC §417(e). Due to the required use of annuity substitution under IRS funding rules, the amount of funding target included in the valuation will differ from the actual annuity amounts.

The risk of plan financial decline due to this assumption is mitigated under the current HATFA legislation given the funding target amount included in the valuation tends to exceed the actual annuity payments.

Other Risks

Additional risks exist, including but not limited to liquidity risk, inflation risk, business-specific risk, and compliance risk. However, at this time we do not believe these risks to be as relevant or significant to the plan's future financial condition as those outlined above. It is possible one or more of these risks (in addition to some that are not listed) could become more prevalent and significant in the future depending on a wide range of factors including, but not limited to, changes in employee demographics, de-risking activities, legislative changes, unexpected economic movements, etc.

Historical Information

The following information is provided to demonstrate how fair value of assets, funding target, and funded percentage have varied over time. In order to better illustrate market movements, the effect of interest rate stabilization (first enacted in the Moving Ahead for Progress in the 21st Century (MAP 21) and since extended by subsequent legislation) has been excluded (i.e., the measures summarized below are calculated without reflecting stabilized interest rates). Note that the asset values and funding targets shown below were affected by the levels of plan sponsor contributions and benefits accruing, respectively, in addition to interest rates, asset gains and losses, and other experience.

Plan Year	Fair Market Value of Assets	Funding Target	Funded Percentage
2020	327,152,316	330,215,292	99.07%
2019	272,803,260	318,093,168	85.76%

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Appendix D: Descriptions of funded status measures

Calculations for Funding Ratios Chart in Section 1: Summary of Results

Prior Year Ratios

	Purpose of Ratio	Asset Measure	Obligation Measure
1	Test ability to apply funding balances to current year MRC	AVA - PFB	FTO
2	Quarterly contribution exemption test for current year	AVA – FSCB - PFB	FT
3	At-risk Prong 1 Test for current year	AVA – FSCB - PFB	FTO
4	At-risk Prong 2 Test for current year	AVA – FSCB - PFB	FTAR, but without loads

Current Year Ratios

	Purpose of Ratio	Asset Measure	Obligation Measure
1	Test ability to apply funding balances to next year's MRC	Same as for analogous Prior Year Ratio	
2	Quarterly contribution exemption test for next year	Same as for analogous Prior Year Ratio	
3	At-risk Prong 1 Test for next year	Same as for analogous Prior Year Ratio	
4	At-risk Prong 2 Test for next year	Same as for analogous Prior Year Ratio	
5	PBGC 4010 filing gateway test (PBGC FTAP) (to determine whether a filing is required next year for the current plan year)	AVA – FSCB - PFB	FTO ignoring interest rate stabilization
6	Exemption from establishing SAB in current year:		
	- If PFB applied to current year MRC	AVA - PFB	FT
	- If PFB not applied to current year MRC	AVA	FT
7	Eliminate SABs in current year	AVA – FSCB – PFB	FT

Benefit Restriction Ratios

Purpose of Ratio for Plan Year	Plan assets	Obligations	Year Ratio is Determined
Adjusted Funding Target Attainment Percentage (AFTAP) – Application of Benefit Restrictions under IRC 436	[AVA if AVA/FTO >= 100%; AVA – FSCB – PFB otherwise] + annuity purchases for NHCEs in previous 2 years	FTO[1] + annuity purchases for NHCEs in previous 2 years	Current

1 If plan sponsor is in bankruptcy, FTO is calculated using interest rates that are not stabilized for purposes of restrictions on accelerated payments.

Definitions of terms

Term	Short for	Definition
FTAP	Funding target attainment percentage	(AVA – FSCB – PFB) / FTO
PBGC FTAP	FTAP for exemption from ERISA 4010	(AVA – FSCB – PFB) / (FTO ignoring interest rate stabilization)
FSCB	Funding standard carryover balance	Accumulated contributions in excess of those required in pre-PPA plan years, less amounts applied to MRC or forfeited
PFB	Prefunding balance	Accumulated contributions in excess of those required since PPA applied to the plan, to the extent the plan sponsor elected to create PFB, less amounts subsequently applied to MRC or forfeited
Funding balance	FSCB + PFB	
FTO	Ongoing funding target	Funding target as described in IRC 430, ignoring at-risk assumptions; equals FT for a plan that is not at-risk.[1]
FTO ignoring stabilization	FTO calculated ignoring interest rate stabilization	Same as FTO if the full yield curve is used, or stabilized segment rates fall within the corridors
FTAR	At-risk funding target	Funding target reflecting at-risk assumptions and any applicable loads, as described in IRC 430(i), with no phase-in
FT	Funding target	Funding target used to calculate MRC. Equals: ■ FTO if the plan is not at-risk. ■ FTAR if the plan has been at risk for at least 5 consecutive plan years. ■ Otherwise, FTO + 20% * (# of consecutive years at-risk) * (the excess, if any, of FTAR over FTO).
FS	Funding shortfall (surplus)	FT – (AVA – funding balances)
PBGC 4010 FS	Funding shortfall for determining whether a controlled group is exempt from an ERISA 4010 filing	FT (ignoring interest rate stabilization) - AVA See PBGC reporting requirements section of the report for more information.

[1] If plan sponsor is in bankruptcy, FTO is calculated using interest rates that are not stabilized for purposes of restrictions on accelerated payments.

Term	Short for	Definition
SAB	Shortfall amortization base	An SAB is established each year equal to the FS less the present value of the SAIs related to SABs established in earlier years. A plan may be exempt from establishing an SAB for a plan year in accordance with the test in the Funding Ratios chart in section 1.
TNC	Target normal cost	Present value of benefits expected to accrue, and expenses expected to be paid from plan assets, for the year. Reflects at-risk assumptions if the plan is at-risk (phased-in if plan has been at-risk for fewer than 5 consecutive years as described above)
SAI	Shortfall amortization installment	Amortization for an SAB established in a particular year. SAIs are eliminated if FS is less than or equal to $0.
MRC	Minimum required contribution	TNC plus SAIs as of the valuation date (assumes no funding waivers and plan is not fully funded). See section 2.4 for more details on this calculation.
AVA	Actuarial value of plan assets	“Plan assets” under PPA, including discounted receivables and reflecting any smoothing. See section 2.3 for more details.

WillisTowersWatson

El Paso Electric Company

Postretirement Benefit Programs for Employees of
El Paso Electric Company

Actuarial Valuation Report
Benefit Cost for Fiscal Year Beginning January 1, 2020 under US GAAP

October 2020

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Purposes of valuation

El Paso Electric Company engaged Willis Towers Watson US LLC (Willis Towers Watson) to value the Company's other postretirement benefit plan.

As requested by El Paso Electric Company (the Company), this report documents the results of an actuarial valuation of the Postretirement Benefit Programs (the Plan) as of January 1, 2020.

The primary purpose of this valuation is to determine the Net Periodic Postretirement Benefit Cost/(Income) (Benefit Cost), in accordance with FASB Accounting Standards Codification Topic 715 (ASC 715) for the fiscal year beginning January 1, 2020. It is anticipated that a separate report will be prepared for year-end financial reporting purposes.

Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. The expected contribution to the other postretirement benefits plan(s) has been set at $450,000.

   Note that any significant change in the amounts contributed or expected to be contributed in 2020 may require disclosure in the interim financial statements, but should not affect the expected return on plan assets absent a remeasurement for another purpose.

2. There may be certain events that have occurred since the valuation date that are not reflected in the current valuation. See Subsequent Events in the Basis for Valuation section below for more information.

3. This report does not provide information for plan accounting and financial reporting under ASC 960 or ASC 965.

4. This report does not present liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling benefit obligations, as all such measures differ in some way from plan termination obligations. In addition, funded status measures shown in this report do not reflect the current costs of settling obligations by offering immediate lump sum payments to participants and/or purchasing annuity contracts for the remaining participants (e.g., insurer profit, insurer pricing of contingent benefits and/or provision for anti-selection in the choice of a lump sum vs. an annuity).

5. The comparisons of plan obligations as determined for accounting and financial reporting purposes to plan assets presented in this report cannot be relied upon to determine the need for nor the amount of required future plan contributions. Nevertheless, such comparisons may be useful to assess the need for future contributions because they reflect current interest rates at the measurement date in determining benefit obligations. However, asset gains and losses,

demographic experience different from assumed, changes in interest rates, future benefit accruals, if any, and other factors will all affect the need for and amount of future contributions. In addition, if a plan is not required by law to be funded, benefit payments may also be paid directly by the plan sponsor as they come due.

Section 1: Summary of key results

Benefit cost, plan assets & obligations

All monetary amounts shown in US Dollars

Fiscal Year Beginning		01/01/2020	01/01/2019[1]
Benefit Cost/ (Income)	Net Periodic Postretirement Benefit Cost/(Income)	(3,848,723)	(4,851,791)
	Benefit Cost/(Income) due to Special Events	0	0
	Total Benefit Cost/(Income)	(3,848,723)	(4,851,791)
Measurement Date		**01/01/2020**	**01/01/2019**
Plan Assets	Fair Value of Plan Assets (FVA)	41,810,927	36,287,094
	Actual Return on Fair Value of Plan Assets during Prior Year	18.57%	(7.48%)
Benefit Obligations	Accumulated Postretirement Benefit Obligation (APBO)	(60,760,057)	(60,234,631)
Funded Ratio	Fair Value of Plan Assets to APBO	68.8%	60.2%
Accumulated Other Comprehensive (Income)/Loss (Pre-tax)	Net Prior Service Cost/(Credit)	(23,472,150)	(28,706,014)
	Net Loss/(Gain)	(42,271,720)	(37,517,571)
	Total Accumulated Other Comprehensive (Income)/Loss (pre-tax)	(65,743,870)	(66,223,585)
Assumptions	Equivalent Single Discount Rate for Benefit Obligations	3.54%	4.44%
	Equivalent Single Discount Rate for Service Cost	3.86%	4.51%
	Equivalent Single Discount Rate for Interest Cost	3.09%	4.15%
	Expected Long-Term Rate of Return on Plan Assets	6.00%	6.00%
Participant Data	Census Date	01/01/2020	01/01/2019

[1] January 1, 2019 actuarial valuation performed by prior actuary.

Comments on results

The actuarial gains/(losses) due to demographic experience, including any assumption changes and impact of the actuarial transition, and investment return different from assumed during the prior year were $2,615,494 and $4,515,569 respectively.

Change in net periodic cost and funded position

The net periodic cost increased from $(4,851,791) in fiscal 2019 to $(3,848,723) in fiscal 2020 and the funded position improved from $(23,947,537) to $(18,949,130).Significant reasons for these changes include the following:

- The actual return on the fair value of plan assets since the prior measurement date was greater than expected, which improved the funded position.
- A large prior service credit base was fully recognized in fiscal year 2019, which increased the net periodic cost for fiscal year 2020.
- The single equivalent discount rate used to measure (A)PBO declined 90 basis points compared to the prior year, which increased the net periodic cost and caused the funded position to deteriorate.

Basis for valuation

Appendix A summarizes the assumptions and methods used in the valuation. Appendix B summarizes our understanding of the principal provisions of the plan being valued. Both of these appendices include a summary of any changes since the prior valuation. Unless otherwise described below under Subsequent Events, assumptions were selected based on information known as of the measurement date.

Subsequent events

The results provided in this report reflect data and assumptions appropriate for the purpose of the measurement. Effects of COVID-19 on the financial markets, regulations, and experience are uncertain and still evolving. The results in this report make no allowances for the effects of COVID-19. There may be significant effects on plan experience and/or assumptions, both demographic and economic, used for future measurements.

Additional information

None.

Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information discussed below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied upon information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by the Company and other persons or organizations designated by the Company. See the Sources of Data and Other Information section of Appendix A for further details. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by the Company, may produce materially different results that could require that a revised report be issued.

Measurement of benefit obligations, plan assets and balance sheet adjustments

Census date/measurement date

The measurement date is January 1, 2020. The benefit obligations were measured as of January 1, 2020 and are based on participant data as of the census date, January 1, 2020.

Plan assets and balance sheet adjustments

Information about the fair value of plan assets for the other postretirement benefit plan cost at December 31, 2019, which reflect the expected funded status of the plan before adjustment to reflect the funded status based on the year-end measurements, was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined by the Company in consultation with its tax advisors and independent accountants.

Assumptions and methods under U.S. GAAP

The methods employed in the development of the other postretirement benefit cost and other financial reporting have been selected by the Company, with the concurrence of Willis Towers Watson. The actuarial assumptions were also selected by the Company, but without using the work of Willis Towers Watson. Evaluation of the actuarial assumptions was outside the scope of Willis Towers Watson's assignment and would have required substantial additional work that we were not engaged to perform. U.S. GAAP requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by Willis Towers Watson, we consider to be reasonable. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

A summary of the assumptions, methods and sources of data and other information used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the January 1, 2020 measurement date will change the results shown in this report.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

See Basis for Valuation in Section 1 above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter dated March 9, 2020 and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of the Company and its independent accountants in connection with our actuarial valuation of the other postretirement benefit plan as described in Purposes of Valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. The Company may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require the Company to provide them this report, in which case the Company will use best efforts to notify Willis Towers Watson in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Willis Towers Watson's prior written consent. Willis Towers Watson accepts no responsibility for any consequences arising from any other party relying on this report or any advice relating to its contents.

Professional qualifications

The undersigned are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to other postretirement benefit plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.

Cat Kenagy

Cat Kenagy, FSA, EA
Senior Director, Retirement
20-07490
October 2, 2020

David Anderson, ASA, EA
Director, Retirement
20-07493
October 2, 2020

Elizabeth Welborne, ASA, EA
Lead Associate, Retirement
20-08703
October 2, 2020

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Section 2: Accounting exhibits

2.1 Balance sheet asset/(liability)

All monetary amounts shown in US Dollars

Measurement Date	01/01/2020	01/01/2019[1]
A Development of Balance Sheet Asset/(Liability)[2]		
1 Accumulated postretirement benefit obligation (APBO)	(60,760,057)	(60,234,631)
2 Fair value of plan assets (FVA)	41,810,927	36,287,094
3 Net balance sheet asset/(liability)	(18,949,130)	(23,947,537)
B Current and Noncurrent Classification[3]		
1 Noncurrent asset	0	0
2 Current liability	0	0
3 Noncurrent liability	(18,949,130)	(23,947,537)
4 Net balance sheet asset/(liability)	(18,949,130)	(23,947,537)
C Accumulated Other Comprehensive (Income)/Loss		
1 Net prior service cost/(credit)	(23,472,150)	(28,706,014)
2 Net loss/(gain)	(42,271,720)	(37,517,571)
3 Accumulated other comprehensive (income)/loss[4]	(65,743,870)	(66,223,585)
D Assumptions and Dates		
1 Equivalent single discount rate for benefit obligations	3.54%	4.44%
2 Equivalent Single Discount Rate for Service Cost	3.86%	4.51%
3 Equivalent Single Discount Rate for Interest Cost	3.09%	4.15%
4 Census date	01/01/2020	01/01/2019

1 January 1, 2019 actuarial valuation performed by prior actuary.
2 Whether any amounts in this table that differ from those disclosed at year-end must be disclosed in subsequent interim financial statements should be determined.
3 The current liability (for each underfunded plan) was measured as the discounted value of benefits expected to be paid over the next 12 months in excess of the fair value of the plan's assets at the measurement date.
4 Amount shown is pre-tax and should be adjusted by plan sponsor for tax effects.

2.2 Changes in plan obligations and assets

All monetary amounts shown in US Dollars

Period Beginning	01/01/2020	01/01/2019[1]
A Change in Accumulated Postretirement Benefit Obligation (APBO)		
1 APBO at beginning of prior fiscal year	60,234,631	66,785,274
2 Employer service cost	2,423,100	2,795,327
3 Interest cost	2,456,400	2,252,371
4 Actuarial loss/(gain)	(2,615,494)	(9,417,495)
5 Plan participants' contributions	1,261,866	1,168,256
6 Benefits paid from plan assets [1]	(2,642,680)	(3,003,553)
7 Benefits paid from Company assets [2]	(176,331)	(141,182)
8 Medicare Part D subsidy	0	0
9 Administrative expenses paid [3]	(181,435)	(204,367)
10 Plan amendments	0	0
11 Acquisitions/(divestitures)	0	0
12 Curtailments	0	0
13 Settlements	0	0
14 Special/contractual termination benefits	0	0
15 APBO at beginning of current fiscal year	60,760,057	60,234,631
B Change in Plan Assets		
1 Fair value of plan assets at beginning of prior fiscal year	36,287,094	40,873,484
2 Actual return on plan assets	6,636,082	(2,996,726)
3 Employer contributions	450,000	450,000
4 Plan participants' contributions	1,261,866	1,168,256
5 Benefits paid [1]	(2,642,680)	(3,003,553)
6 Administrative expenses paid	(181,435)	(204,367)
7 Acquisitions/(divestitures)	0	0
8 Settlements	0	0
9 Fair value of plan assets at beginning of current fiscal year	41,810,927	36,287,094

1 January 1, 2019 actuarial valuation performed by prior actuary.
2 Net of retiree contributions.
3 Only if future expenses are accrued in APBO through a load on service cost.

2.3 Summary of net balances

All monetary amounts shown in US Dollars

A Summary of Net Prior Service Cost/(Credit)

Measurement Date Established	Original Amount	Net Amount at 01/01/2020	Remaining Amortization Period	Amortization Amount in 2020	Effect of Curtailments	Other Events
10/03/2013	(97,440)	(32,716)	3.15609	(10,366)	0	0
12/31/2015	(823,872)	(491,332)	5.91005	(83,135)	0	0
10/01/2016	(32,697,299)	(22,948,102)	7.65000	(2,999,753)	0	0
Total		(23,472,150)		(3,093,254)	0	0

All monetary amounts shown in US Dollars

B Summary of Net Loss/(Gain) (see Appendix A for a description of amortization method)

Net Amount at 01/01/2020 [1]	Amortization Amount in 2020	Effect of Curtailments	Effect of Settlements	Other Events (Identify)
(42,271,720)	(2,727,822)	0	0	0

[1] Before any immediate recognition on the same date.

2.4 Development of plan assets for benefit cost

All monetary amounts shown in US Dollars

			Fair Value	Market-Related Value
A		**Reconciliation of Plan Assets**		
	1	Plan assets at 12/31/2018	36,287,094	36,287,094
	2	Actual return on plan assets	6,636,082	6,636,082
	3	Employer contributions	450,000	450,000
	4	Plan participants' contributions	1,261,866	1,261,866
	5	Benefits paid	(2,642,680)	(2,642,680)
	6	Administrative expenses paid	(181,435)	(181,435)
	7	Acquisitions/(divestitures)	0	0
	8	Settlements	0	0
	9	Plan assets at 12/31/2019	41,810,927	41,810,927
B		**Rate of Return on Invested Assets**		
	1	Weighted invested assets	35,730,969	
	2	Rate of return	18.57%	
C		**Investment Loss/(Gain)**		
	1	Actual return	6,636,082	
	2	Expected return	2,120,513	
	3	Loss/(gain)	(4,515,569)	

2.5 Summary and comparison of benefit cost and cash flows

All monetary amounts shown in US Dollars

Fiscal Year Ending	12/31/2020	12/31/2019[1]
A Total Benefit Cost		
1 Employer service cost[2]	2,577,806	2,423,100
2 Interest cost	1,848,918	2,456,400
3 Expected return on plan assets	(2,454,371)	(2,120,513)
4 Subtotal	1,972,353	2,758,987
5 Net prior service cost/(credit) amortization	(3,093,254)	(5,233,864)
6 Net loss/(gain) amortization	(2,727,822)	(2,376,914)
7 Subtotal	(5,821,076)	(7,610,778)
8 Net periodic postretirement benefit cost/(income)	(3,848,723)	(4,851,791)
9 Curtailments	0	0
10 Settlements	0	0
11 Special/contractual termination benefits	0	0
12 Total benefit cost	(3,848,723)	(4,851,791)
B Assumptions (See Appendix A for interim measurements, if any)		
1 Equivalent single discount rate for benefit obligations	3.54%	4.44%
2 Equivalent single discount rate for service cost	3.86%	4.51%
3 Equivalent single discount rate for interest cost	3.09%	4.15%
4 Expected long-term rate of return on plan assets	6.00%	6.00%
5 Census date	01/01/2020	01/01/2019
C Fair Value of Assets at Beginning of Year	41,810,927	36,287,094
D Cash Flows Net of Medicare Part D Subsidy	**Expected**	**Actual**
1 Employer contributions	450,000	450,000
2 Plan participants' contributions	1,298,756	1,261,866
3 Benefits paid from Company assets	0	176,331
4 Benefits paid from plan assets	3,140,132	2,642,680
E Amortization Period		
1 For gain/loss amortization, if applicable	13.26909	13.25000

[1] Fiscal year 2019 benefit cost determined by prior actuary.
[2] Includes administrative expenses equal to 0.5% of fair value of assets.

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Section 3: Participant data

3.1 Summary of participant data

All monetary amounts shown in US Dollars

Census Date				01/01/2020	01/01/2019
A	**Participating Employees**				
	1	Number			
		a	Fully eligible	434	310
		b	Other	692	780
		c	Total participating employees	1,126	1,090
	2	Average age		46.02	46.30
	3	Average credited service		14.20	15.10
B	**Retirees, Surviving Spouses and Surviving Dependents**				
		Medical Plan			
		a	Retirees	388	378
		b	Dependents of Retirees	216	219
		c	Surviving Spouses	41	65
		Life Insurance Plan			
		a	Number	534	516

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Appendix A: Statement of actuarial assumptions, methods and data sources

Plan Sponsor

El Paso Electric Company

Statement of Assumptions

The assumptions disclosed in this Appendix are for the fiscal year 2020 benefit cost.

Assumptions and methods for other postretirement benefit cost purposes

Actuarial Assumptions and Methods — Other Postretirement Benefit Cost	
Economic Assumptions	
Discount Rate	
Equivalent single discount rate for benefit obligations	3.54%
Equivalent single discount rate for service cost	3.86%
Equivalent single discount rate for interest cost	3.09%
Annual rates of increase	
■ Consumer Price Index (CPI)	2.40%
■ Return on plan assets	6.00% after-tax return.

The return on assets shown above is gross of investment expenses and administrative expenses assumed to be paid from the trust.

Demographic and Other Assumptions	
Inclusion date	The valuation date coincident with or next following the date on which the employee is hired.
New or rehired employees	It was assumed there will be no new or rehired employees.
Benefit commencement dates:	
■ Disability benefit	Upon disablement if participant is at least age 41, with age and service greater than 65
■ Retirement benefit	Upon termination of participant on or after eligibility

Participation Assumptions for Plan

	Current Retirees	Future Retirees
Participation	Based on valuation census data	85% of future retirees are assumed to elect medical coverage at retirement. Current retired plan participants are assumed to continue coverage.
Medical Plan Participation	Based on valuation census data	72% of future retirees are assumed to elect the $1,000 Plan and 28% of future retirees are assumed to elect the $2,250 Plan
Percentage married	Based on valuation census data	70% of males; 40% of females
Spouse age	Based on valuation census data	Wife 3 years younger than husband
Non-spouse dependent coverage	Not included in this valuation	Not included in this valuation

Demographic Assumptions

Mortality:

- Healthy mortality rates

Base Mortality Table (Male Table used for males; Female Table used for Females)

1. Base table: Pri-2012
2. Base mortality table year: 2012
3. Table type: White Collar for non-union participants, Blue-Collar for union participants, and Total Dataset for participants with an unknown union status
4. Healthy or Disabled: Healthy
5. Table weighting: Benefit
6. Blending of annuitants and non-annuitants: Separate rates for annuitants and non-annuitants
7. Blending of retirees and contingent annuitants: Combined non-disabled annuitant mortality.

Mortality Improvement Scale (Male Table used for males; Female Table used for Females)

1. Base scale: MP-2019
2. Projection Type: Generational

- Disabled life mortality rates

Base Mortality Table (Male Table used for males; Female Table used for Females)

1. Base table: Pri-2012
2. Base mortality table year: 2012
3. Table type: No Collar
4. Healthy or Disabled: Disabled
5. Blending of annuitants and non-annuitants: Single blended table of rates for annuitants and non-annuitants

Mortality Improvement Scale

1. Base scale: MP-2019
2. Projection Type: Generational

Disability rates

The rates at which participants are assumed to become disabled by age are shown below:

Percentage assumed to become disabled during the year	
Attained Age	
45	0.45%
55	1.19%
65+	1.93%

Termination (not due to disability or retirement) rates

The rates at which participants are assumed to terminate employment by age and gender are shown below:

Percentage assumed to leave during the year		
Attained Age	Males	Females
25	5.0%	6.0%
30	5.0%	6.0%
35	4.0%	6.0%
40	3.0%	6.0%
45	2.0%	4.0%
50	1.0%	2.0%
55+	0.0%	0.0%

Retirement

Rates at which participants are assumed to retire by age and eligibility for an unreduced early retirement are shown below.

Percentage assumed to retire during the year			
	Final Average Pay		
Age	Reduced Early Retirement	Unreduced Retirement	Cash Balance
55	3.0%	5.0%	10.0%
56-59	3.0%	5.0%	10.0%
60	3.0%	10.0%	10.0%
61	3.0%	10.0%	10.0%
62	20.0%	20.0%	20.0%
63	10.0%	10.0%	10.0%
64	10.0%	10.0%	10.0%
65-69	25.0%	25.0%	25.0%
70	100.0%	100.0%	100.0%

Trend Rates

Health care cost trend rate

Plan trend rates are the annual rates of increase expected for benefits payable from the plan; these rates include Health Care Cost Trend plus any leveraging effect of plan design. Assumed plan trend rates are shown below:

Year	Pre-65		Post-65	
	Medical	Drug	Medical	Drug
2020	5.75%	6.75%	4.50%	7.00%
2021	5.50%	6.50%	4.50%	6.75%
2022	5.25%	6.25%	4.50%	6.50%
2023	5.00%	5.75%	4.50%	6.00%
2024	4.75%	5.25%	4.50%	5.50%
2025	4.50%	4.75%	4.50%	5.00%
2026+	4.50%	4.50%	4.50%	4.50%

Participant contribution trend rates

Same as applicable medical plan trend rate

Per Capita Claims Cost

Basis for per capita claim cost assumptions

The average annual per capita health rates for 2020 are shown below. These medical baseline costs were developed by the prior actuary from the PwC retiree medical claims cost database and the actual El Paso retiree medical claims experience.

Average per capita claims cost				
	$1,000 Deductible		$2,250 Deductible	
Age	**Male**	**Female**	**Male**	**Female**
55	$7,549	$7,601	$6,846	$6,774
60	$9,764	$8,866	$8,901	$7,949
64	$11,512	$9,625	$10,521	$8,647
65 and over	$16.86 per month for Medicare Advantage, $168.28 per month for Part D drugs.			

Additional Assumptions

Administrative expenses

Assumed expenses of 0.5% of plan assets are added to the Service Cost component of expense.

Cash flow:

- Decrement timing

The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year. Retiree medical claims costs are based on the nearest age at the beginning of the year, to align with how claims costs tables are typically developed.

- Timing of benefit payments

Benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year.

- Amount and timing of contributions

Contributions are assumed to be made throughout the year and, on average, at mid-year.

Methods – Other Postretirement Benefit Cost and Funded Position

Census date January 1, 2020

Measurement date January 1, 2020

Service cost and accumulated postretirement benefit obligation

Costs are determined using the Projected Unit Credit Cost Method. The annual service cost is equal to the present value of the portion of the projected benefit attributable to service during the upcoming year, and the Accumulated Postretirement Benefit Obligation (APBO) is equal to the present value of the portion of the projected benefit attributable to service before the measurement date. Service from hire date through the expected full eligibility date is counted in allocating costs.

APBO and service cost are measured by separately discounting the projected benefit payments underlying these measures, determined using the methodology described above, using the spot rates on the December 31, 2019 Willis Towers Watson RATE:Link 40:90 yield curve. Interest cost was measured by summing the individual interest costs associated with each future benefit payment underlying the APBO and service cost. These individual interest costs are developed by multiplying the present value of each benefit payment, discounted using the applicable spot rate on the yield curve relating to the future benefit payment, by that spot rate. Equivalent single discount rates that would produce the resulting benefit obligation, service cost and interest cost have been determined and disclosed.

Market-related value of assets

The fair value of assets is used to determine the expected investment return during the year.

Amortization of unamortized amounts:

- **Recognition of past service cost/(credit)**

Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Postretirement Benefit Cost/(Income) in the year first recognized and every year thereafter until it is fully amortized. The annual amortization payment is determined in the first year as the increase in APBO due to the plan change divided by the average remaining service period to full eligibility for active participants expected to receive benefits under the plan.

However, when a plan change reduces the APBO, existing positive prior service costs are reduced or eliminated starting with the earliest established before a new prior service credit base is established.

- **Recognition of gains or losses**

Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of Net Periodic Postretirement Benefit Cost/(Income) for a year.

If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the APBO and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of active plan participants.

Under this methodology, the gain/loss amounts recognized in AOCI are not expected to be fully recognized in benefit cost until the plan is terminated (or an earlier event, like a settlement, triggers recognition) because the average expected remaining service of active participants expected to benefit under the plan over which the amounts are amortized is redetermined each year and amounts that fall within the corridor described above are not amortized.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with the plan sponsor and, based on that review, is not aware of any significant benefits required to be valued that were not.

Sources of Data and Other Information

The plan sponsor furnished participant data and claims data as of 1/1/2020. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with El Paso Electric Company's tax advisors and auditors.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate(s)

As required by U.S. GAAP the discount rate methodology was chosen by the plan sponsor based on market information on the measurement date.

Expected return on plan assets

We understand that the expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions.

Administrative expenses

Administrative expenses are estimated based on an assumption of past expenses paid from the trust assets as a percentage of held assets.

Claims cost trend rates	Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience, informed by an analysis of recent plan experience, leading to select and ultimate assumed trend rates and reflecting the expected near-term effect of recently enacted plan changes.
Participant contribution trend rates	Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience.
Per capita claims costs	Per capita claims costs were chosen by the plan sponsor to be the best estimate of the plan's per capita claims costs including expenses in the plan year beginning on the measurement date (with any expected changes in future years reflected in the trend rate assumption). Per capita claims cost assumptions were developed by the prior actuary.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.
Disabled Mortality	Assumptions used for accounting purposes were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.
Termination	Termination rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Disability	Disability rates were based on historical experience with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Retirement	Retirement rates were based on an experience study conducted from 2014 to 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Participation:	
▪ Participants	Assumed participation rates reflect historical experience as well as expectations for the future with periodic consideration of whether any conditions have changed that would be expected to produce different results in the future.
▪ Covered spouses	Assumed coverage rates for spouses reflect historical experience as well as anticipated future experience.

Benefit commencement date:	Retirees are assumed to begin benefits immediately on eligible retirement because the plan does not permit a delay without forfeiting the right to participate.
Medical Plan Election	Assumed medical plan election rates reflect historical experience as well as anticipated future experience.
Marital Assumptions	The assumed age and percentage married is based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

Source of Prescribed Methods (Required for ASOP compliance, otherwise optional)

Accounting methods	The methods used for accounting purposes as described in Appendix A, including the method of determining the market-related value of plan assets, are "prescribed methods set by another party", as defined in the actuarial standards of practice (ASOPs). As required by U.S. GAAP, these methods were selected by the plan sponsor.

Changes in Assumptions, Methods and Estimation Techniques

Change in assumptions since prior valuation	The single equivalent PBO discount rate decreased from 4.44% as of January 1, 2019 to 3.54% as of January 1, 2020 to reflect the change in yields on high-quality corporate bonds. The single equivalent service cost discount rate decreased from 4.51% as of January 1, 2019 to 3.86% as of January 1, 2020 to reflect the change in yields on high-quality corporate bonds The single equivalent interest cost discount rate decreased from 4.15% as of January 1, 2019 to 3.09% as of January 1, 2020 to reflect the change in yields on high-quality corporate bonds. The mortality assumption was updated from the RP-2014 Total Data Set Mortality Tables, with projection from 2006 to 2014 using Scale MP-2014 improvement removed, then projected generationally using Scale MP-2018 to the Pri-2012 Collar-Adjusted Mortality Tables with separate base tables used for actives and retirees and the retiree base table used for contingent survivors and projected generationally using Scale MP-2019. The per capita costs were updated for 2020 by the prior actuary. Per the December 31, 2019 disclosure report, the pre-65 rates were increased by 1.5%, based on the increase in the pre-65 COBRA rates provided by El Paso. Post-65 rates were set equal to the 2020 fully-insured rates, which includes the Health Insurer Fee in 2020. The Fee was removed for projected post-65 costs for 2021 and beyond, as the Fee was eliminated per the Appropriations Act signed on December 20, 2019.

	Retiree contribution amounts for 2020 were updated to reflect actual rates provided by El Paso. In addition, it was assumed that the post-65 contribution rates would be held flat until they reach 50% of post-65 costs, which is assumed to occur in 2025 given the assumed trend rates.
Change in methods since prior valuation	None.
Change in estimation techniques since prior valuation	The valuation software used for the plan was changed as part of the actuarial transition to Willis Towers Watson. El Paso Electric Company adopted the Willis Towers Watson RATE:Link 40:90 yield curve model for determining discount rates beginning January 1, 2020 as a result of actuarial transition. Previously, Ryan ALM Above Median Yield Curve was used.

Appendix B: Summary of principal other postretirement benefit plan provisions

Substantive Plan Provisions	
Covered employees	All employees
Participation date	Date of becoming a covered employee

Definitions	
Eligibility service	Years and months of service as a covered participant
Spouse	A spouse who was married to the participant both on the participant's retirement date and on the measurement date
Surviving spouse	A spouse who was married to the participant both on the participant's retirement date and on the date of his or her death
Dependent	A child or other legal dependent of the retiree, who was such before attaining the age of 18. Eligible dependents shall remain eligible dependents until they reach age 26.

Medical Benefits	
Eligibility	Age 55 with 5 years of service, or disabled with at least age 41 and 65 years of age and service combined.
Dependent eligibility	Spouse, and children under age 26
Survivor eligibility	Eligibility continues beyond death of retiree as long as Surviving Spouse remains unmarried.
Retiree contributions	The tables below shows monthly retiree contributions for 2020:

Pre-65 monthly retiree contributions for 2020

	$1,000 Deductible Plan	$2,250 Deductible Plan
Retiree Only	$324.13	$280.03
Retiree + Spouse	$586.42	$506.64
Retiree + Child(ren)	$487.80	$421.43
Retire + Family	$777.56	$671.85

Post-65 monthly retiree contributions for 2020

	1,000 Deductible Plan
Individual	$116.21
Individual + One	$232.43
Individual + Two	$348.64
Individual + Three	$464.85

Under age 65 benefits	See table starting on page 29.
Age 65 and older benefits	Medical Benefits: Fully-insured Humana Medicare Advantage Plan. The 2020 monthly premium rate is $16.86 Pharmacy Benefits: Medicare Part D Plan administered by Express Scripts. The 2020 monthly premium rate is $168.28.

Life Insurance Benefits

Eligibility	Age 55 with 5 years of service, or disabled with at least age 41 and 65 years of age and service combined
Benefits	Retirements prior to 1/1/2006: One times salary at retirement with coverage reduction according to age as follows: ▪ Age 65 but less than age 70: 65% ▪ Age 70 but less than age 75: 50% ▪ Age 75 or older: 30% Retirements 1/1/2006 and after: $10,000

Future Plan Changes

No future plan changes were recognized in determining postretirement welfare cost.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year

Postretirement Medical Plan Provisions as of January 1, 2020 (Retirees – Pre Age 65)

Carrier	Pre-65 Retiree BCBSTX - Medical			
Option	Option 2 – Plan A (New)		Option 2 – Plan B (New)	
Benefit Plan	$1,000 Deductible		$2,250 Deductible	
	In-Network	Non-Network (1)	In-Network	Non-Network (1)
Lifetime Maximum	$1,000,000		$1,000,000	
Coinsurance	80%	60%	80%	60%
Individual Calendar Year Deductible (Individual / Family)	$1,000 / $3,000	$3,000 / $9,000	$2,250 / $6,750	$6,750 / $20,250
Medical Maximum Coinsurance Limit Maximum Out of Pocket (deductible does not apply, copayment amount are applied but will continue to be required after the benefit percentage increases to 100%) (Individual / Family)	$4,500 / $9,000	$13,500 / $27,000	$6,850 / $13,700	$20,550 / $41,100
Out of Network Deductible & Out of Pocket Maximum will NOT apply toward Network Deductible & Out of Pocket Maximum				
Hospital Inpatient	80%, no ded	60% after $500 per admission ded	80%, no ded	60% after $500 per admission ded
Emergency Room Facility (2) Accidental Injury & Emergency Care	100% after $225 Copay		100% after $300 Copay	
Emergency Room Physician Charges Accidental Injury & Emergency Care	80% after ded		80% after ded	
Emergency Room Facility (2) Non-Emergency Care	80% after $375 Copay	60% after $375 Copay	80% after $450 Copay	60% after $450 Copay
Emergency Room Physician Charges Non-Emergency Care	80% after ded	60% after ded	80% after ded	60% after ded
Urgent Care Center visit, including lab services (does not include X-Rays, surgical services and Certain Diagnostic Procedures)	$50 copay	70% after ded	$75 copay	70% after ded
X-Rays, Surgical Services and Certain Diagnostic Procedures; such as Bone Scan, Cardiac Stress Test, CT-Scan, Ultrasound, MRI, Myelogram, PET Scan, surgical procedures and all other services and supplies	80% after ded	60% after ded	80% after ded	60% after ded
Preventative Services	100% ($0 copay)	70% after ded	100% ($0 copay)	70% after ded
Physician Office Visit Copay including lab services(excludes X-rays, Surgery and Certain Diagnostic Procedures; such as Bone Scan, Cardiac Stress Test, CT-Scan, Ultrasound, MRI, Myelogram, PET Scan, surgical procedures and all other services and supplies) (3)	$25 PCP / $40 Spec	70% after ded	$30 PCP / $50 Spec	70% after ded

Carrier	Pre-65 Retiree BCBSTX - Medical			
Option	Option 2 – Plan A (New)		Option 2 – Plan B (New)	
Benefit Plan	$1,000 Deductible		$2,250 Deductible	
	In-Network	Non-Network (1)	In-Network	Non-Network (1)
X-Rays, Surgical Services and Certain Diagnostic Procedures; such as Bone Scan, Cardiac Stress Test, CT-Scan, Ultrasound, MRI, Myelogram, PET Scan, surgical procedures and all other services and supplies	80% after ded	60% after ded	80% after ded	60% after ded
Outpatient Lab	100% ($0 copay)	70% after ded	100% ($0 copay)	70% after ded

(1) All out-of-network benefits listed are based on the carrier's allowable charges. Charges exceeding tis amount will be the member's responsibility.

(2) Copay waived if admitted to a network hospital.

(3) X-Rays, Surgical Services and Advanced Imaging PET, MRI, CAT, SPECT subject to deductible and coinsurance

Carrier	Pre-65 Retiree Express Scripts - Pharmacy			
	In-Network	Non-Network (1)	In-Network	Non-Network (1)
Prescription Benefit – up to 30-day supply	$20 / $50 / $70	N/A	$25 / $55 / $75	N/A
Mail Order Prescriptions – up to 90-day supply	$45 / $120 / $170	N/A	$50 / $125 / $175	N/A
Specialty Medications – up to 30-day supply	$65 / $90 / $140	N/A	$65 / $90 / $140	N/A

(1) All out-of-network benefits listed are based on the carrier's allowable charges. Charges exceeding tis amount will be the member's responsibility.
(2) Copay waived if admitted to a network hospital.
(3) X-Rays, Surgical Services and Advanced Imaging PET, MRI, CAT, SPECT subject to deductible and coinsurance

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	**)**	**Docket No. ER22-___-000**

DIRECT TESTIMONY OF
ADRIEN M. MCKENZIE, CFA

ON BEHALF OF
EL PASO ELECTRIC COMPANY

October 29, 2021

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TABLE OF EXHIBITS

GLOSSARY OF ACRONYMS

CAPM	Capital Asset Pricing Model
Commission	Federal Energy Regulatory Commission
D.C. Circuit	United States Court of Appeals for the District of Columbia Circuit
DCF	discounted cash flow
ECAPM	Empirical Capital Asset Pricing Model
EEI	Edison Electric Institute
EIA	Energy Information Administration
EPE or "the Company"	El Paso Electric Company
EPS	earnings per share
FPA	Federal Power Act
FERC	Federal Energy Regulatory Commission
FOMC	Federal Open Market Committee
GDP	Gross Domestic Product
IBES	Institutional Brokers' Estimate System
MISO TOs	Transmission-owning members of the Midcontinent Independent System Operator, Inc.
Moody's	Moody's Investors Service
NYSE	New York Stock Exchange
OPEC	Organization of the Petroleum Exporting Countries
ROE	return on equity
RRA	S&P Global Market Intelligence, RRA Regulatory Focus (formerly Regulatory Research Associates, Inc.
S&P	S&P Global Ratings
Value Line	The Value Line Investment Survey
Zacks	Zacks Investment Research

I. INTRODUCTION

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A1. My name is Adrien M. McKenzie. My business address is 3907 Red River St., Austin, Texas 78751.

Q2. IN WHAT CAPACITY ARE YOU EMPLOYED?

A2. I am President of FINCAP, Inc., a firm providing financial, economic, and policy consulting services to business and government.

Q3. PLEASE DESCRIBE YOUR QUALIFICATIONS AND EXPERIENCE.

A3. The details of my qualifications and experience are included in Exhibit No. EPE-0017 attached to my testimony.

A. Overview

Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A4. The purpose of my testimony is to present to the Commission my independent analysis of a just and reasonable ROE for EPE. In addition, I present EPE's capital structure and examine industry benchmarks supporting the reasonableness of the Company's actual capitalization ratios.

Q5. HOW IS YOUR TESTIMONY ORGANIZED?

A5. I first summarize my conclusions and recommendations regarding a just and reasonable ROE for EPE. I then present the details of the technical studies I relied on in reaching my conclusions. Consistent with the Commission's current ROE methodology,[1] my evaluation includes applications of the two-step DCF model, the CAPM, and the Risk Premium method. I refer to this analysis as the "Three-Model Approach."

In addition, my testimony supports supplementing the Three-Model Approach to include the results of the Expected Earnings approach. I refer to this analysis that including the Expected Earnings method as the "Four-Model Approach."

I also present alternative benchmarks that should be considered as additional reference points in evaluating a just and reasonable ROE. Specifically, I apply the constant growth DCF method and ECAPM to the utilities in my proxy group. These methodologies are well-established and widely relied upon to evaluate investors' required ROE. Finally, I describe EPE's current capital structure and explain why it is appropriate to use the Company's actual capitalization to develop the weighted cost of capital on which the company's transmission service rates will be based.

Q6. WHAT ROE DO YOU RECOMMEND FOR EPE BASED ON YOUR ANALYSES?

A6. Based on the results of my analyses, I recommend an ROE of 10.38% for EPE, which corresponds to the median value produced by the Four-Model Approach.

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[1] *Ass'n of Bus. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 569-A, 171 FERC ¶ 61,154 (2020), *order on reh'g, & setting aside prior order, in part*, Opinion No. 569-B, 173 FERC ¶ 61,159 (2020).

Q7. WHAT IS YOUR RECOMMENDATION WITH RESPECT TO EPE'S CAPITAL STRUCTURE?

A7. I recommend that a capitalization consisting of 47.97% long-term debt and 52.03% common equity be used to compute the Company's weighted cost of capital. This capitalization, which represents EPE's actual capital structure at December 31, 2020, is consistent with industry benchmarks and should be approved.

B. Regulatory Standards

Q8. WHAT IS THE ROLE OF THE ROE IN SETTING A UTILITY'S RATES?

A8. The ROE compensates shareholders for the use of their capital to finance the investment necessary to provide utility service. Investors commit capital only if they expect to earn a return on their investment commensurate with returns available from alternative investments with comparable risks. To be consistent with sound regulatory economics and the standards set forth by the U.S. Supreme Court in *Bluefield*[2] and *Hope,*[3] a utility's allowed ROE should be sufficient to: (1) fairly compensate capital invested in the utility; (2) enable the utility to offer a return adequate to attract new capital on reasonable terms; and (3) maintain the utility's financial integrity.

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[2] *Bluefield Waterworks & Improvement Co. v. Pub. Serv. Comm'n of W. Va*., 262 U.S. 679 (1923) ("*Bluefield*").

[3] *FPC v. Hope Natural Gas Co.*, 320 U.S. 591 (1944) ("*Hope*").

Q9. WHAT ULTIMATELY GOVERNS THE SELECTION OF A FAIR ROE?

A9. The Commission has recognized that a reasonable point-estimate ROE should be determined based on the facts specific to each proceeding.[4] That point-estimate must also meet the standards mandated by the U.S. Supreme Court.[5] As the Commission has reaffirmed, "[t]he Commission's ultimate task is to ensure that the resulting ROE satisfies the requirements of *Hope* and *Bluefield*."[6] This determination requires the Commission to consider all of the available evidence and identify an ROE that is just, reasonable, and sufficient to support EPE's need to attract capital and earn a competitive return and, at the same time, promote the Commission's goal of encouraging investment in electric utility infrastructure.

Q10. HOW DOES FIXING A JUST AND REASONABLE ROE RELATE TO ATTRACTING PRIVATE CAPITAL TO UTILITY INFRASTRUCTURE INVESTMENT?

A10. Under the competitive market paradigm that serves as the foundation for investment choices, investors' expected ROE is the key economic signal that allocates finite

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[4] *See, e.g., Midwest Indep. Transmission Sys. Operator, Inc.*, 106 FERC ¶ 61,302, at P 8 (2004) ("*Midwest ISO*"), *aff'd in relevant part sub. nom. Pub. Serv. Comm'n of Ky. v. FERC*, 397 F.3d 1004 (D.C. Cir. 2005).

[5] *See, e.g., id.*, 106 FERC ¶ 61,302, at PP 13-14. The Commission observed that:

> [W]e are guided by the principle, enunciated by the Supreme Court, that an approved ROE should be "reasonably sufficient to assure confidence in the financial soundness of the utility [or, in this case, utilities] and should be adequate under efficient and economical management, to maintain and support its credit, and enable it to raise the money necessary for the proper discharge of its public duties.

Id. at P 13 (quoting *Bluefield*, 262 U.S. at 693).

[6] *Coakley Mass. Attorney Gen. v. Bangor Hydro-Electric Co.*, Opinion No. 531, 147 FERC ¶ 61,234, at P 144, *order on paper hearing*, Opinion No. 531-A, 149 FERC ¶ 61,032 (2014), *order on reh'g*, Opinion No. 531-B, 150 FERC ¶ 61,165 (2015), *vacated & remanded sub nom. Emera Me. v. FERC*, 854 F.3d 9 (D.C. Cir. 2017).

capital among competing opportunities. The allowed ROE and a reasonable opportunity to earn it are the key factors in ensuring the flow of investment capital to new utility facilities. Apart from the impact that economic and market turmoil can have on the availability of capital, electric utility facilities must compete with alternative investments. Utilities and their investors must commit huge sums of money when they invest in electric utility infrastructure. The additional funding necessary to expand the transmission grid with new and upgraded facilities will be provided only if investors anticipate an opportunity to earn a return that is sufficient to compensate for the associated risks and commensurate with returns available from alternative investments of comparable risk.

Q11. IS EPE FACED WITH FINANCIAL PRESSURES ASSOCIATED WITH PLANNED CAPITAL EXPENDITURES?

A11. Yes. EPE's plans call for significant incremental capital investment to address system needs. EPE's anticipated capital investment in transmission facilities is addressed further by EPE witness Mr. James Schichtl. In light of these substantial capital requirements and financial pressures, support for the Company's financial integrity and flexibility will be instrumental in attracting the capital necessary to fund these requirements.

Q12. IS IT IMPORTANT THAT INVESTORS HAVE CONFIDENCE THAT THE REGULATORY ENVIRONMENT IS STABLE AND CONSTRUCTIVE?

A12. Yes. Past challenges for the economy and capital markets highlight the benefits of a fair and balanced ROE, and any departure from the path of supporting utility financial strength through a stable and balanced ROE policy would be extremely shortsighted. Uncertainty and volatility undermine investor confidence, and regulatory signals are the primary driver of investors' risk assessments for utilities. Securities analysts study FERC and state commission orders and regulatory policy statements closely to gauge the financial impact of regulatory actions and to advise investors accordingly. If regulatory actions instill confidence that the regulatory environment is supportive, investors will provide the capital necessary to support needed investment. As a corollary, absent a commitment by regulators to promote a sound and stable environment for utility investment and follow through on expectations for ROEs that are competitive with alternative investment opportunities, the flow of capital into utility infrastructure may not continue. As a result, the need for a stable and constructive regulatory environment, as well as regulatory certainty in supporting utility infrastructure investment, is as relevant today as ever.

Q13. WHAT DO YOU MEAN BY "REGULATORY CERTAINTY?"

A13. Regulatory certainty exists when investors have confidence that prior regulatory decisions are predictive of future regulatory actions under similar facts. As the Commission has stated, it "strives to provide regulatory certainty through consistent approaches and actions."[7] The Commission's policy efforts focus on constructive and predictable rate regulation and have attracted large commitments of private capital to expand transmission infrastructure, reduce congestion, improve reliability, and secure access to new generation, including wind and other renewable resources. Nevertheless, with respect to ROE, the Commission has recognized the

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[7] FERC, *About FERC*, https://www.ferc.gov/what-ferc (last visited Oct. 22, 2021).

potential disincentive to investment stemming from uncertainties in the administrative process for determining a just and reasonable ROE. In Order No. 679-A, the Commission concluded that "our hearing procedures for determining ROE can create uncertainty for investors," and noted that:

> Although our processes are designed to provide a just and reasonable return, we recognize that there can be significant uncertainty as to the ultimate return because of the uncertainties associated with administrative determinations (*e.g.*, selection of the proxy group, changes in growth rates, etc.) This can itself constitute a substantial disincentive to new investment.[8]

Having recognized the problems associated with uncertainty in its ROE policies, the Commission should do what it can to eliminate inconsistencies in the end results of its ROE determinations that hinder the regulatory certainty needed for transmission infrastructure investment.

II. RETURN ON EQUITY FOR EPE

Q14. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A14. This section of my testimony presents my independent evaluation of a just and reasonable ROE for EPE. In this section, I:

- summarize the Commission's current ROE policies and examine conditions in the capital markets and the general economy;
- present the results of the Three-Model and Four-Model Approaches and my conclusion that an ROE of 10.38% is warranted for EPE; and

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[8] *Promoting Transmission Investment Through Pricing Reform*, Order No. 679-A, 117 FERC ¶ 61,345, at P 69 (2006), *order on reh'g*, 119 FERC ¶ 61,062 (2007).

- address how my recommended ROE of 10.38% meets the Commission's policy goal of supporting investment in electric transmission infrastructure.

A. Commission ROE Policy

Q15. PLEASE DESCRIBE YOUR UNDERSTANDING OF THE COMMISSION'S CURRENT ROE POLICY.

A15. In Opinion No. 569-A, the Commission relied on three financial models to establish a just and reasonable ROE for the MISO TOs: (1) a two-step DCF model, (2) the CAPM, and (3) the Risk Premium approach. Under the methodology adopted in Opinion No. 569-A, the composite zone of reasonableness is computed by averaging the low and high boundaries of each model,[9] with the presumptive ROE being equal to the average of the central tendency values for the three financial models. For purposes of administering section 206 of the FPA, the Commission elected to stratify the composite zone of reasonableness into three equal parts, which it asserted to correspond to "below-average risk," "average risk," and "above-average risk" ranges.[10] With the exception of minor corrections to certain inputs to the Risk Premium approach, the Commission affirmed these findings in Opinion No. 569-B.

In Opinion No. 569-A, the Commission also rejected rehearing of its decision in Opinion No. 569 not to rely on the Expected Earnings approach to establish the ROE for the MISO TOs. However, the Commission noted that "we

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[9] Because the Risk Premium approach produces a single point estimate and not a range, the Commission imputed a range around the point estimate based on the average spread between the low and high boundaries of the two-step DCF and CAPM ranges.

[10] Opinion No. 569-A at P 194.

do not necessarily foreclose its use in future proceedings," so long as concerns expressed in Opinion No. 569 and reiterated in Opinion No. 569-A are addressed.[11]

B. Impact of Economic and Capital Market Conditions

Q16. PLEASE SUMMARIZE CURRENT ECONOMIC AND CAPITAL MARKET CONDITIONS.

A16. U.S. real GDP contracted 3.5% during 2020, including a decline of 31.2% in the second quarter and a rebound of 33.8% in the third quarter. The economic outlook appears brighter for 2021 as the U.S. COVID-19 vaccine rollout continues apace, with annualized GDP growth of 6.3% and 6.7% in the first and second quarters of 2021. Although weekly claims for unemployment remain historically high, the national unemployment rate in September 2021 fell slightly to 4.8%. While marking a significant recovery from the peak of 14.7% reached in April 2020, the jobless rate remains above the level immediately preceding the COVID-19 pandemic.

With respect to inflation, the Personal Consumption Expenditure Price Index has risen from 1.2% in December 2020 to 4.3% in August 2021, its highest level since September 2008. Continuation of hyper-stimulative monetary and fiscal policies have led to increasing concern that inflation could remain significantly above the 2% longer-run benchmark cited by the Federal Reserve. The September 2021 *Survey of Consumer Expectations* conducted by the New York Fed reported that expectations for year-ahead inflation rose to 5.3%, which is the highest reading

[11] Opinion No. 569-A at P 132.

on record in the survey's eight-year history.[12] Meanwhile, the Social Security Administration announced that beneficiaries would receive a cost-of-living adjustment of 5.9% for 2022, up from 1.3% a year earlier.[13] While continuing to maintain that higher inflation rates are likely to be transitory, Fed Chair Jerome Powell has also noted that "[t]he process of reopening the economy is unprecedented," and that "bottlenecks, hiring difficulties, and other constraints could again prove to be greater and longer-lasting than anticipated, posing upside risks to inflation."[14]

The underlying risk and unease have been felt worldwide as countries have struggled to manage the pandemic. In Britain, the economy and financial markets have been challenged by the severity of the COVID-19 pandemic and uncertainties regarding the impact of Brexit, which has led to shortages of gasoline and consumer goods. The European Union experienced a 6.0% decline in economic growth during 2020, although GDP is expected to expand by approximately 4.8% during 2021. Economic activity has been volatile in many emerging market economies, including Brazil and Mexico. China, however, reported that its economy expanded by 2.3% in 2020, after experiencing a sharp contraction in the first quarter of the year. China's economic growth accelerated dramatically during the first half of

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[12] Federal Reserve Bank of New York, *Consumers' Inflation Expectations Remain Elevated for the Short- and Medium-Term*, Press Release (Oct. 12, 2021), https://www.newyorkfed.org/newsevents/news/research/2021/20211012.

[13] Social Security Administration, *Fact Sheet: 2022 Social Security Changes*, https://www.ssa.gov/news/press/factsheets/colafacts2022.pdf.

[14] Federal Reserve, *Transcript of Chair Powell's Press Conference* (Sept. 22, 2021), https://www.federalreserve.gov/mediacenter/files/FOMCpresconf20210922.pdf.

2021, but concerns over the potential collapse of a major property developer and a highly leveraged real estate market pose serious challenges for investors and the Chinese economy. Meanwhile, severe constraints in the global supply chain and a significant increase in oil prices come on top of ongoing geopolitical tensions in the Middle East, which in the past have led to concerns over possible disruptions in crude oil supplies and attendant price volatility.

Q17. HOW HAVE COMMON EQUITY MARKETS BEEN IMPACTED BY COVID-19?

A17. The threat posed by the coronavirus pandemic led to extreme volatility in the capital markets as investors dramatically revised their risk perceptions and return requirements in the face of the severe disruptions to commerce and the world economy. Despite the actions of the world's central banks to ease market strains and bolster the economy, global financial markets experienced precipitous declines in asset values in March 2020. While the broader stock market has fully recovered and currently stands near all-time highs, investors continue to face the prospect of volatility as capital markets respond to uncertainties surrounding the trajectory of the economy in light of ongoing risks associated with the COVID-19 pandemic.[15]

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[15] The Chicago Board Options Exchange Volatility Index (commonly known as the "VIX"), which is a key measure of expectations of near-term volatility and market sentiment, rose to levels not seen since the 2008-2009 Financial Crisis during March 2020 and remains above pre-pandemic levels.

Q18. HAVE UTILITIES AND THEIR INVESTORS FACED SIMILAR TURMOIL?

A18. Yes. Concerns over weakening credit quality prompted S&P to revise its outlook for the regulated utility industry from "stable" to "negative."[16] As S&P explained:

> Even before the current downturn and COVID-19, a confluence of factors, including the adverse impacts of tax reform, historically high capital spending, and associated increased debt, resulted in little cushion in ratings for unexpected operating challenges.[17]

While recognizing that regulatory protections have helped to mitigate the worst of the coronavirus pandemic, S&P concluded that credit quality in the U.S. utility industry weakened during 2020, noting that "[a]t the beginning of the year about 18% of the industry had a negative outlook or ratings on CreditWatch with negative implications. By the end of the year that percentage had doubled, to about 36%."[18] S&P further observed that "[o]ne of the enduring effects of COVID-19 was regulatory lag," and noted that "[f]or the first time in a decade we expect downgrades will outpace upgrades by about 7 to 1."[19] S&P recently observed that "2021 could become the second consecutive year that downgrades outpace

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[16] S&P Global Ratings, *COVID-19: The Outlook For North American Regulated Utilities Turns Negative* (Apr. 2, 2020), https://www.spglobal.com/ratings/en/research/articles/200402-covid-19-the-outlook-for-north-american-regulated-utilities-turns-negative-11415155.

[17] S&P Global Ratings, *North American Regulated Utilities Face Tough Financial Policy Tradeoffs To Avoid Ratings Pressure Amid The COVID-19 Pandemic* (May 11, 2020), https://www.spglobal.com/ratings/en/research/articles/200511-north-american-regulated-utilities-face-tough-financial-policy-tradeoffs-to-avoid-ratings-pressure-amid-the-c-11474798.

[18] S&P Global Ratings, *North American Regulated Utilities' Negative Outlook Could See Modest Improvement* (Jan. 20, 2021), https://www.spglobal.com/ratings/en/research/articles/210120-north-american-regulated-utilities-negative-outlook-could-see-modest-improvement-11793259.

[19] S&P Global Ratings, *Industry Top Trends 2021: North America Regulated Utilities-An Industry With A Negative Outlook Despite Its Predictable Cash Flows* (Dec. 10, 2020), https://www.spglobal.com/_assets/documents/ratings/research/100047936.pdf.

upgrades" in the utility sector.[20] Meanwhile, rising inflation expectations also pose a challenge for utilities, with S&P noting that "the threat of inflation comes at a time when credit metrics are already under pressure relative to downside ratings thresholds."[21]

Moody's noted that utilities were forced to seek alternatives to volatile commercial paper markets in order to fund operations, while emphasizing the importance of maintaining adequate liquidity in the sector to weather a prolonged period of financial volatility and turbulent capital markets.[22] As Moody's has repeatedly concluded in its review of electric utilities:

> The rapid spread of the coronavirus outbreak, severe global economic shock, low oil prices and asset price volatility are creating a severe and extensive credit shock across many sectors, regions and markets. The combined credit effects of these developments are unprecedented.[23]

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[20] S&P Global Ratings, *Report: North American Regulated Utilities' Credit Quality Begins The Year On A Downward Path* (Apr. 7, 2021), https://www.spglobal.com/ratings/en/research/articles/210407-north-american-regulated-utilities-credit-quality-begins-the-year-on-a-downward-path-11847341.

[21] S&P Global Ratings, *Will Rising Inflation Threaten North American Investor-Owned Regulated Utilities' Credit Quality?* (July 20, 2021), https://www.spglobal.com/ratings/en/research/articles/210720-will-rising-inflation-threaten-north-american-investor-owned-regulated-utilities-credit-quality-12010362.

[22] Moody's Investors Service, *FAQ on credit implications of the coronavirus outbreak*, Sector Comment (Mar. 26, 2020).

[23] *See, e.g.*, Moody's Investors Service, *Portland General Electric Company*, Credit Opinion (Mar. 29, 2021).

Q19. DO CHANGES IN UTILITY COMPANY BETA VALUES SINCE THE PANDEMIC BEGAN CORROBORATE AN INCREASE IN INDUSTRY RISK?

A19. Yes. Beta measures a stock's price volatility relative to the overall market and reflects the tendency of a stock's price to follow changes in the market. The investment community relies on beta as an important guide to investors' risk perceptions. A stock that tends to respond less to market movements has a beta less than 1.00, while stocks that tend to move more than the market have betas greater than 1.00. Generally, a higher beta means the market perceives the stock to be riskier than a stock with a lower beta. As shown on page 1 of Exhibit No. EPE-0019, the current average beta for the firms in the proxy group I use to estimate the cost of equity is 0.91. Prior to the pandemic, the average beta for the same group of companies was 0.56.[24] This dramatic increase in a primary gauge of investors' risk perceptions is further proof of the rise in the risk of electric company common stocks.

Q20. WHAT ACTIONS HAS THE FEDERAL RESERVE TAKEN IN RESPONSE TO THE THREAT TO THE ECONOMY POSED BY THE CORONAVIRUS PANDEMIC?

A20. In early 2020, the Federal Reserve quickly lowered its target Federal Funds rate to close to zero to support economic activity, stabilize markets and bolster the flow of credit to households, businesses, and communities. In March 2020, the Federal Reserve lowered the target range for its benchmark federal funds rate by a total of

[24] The Value Line Investment Survey, *Summary & Index* (Feb. 14, 2020).

150 basis points, to the current range of 0% to 0.25%. The FOMC expects to maintain this target range until it is confident that the economy has weathered recent events.[25]

In addition, the Federal Reserve has undertaken a broad range of unprecedented programs designed to support financial market liquidity and economic stability. The quantitative easing measures initially adopted in response to the 2008 financial crisis were reintroduced by directing the purchase of Treasury securities and agency mortgage-backed securities "in the amounts needed to support the smooth functioning of markets,"[26] while continuing to reinvest all principal repayments from its existing holdings. In addition, the Federal Reserve also implemented wide-ranging initiatives designed to support credit markets and ensure liquidity, including credit facilities to support households, businesses, and state and local governments, as well as the purchase of corporate bonds on the secondary market.[27]

As illustrated in Figure EPE-1 below, the Federal Reserve's asset holdings exceed $8.2 trillion, which is an all-time high, and the resulting effect on capital market conditions has likely never been more pronounced. While the Federal Reserve's aggressive monetary stimulus may help to ensure market liquidity and

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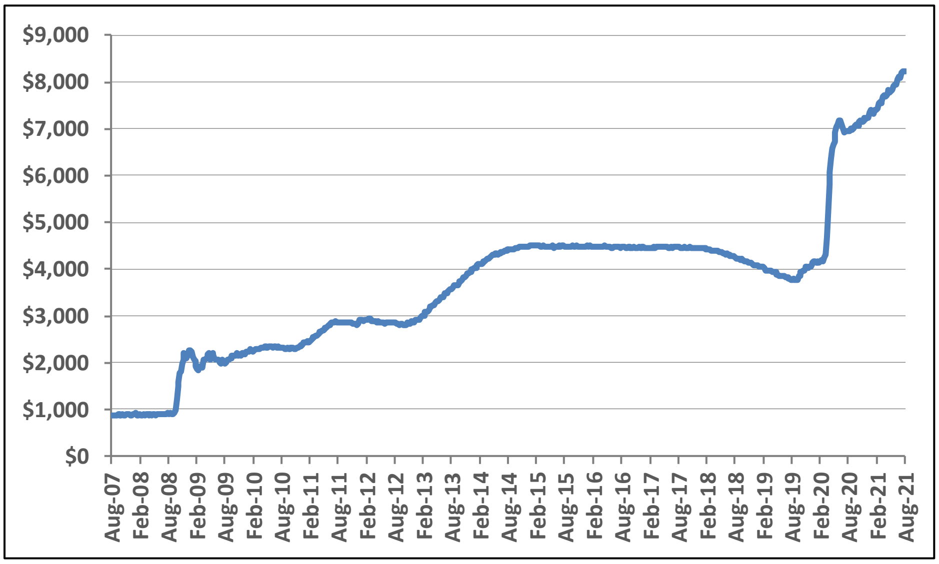
[25] The FOMC is a committee composed of twelve members that serves as the monetary policymaking body of the Federal Reserve System.

[26] Federal Reserve, *Press Release* (Mar. 23, 2020), https://www.federalreserve.gov/monetarypolicy/files/monetary20200323a1.pdf.

[27] *See, e.g.*, Federal Reserve System, *Federal Reserve takes additional actions to provide up to $2.3 trillion in loans to support the economy* (Apr. 9, 2020), https://www.federalreserve.gov/newsevents/pressreleases/monetary20200409a.htm. The Federal Reserve discontinued purchases under its Corporate Credit Facilities in December 2020.

support the economy, these actions also support financial asset prices, which in turn place artificial downward pressure on bond yields, which provide one commonly cited gauge of capital costs.

FIGURE EPE-1
FEDERAL RESERVE BALANCE SHEET
(BILLION $)



https://fred.stlouisfed.org/series/WALCL

Q21. ARE BOND YIELDS EXPECTED TO REMAIN AT CURRENT LEVELS OVER THE NEXT FEW YEARS?

A21. No. Economic forecasters anticipate that bond yields will increase significantly over the near term. For example, Table EPE-1 below presents recent projections from the long-term forecasts published by Blue Chip Financial Forecasts, IHS Markit, and Value Line. This evidence suggests that investors anticipate higher interest rates over the near-term.

TABLE EPE-1
INTEREST RATE TRENDS

	2021	2022	2023	2024	2025	Change (bps) 2021-25
10-Yr. Treasury						
Blue Chip	1.7%	2.0%	2.4%	2.7%	3.0%	132
IHS Markit	1.2%	1.7%	2.0%	2.2%	2.5%	124
Value Line	1.3%	1.6%	2.0%	2.3%	2.5%	120
30-Yr. Treasury						
Blue Chip	2.4%	2.6%	2.9%	3.3%	3.6%	121
IHS Markit	2.0%	2.4%	2.7%	2.8%	3.0%	104
Value Line	2.0%	2.3%	2.3%	2.5%	2.7%	70
Aaa Corporate						
Blue Chip	3.1%	3.3%	3.7%	4.1%	4.5%	143
IHS Markit	2.3%	2.2%	2.5%	2.8%	3.0%	68
Value Line	2.3%	2.4%	2.8%	3.1%	3.3%	100

Source

Value Line Investment Survey, Forecast for the U.S. Economy (Feb. 26, 2021).
IHS Markit, Long-Term Macro Forecast - Baseline (Mar. 1, 2021).
Wolters Kluwer, *Blue Chip Financial Forecasts* (Jun. 1, 2021).

As evidenced above, there is a consensus that the cost of permanent capital will rise over the 2021-2025 timeframe. As a result, current cost of capital estimates likely understate investors' requirements during the time the rates set in this proceeding will be effective.

Q22. ARE THESE EXPECTATIONS OF HIGHER BOND YIELDS CONSISTENT WITH THE VIEWS OF THE FOMC?

A22. Yes. In conjunction with their regular meetings, policymakers at the FOMC submit their projections about where short-term interest rates are headed. The result is the dot plot—a visual representation of where members think rates will go over the short, medium, and longer run. The most recent dot plot indicates that one-half of the FOMC participants expect rates to rise in 2022.[28] For 2023, a majority of members expect that the target range for the federal funds rate will increase, and over the longer-run horizon of the FOMC's outlook (five to six years), all Fed policymakers on the FOMC expect the federal funds benchmark to be dramatically higher than current levels.[29]

Q23. HAS THE COMMISSION PREVIOUSLY ACKNOWLEDGED THE INTER-RELATIONSHIP BETWEEN CAPITAL MARKET CONDITIONS AND A DETERMINATION OF A JUST AND REASONABLE ROE?

A23. Yes. In Opinion No. 531, the Commission determined that capital market conditions were anomalous, specifically that atypically low interest rates led to midpoint results of the Commission's then-preferred DCF analysis that were too low to be just and reasonable. The Commission considered yields on 10-year constant maturity Treasury bonds as an indicator of a broad range of capital market conditions that affect utilities and the inputs to the DCF model.[30] The Commission explained that:

> Until the financial crisis of 2008, the yield on U.S. Treasury bonds had not fallen below 3 percent since the 1950s. . . U.S. Treasury bond yields are not an input in the DCF model, but they reflect current capital market conditions, which could have an indirect impact on the two inputs in the DCF model—dividend yield and growth rate.[31]

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[28] *Summary of Economic Projections* (Sept. 22, 2021), https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20210922.pdf.

[29] The FOMC members are projecting a midpoint federal funds rate in the range of 2.0% to 3.0%, versus the current level of 0.125%.

[30] *See, e.g.*, Opinion No. 531-B at P 49.

[31] Opinion No. 531 at P 145 n.285 (citation omitted).

In addition, as the Commission noted in Opinion No. 531, the record in that proceeding included evidence concerning the implications of Federal Reserve monetary policies and expectations that interest rates would rise significantly over the near-term.[32]

In Opinion No. 551, which was issued in September 2016, the Commission again noted that record evidence for the six-month study period ending June 2015 "reflect the type of unusual conditions that the Commission identified in Opinion No. 531."[33] The Commission observed that the yield on 10-year Treasury notes, which had been below two percent in the Docket No. EL11-66 record period, "was at 2.07 percent during the study period."[34] Opinion No. 551 also cited "unprecedented levels of U.S. Treasury bonds and mortgage-backed securities" on the Federal Reserve's balance sheet as an indicator of the ongoing anomaly, noting that "the Federal Reserve continues to hold approximately $4.25 trillion of those bonds, a level only slightly below record highs."[35] The Commission concluded that, "[t]his record evidence is indicative of the same type of unusual capital market that the Commission found concerning in Opinion No. 531."[36] The size of Federal Reserve's current balance sheet dwarfs what the Commission previously found to call into question the reliability of its two-step DCF approach for determining utility

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[32] *Id.* at P 130.

[33] *Ass'n of Businesses Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, Opinion No. 551, 156 FERC ¶ 61,234, at P 122 (2016), *order on briefs, reh'g, & initial decision*, Opinion No. 569.

[34] *Id.* at P 121.

[35] *Id.*

[36] *Id.*

ROEs. Therefore, the atypical capital market conditions that led the Commission to conclude that the two-step DCF results were unreasonable continue to exist, but to a higher degree.

Q24. WOULD IT BE REASONABLE TO DISREGARD THE IMPLICATIONS OF CURRENT CAPITAL MARKET CONDITIONS IN ESTABLISHING A FAIR ROE FOR EPE?

A24. No. One of the hallmarks of capital market conditions that the Commission found to be problematic for the application of the DCF model was long-term bond yields that are artificially suppressed due to the Federal Reserve's unprecedented intervention in the capital markets. Six-month average yields on both 10-year and 30-year Treasury bonds are now far below those that prevailed during the periods the Commission characterized as anomalous in Opinion Nos. 531 and 551. Yields on 10-year Treasury bonds averaged 1.83% and 2.07% during the study periods referenced in Opinion Nos. 531 and 551, respectively, versus 1.50% for the six months ending August 2021. Yields on 30-year Treasury bonds averaged 3.00% and 2.72% during the study periods referenced in Opinion Nos. 531 and 551, respectively, versus 2.16% for the six months ending August 2021. Apart from being well below levels that the Commission previously highlighted as problematic,[37] these current yields also are far below historical levels.[38]

[37] Opinion No. 531 at P 145 n.285; Opinion No. 551 at P 121.

[38] For example, over the years 1962-2019, 10-year Treasury bond yields averaged 6.12%. Fred Economic Data, *Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity*, https://fred.stlouisfed.org/series/DGS10 (last visited Oct. 25, 2021).

The Commission previously concluded that, "evidence in the record regarding historically low interest rates and Treasury bond yields as well as the Federal Reserve's large and persistent intervention in markets for debt securities are sufficient to find that current capital market conditions are anomalous."[39] By this standard, the Commission must recognize that the potential for distorted results again exists in this case. This further supports reference to the Expected Earnings approach and other ROE benchmarks in evaluating a just and reasonable ROE for EPE.

C. Recommended ROE for EPE

Q25. PLEASE SUMMARIZE YOUR RESULTS UNDER THE THREE-MODEL APPROACH.

A25. The ROE estimates produced by the Three-Model Approach for the twelve risk-comparable electric utilities in the proxy group ("Electric Group") described subsequently in my testimony are summarized in Table EPE-2 below.

TABLE EPE-2
SUMMARY OF RESULTS – THREE-MODEL APPROACH

Method	Range	Median	Midpoint
Two-Step DCF	6.09% -- 11.43%	8.89%	8.76%
CAPM	9.76% -- 13.82%	11.82%	11.79%
Risk Premium	7.23% -- 11.93%	9.58%	9.58%
Composite ROE	**7.69% -- 12.39%**	**10.09%**	**10.04%**

[39] Opinion No. 551 at P 124.

Because EPE's Moody's credit rating is identical to the average for the Electric Group (Exhibit No. EPE-0019), the median and midpoint values specified above correspond to a utility of average risk and do not consider the risk-based ranges adopted in Opinion No. 569-A.[40]

Q26. WHAT ARE YOUR FINDINGS REGARDING THE EXPECTED EARNINGS APPROACH?

A26. In responding to the concerns articulated in Opinion Nos. 569 and 569-A, my evidence demonstrates that the Expected Earnings approach offers a meaningful and necessary benchmark in assessing the return necessary for EPE to maintain financial integrity and attract capital. The Expected Earnings approach serves as a direct measure of the expected returns on equity that investors associate with companies of comparable risk and provides regulators with a direct guide to the return the utility should be expected to earn on the embedded cost of its book equity investment. The traditional regulatory paradigm explicitly recognizes the validity of book value of equity by choosing to measure rate base and capital structure components based on book value, rather than market value. The Expected Earnings approach is uniquely matched to this standard and complements the use of the Three-Model Approach to ensure that the end-result of the Commission's ROE methodology satisfies the requirements of *Hope* and *Bluefield*.

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[40] Opinion No. 569-A at P 194.

Q27. PLEASE SUMMARIZE YOUR RESULTS UNDER THE FOUR-MODEL APPROACH.

A27. The ROE estimates produced by the Four-Model Approach for the Electric Group are summarized in Table EPE-3 below.

TABLE EPE-3

SUMMARY OF RESULTS – FOUR-MODEL APPROACH

Method	Range	Median	Midpoint
Two-Step DCF	6.09% -- 11.43%	8.89%	8.76%
CAPM	9.76% -- 13.82%	11.82%	11.79%
Expected Earnings	7.69% -- 14.35%	11.24%	11.02%
Risk Premium	6.90% -- 12.25%	9.58%	9.58%
Composite ROE	**7.61% -- 12.96%**	**10.38%**	**10.29%**

Q28. CAN A MECHANICAL APPLICATION OF ANY SPECIFIC ROE METHODOLOGY BE EXPECTED TO PRODUCE REASONABLE OUTCOMES IN EVERY CASE AND UNDER ALL CIRCUMSTANCES?

A28. No. The Commission has previously recognized that a just and reasonable ROE should be determined based on the facts specific to each proceeding, and noted, "[a]s an initial matter, we emphasize that the primary question to be considered here is not what constitutes the best overall method for determining ROE generically. . . ."[41] Rather, the question involves a determination of what ROE is most appropriate in each specific case.[42]

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[41] *Midwest ISO*, 106 FERC ¶ 61,302, at P 8.

[42] *Id.* This is consistent with *Emera Maine*, which noted that "[w]hether a rate . . . is unlawful depends on the particular circumstances of the case." *Emera Maine*, 854 F.3d at 23.

As the Commission has recognized, this evaluation should not be based on the mechanical application of a single quantitative methodology (or for that matter a mechanical application of a series of models).[43] No single financial model predicts the required ROE with absolute precision and all financial models are based on a series of assumptions that are affected differently by market conditions.

Investors inform their investment decisions by considering multiple methodologies, as do financial analysts. These include the DCF, CAPM, and Risk Premium models, as well as variations of those approaches (*e.g.*, the constant growth DCF and the ECAPM) and other methods (*e.g.* the Expected Earnings approach). As the Commission has recognized, all models, including the two-step DCF model, have flaws. Accordingly, in addition to the results of the Three-Model and Four-Model approaches, my testimony also presents the results of alternative ROE benchmarks. Specifically, I apply the constant growth DCF method and ECAPM to the utilities in the Electric Group.

Q29. ARE THESE METHODOLOGIES WELL-ESTABLISHED IN EVALUATING INVESTORS' REQUIRED ROE?

A29. Yes. The Commission has concluded that the two-step DCF method produces an end-result that fails the requirements of *Hope and Bluefield*,[44] but should also recognize that diluting the downward bias of the two-step DCF method by averaging its results with those produced by other methods merely masks the bias, rather than removing it. In addition, the Commission has determined that "we must

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[43] *See, e.g.*, Opinion No. 569-A at P 43.

[44] *See, e.g.*, Opinion No. 531 at P 145; Opinion No. 531-B at P 84; Opinion No. 551 at P 122.

look to how investors analyze and compare their investment opportunities"[45] when evaluating a just and reasonable ROE. As documented in my testimony, there is no demonstrable evidence that investors look to GDP growth rates in the far distant future in assessing their expectations for utility common stocks. Investors recognize that the electric utility industry is relatively stable and mature. The fact that analysts' EPS growth estimates are routinely referenced in the financial media and in investment advisory publications, while long-term GDP growth rates are not, clearly implies that investors use current earnings forecasts, not long-term trends in GDP, as a primary basis for their growth expectations. In view of these facts, the constant growth form of the DCF model provides a meaningful benchmark in evaluating a just and reasonable base ROE for EPE.

I also include the ECAPM, which is an extension of the traditional CAPM model. The ECAPM is supported by recognized financial research and has been relied on in various utility rate proceedings, and by regulatory agencies and their staffs. The ECAPM is designed to refine the CAPM to better reflect the observed relationship between risk and investors' required return. My testimony supports this approach as a useful indicator in determining a just and reasonable ROE under the general framework adopted in Opinion No. 569-A.

Q30. WHAT RESULTS ARE PRODUCED BY THE ALTERNATIVE ROE BENCHMARKS?

A30. As summarized on page 2 of Exhibit No. EPE-0018:

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[45] Opinion No. 569 at P 33.

- Application of the constant growth DCF model to the proxy group of electric utilities implies a range of 5.72% to 12.39%, with a median of 9.17%.
- The forward-looking ECAPM estimates produce an ROE range of 10.41% to 13.69% with a median of 11.98%.

These results demonstrate a continued downward bias in the 8.89% median value resulting from the Commission's two-step DCF method and indicate that the average ROE resulting from the Three-Model Approach is correspondingly understated.

Q31. WHAT THEN IS YOUR RECOMMENDATION AS TO A JUST AND REASONABLE ROE FOR EPE?

A31. Based on the results of my analyses, I recommend an ROE of 10.38% for EPE, which corresponds to the median value produced by the Four-Model Approach.

III. DEVELOPMENT AND SELECTION OF THE PROXY GROUP

Q32. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A32. This section describes how I identify the proxy group of publicly traded electric utilities used to apply the financial models described in my testimony.

Q33. HOW DO YOU IMPLEMENT QUANTITATIVE METHODS TO ESTIMATE THE COST OF COMMON EQUITY FOR EPE?

A33. Application of quantitative methods to estimate the cost of common equity requires observable capital market data, such as stock prices and beta values. Moreover, even for a firm with publicly traded stock, the cost of common equity can only be estimated. As a result, applying quantitative models using observable market data only produces an estimate that inherently includes some degree of observation error. Thus, the accepted approach to increase confidence in the results is to apply alternative quantitative methods to a proxy group of publicly traded companies that investors regard as comparable in risk. The results of the analysis for the sample of companies are relied upon to establish a range of reasonableness for the cost of equity for the specific company at issue.

Q34. WHAT SPECIFIC CRITERIA DO YOU INITIALLY EXAMINE TO IDENTIFY A PROXY GROUP OF REGULATED ELECTRIC UTILITIES?

A34. Consistent with the Commission's accepted approach, I begin with the following criteria to identify a proxy group of electric utilities:

1. Companies that are included in the Electric Utility Industry groups compiled by Value Line.
2. Electric utilities that paid common dividends over the last six months and have not announced a dividend cut since that time.
3. Electric utilities with no ongoing involvement in a major merger or acquisition that would distort quantitative results.

In addition, the Commission has determined that credit ratings from both major agencies—S&P and Moody's—should be considered independently as screening criteria when evaluating comparable risk. In evaluating credit ratings to identify a proxy group of utilities with comparable risks, the Commission has adopted a "comparable risk band," interpreted as one "notch" higher or lower than the corporate credit ratings of the utility at issue and within the investment grade ratings scale.

Q35. WHAT CORPORATE CREDIT RATINGS HAVE BEEN ASSIGNED TO EPE BY MOODY'S AND S&P?

A35. EPE has been assigned an issuer credit rating of Baa2 by Moody's. The Company is not rated by S&P.

Q36. WHAT PROXY GROUP SCREENING CRITERIA ARE INDICATED BY EPE'S CREDIT RATINGS?

A36. Applying the one notch lower or higher band under the Commission's guidelines results in a screening criterion of Baa1 to A3, based on EPE's Moody's issuer rating.

Q37. IS THERE ANY OTHER PUBLICLY TRADED UTILITY THAT IS RELEVANT IN ESTABLISHING A PROXY GROUP?

A37. Yes. Emera Inc.'s operations are comparable to those of other electric utilities in the proxy group. Although Value Line currently includes Emera Inc. in its power industry group, rather than its electric utility groups, Emera Inc.'s operations are dominated by its regulated electric and gas utility operations, which account for approximately 95% of total revenues. U.S. operations constitute 68% of Emera Inc.'s total earnings, and its Florida electric utility operations account for 58% of total rate base investment.[46] Thus, investors would regard Emera Inc. as a comparable investment alternative that is relevant to an evaluation of the required rate of return for EPE.

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[46] Emera Inc., *Investors Presentation* (May/June 2021) https://s25.q4cdn.com/978989322/files/doc_presentations/2021/Emera_June-2021_MarketingPresentation_FINAL.pdf; 2020 SEC Form 40-F for Emera Inc., https://sec.report/Document/0001193125-21-102229/.

As shown on Exhibit No. EPE-0019, applying the criteria outlined above results in a proxy group of twenty-six utilities, which I refer to as the "Electric Group."

IV. APPLICATION OF FINANCIAL MODELS

Q38. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A38. This section briefly outlines my application of the two-step DCF, CAPM, and Risk Premium methods. In addition, I address the Commission's concerns regarding the Expected Earnings approach and present the results of this methodology.

A. Two-Step DCF Model

Q39. WHAT MARKET VALUATION PROCESS UNDERLIES DCF MODELS?

A39. DCF models assume that the price of a share of common stock is equal to the present value of the expected cash flows (*i.e.*, future dividends and stock price appreciation) that will be received while holding the stock, discounted at investors' required rate of return. Thus, the cost of equity is the discount rate that equates the current price of a share of stock with the present value of all expected cash flows from the stock.

Q40. WHAT FORM OF THE DCF MODEL IS CUSTOMARILY USED TO ESTIMATE THE COST OF EQUITY?

A40. Rather than developing annual estimates of cash flows into perpetuity, the DCF model can be simplified to a "constant growth" form:[47]

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[47] The constant growth DCF model is dependent on a number of strict assumptions, which in practice are never entirely met. These include a constant growth rate for both dividends and earnings; a stable dividend payout ratio; the discount rate exceeds the growth rate; a constant growth rate for book value and price; a constant earned rate of return on book value; no sales of

$$P_0 = \frac{D_1}{k_e - g}$$

where: P_0 = Current price per share;
D_1 = Expected dividend per share in the coming year;
k_e = Cost of equity; and
g = Investors' long-term growth expectations.

The cost of common equity (k_e) can be isolated by rearranging terms within the equation:

$$k_e = \frac{D_1}{P_0} + g$$

This constant growth form of the DCF model recognizes that the rate of return to stockholders consists of two parts: (1) dividend yield (D_1/P_0) and (2) growth (g). In other words, investors expect to receive a portion of their total return in the form of current dividends and the remainder through stock price appreciation.

Q41. WHAT IS THE DISTINCTION BETWEEN THE TWO-STEP DCF METHOD FOR ELECTRIC UTILITIES AND THE CONSTANT GROWTH DCF MODEL OUTLINED ABOVE?

A41. The Commission's two-step DCF method for electric utilities assumes that investors differentiate between near-term growth forecasts, such as the EPS growth rates published by securities analysts, and some notion of longer-term growth extending into the distant future. Under the Commission's two-step DCF method,

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stock at a price above or below book value; a constant price-earnings ratio; a constant discount rate (i.e., no changes in risk or interest rate levels and a flat yield curve); and all of the above extend to infinity. (As discussed in the text below, the Commission's two-stage DCF model also depends on these assumptions, with the sole exception of the constant earnings growth rate.) Nevertheless, the constant growth DCF method provides a workable and practical approach to estimate investors' required return that is widely referenced in utility ratemaking.

the first growth rate is represented by analysts' consensus EPS growth projections specific to each individual utility in the proxy group, while the second growth rate is based on long-term forecasts of growth in nominal GDP. Based on this assumption of disparate growth expectations, the two-step DCF method employs two separate growth rates for each company, which are weighted to arrive at a single value for the "*g*" component. However, as I discuss below, the assumptions about investor expectations and growth that motivate the two-step DCF approach are not substantiated by the evidence.

Q42. HOW DO YOU DETERMINE THE DIVIDEND YIELD FOR THE UTILITIES IN YOUR PROXY GROUP?

A42. An average dividend yield is developed for each utility in the Electric Group during the six months from March through August 2021. This calculation is made by dividing the indicated dividend in each month by the corresponding average of the monthly low and high stock prices. The resulting six-month average historical dividend yields are presented on page 1 of Exhibit No. EPE-0020.

Q43. WHAT GROWTH RATE DO YOU USE TO ADJUST THIS HISTORICAL DIVIDEND YIELD?

A43. Consistent with the Commission's recent guidance, I adjust the historical dividend yield using only the analysts' EPS growth estimate.[48]

[48] Opinion No. 569 at P 98.

Q44. WHAT IS THE SOURCE OF THE ANALYSTS' CONSENSUS EPS GROWTH RATES USED IN YOUR APPLICATION OF THE COMMISSION'S TWO-STEP DCF METHOD?

A44. I obtain IBES earnings growth rates for the utilities in the Electric Group from *Yahoo! Finance*.

Q45. HOW DO YOU ARRIVE AT YOUR PROJECTED GROWTH RATE IN NOMINAL GDP, REPRESENTING THE SECOND STAGE OF THE COMMISSION'S DCF MODEL?

A45. I rely on recent long-term projections published by IHS Markit and the EIA, as well as the Social Security Administration forecast over the next 50 years. This resulted in an average GDP growth rate of 4.20%. The calculation of the long-term growth rate in nominal GDP used in my application of the Commission's two-step DCF model is presented on page 2 of Exhibit No. EPE-0020.

Q46. WHAT WEIGHTING DO YOU ASSIGN THESE RESPECTIVE GROWTH RATES TO ARRIVE AT THE SINGLE *"G"* COMPONENT OF THE TWO-STEP DCF MODEL?

A46. Following the practice adopted in Opinion No. 569-A, I weight the individual analysts' EPS growth rates by 80% and the GDP growth projection by 20% to compute a single, two-step growth rate for each of the utilities in the proxy group.

Q47. WHERE DO YOU PRESENT THE RESULTS OF YOUR TWO-STEP DCF ANALYSES?

A47. After combining the dividend yields and the weighted average of the respective analysts' projections and GDP growth forecast for each utility, the resulting cost of common equity estimates for the Electric Group are shown on page 1 of Exhibit No. EPE-0020.

Q48. IN EVALUATING THE RESULTS OF THE DCF MODEL, IS IT APPROPRIATE TO ELIMINATE ILLOGICAL COST OF EQUITY ESTIMATES?

A48. Yes. Consistent with Opinion No. 569-A, in applying quantitative methods to estimate the cost of equity, it is essential that the resulting values pass fundamental tests of reasonableness and economic logic. Accordingly, DCF estimates that are implausibly low or high should be eliminated when evaluating the results of this method.

Q49. WHAT LOW-END THRESHOLD HAS THE COMMISSION ADOPTED?

A49. Starting with the average yield on Baa-rated public utility bonds for the six-month study period, the Commission adds an increment equal to 20% of the market risk premium used to apply the CAPM.[49] Combining an average yield on Baa utility bonds of 3.45% for the six months ending August 2021 with 20% of the 10.43% CAPM market risk premium (Exhibit No. EPE-0021) results in a low-end threshold of 5.54%.

Q50. DID YOU EXCLUDE ANY LOW-END DCF ESTIMATES FROM YOUR ANALYSES?

A50. No. As shown on page 1 of Exhibit No. EPE-0020, all of the two-step DCF results exceeded the 5.54% threshold. The resulting retention of low-end values in the 6% range—which are far below any credible estimate of the cost of equity—continues to impart a downward bias to the DCF results.

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[49] Opinion No. 569 at P 387; Opinion No. 569-A at P 161.

Q51. WHAT IS THE COMMISSION'S CURRENT POSITION WITH RESPECT TO EVALUATING DCF VALUES AT THE HIGH END OF THE RANGE?

A51. With respect to the evaluation of individual cost of equity estimates, the Commission has established a high-end test based on 200% of the median value from each financial model before eliminating estimates at the low or high end of the range.[50]

Q52. WHAT IS YOUR CONCLUSION WITH RESPECT TO AN EVALUATION OF TWO-STEP DCF VALUES AT THE HIGH END OF THE RANGE?

A52. As shown on page 1 of Exhibit No. EPE-0020, the upper end of the two-step DCF results for the Electric Group is set by a cost of equity estimate of 11.43%, which falls well below the Commission's high-end test.

Q53. WHAT OTHER CONSIDERATION HAS THE COMMISSION RAISED IN EVALUATING COST OF EQUITY ESTIMATES?

A53. The Commission has also suggested that cost of equity estimates should be subject to a "natural break" analysis, based on the difference between individual values and the next-lowest or next-highest estimate.[51]

Q54. DO YOU AGREE THAT THE DIFFERENCE BETWEEN INDIVIDUAL COST OF EQUITY ESTIMATES CAN BE USED AS A GAUGE OF REASONABLENESS?

A54. No. The dispersion between a particular cost of equity result and the next lowest value provides no relevant information in evaluating the reasonableness of estimates at the upper end of the range. The key fallacy underlying the "natural break" analysis is the belief that estimating the cost of equity involves a process of

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[50] Opinion No. 569-A at P 154.

[51] Opinion No. 569 at P 395; Opinion No. 569-A at P 153.

sampling. On the contrary, through application of proxy group criteria, the Commission has identified all of the utilities deemed to be of comparable risk. In other words, the array of cost of equity estimates produced by the ROE analyses represents the entire population, not a sample of the population. We are not drawing 20 colored marbles from an urn containing hundreds and seeking to make inferences regarding the makeup of the unobserved remainder. Rather, we are analyzing all of the marbles (or all of the relevant, comparable-risk companies). As a result, the dispersion of individual values is not a valid test of how well a specific cost of equity estimate reflects investors' expectations and required returns.

If there is any statistical observation to be made regarding the cost of equity estimates produced by any single financial model, it is that the relatively small size of the population (the proxy group) makes it more likely that there will be a "break" in the data set relative to an analysis for a larger population. That is not evidence of a flaw in the results. Rather, it is a predictable function of the size of the proxy group of comparable-risk utilities. Trimming so-called "outliers" on this basis has the unreasonable effect of arbitrarily making that small population even smaller, and thereby skewing the results.

Moreover, the goal in evaluating the results of financial models, such as the DCF and CAPM approaches, is not to identify "outliers," it is to remove estimates that are clearly illogical for purposes of identifying the "broad range of potentially lawful ROEs" that constitutes the zone of reasonableness. The identification of clearly illogical results should be a case-specific determination relying on the specific evidence at hand. The notion of an "outlier" in the context of statistics and sampling theory is an entirely separate concept from the evaluation of cost of equity estimates for the population of comparable risk utilities. Apart from the fact that the arithmetic difference between two individual cost of equity estimates does not provide a sound basis to evaluate the economic validity of either value, the amount of any "break" that might be suggestive of an "outlier" is arbitrary and lacks any empirical foundation.

Q55. THIS NOTWITHSTANDING, WOULD THERE BE ANY ARGUABLE BASIS TO EXCLUDE THE 11.43% HIGH-END VALUE FROM YOUR TWO-STEP DCF ANALYSIS BASED ON A "NATURAL BREAK" ANALYSIS?

A55. No. The "break" between the 11.43% value and the next lowest result is 93 basis points, which is less than the dispersion between other observations in the array of two-step DCF estimates. Thus, not only is a "natural break" analysis misguided and lacking any objective basis, it provides no evidence that the 11.43% value at the top end of the two-step DCF range is "truly irrational or anomalously high."[52]

Q56. WHAT ARE THE RESULTS OF YOUR TWO-STEP DCF ANALYSIS?

A56. As shown on page 1 of Exhibit No. EPE-0020, the two-step DCF analysis for the Electric Group results in a range of 6.09% to 11.43%, with a median of 8.89%.

B. Capital Asset Pricing Model

Q57. PLEASE DESCRIBE THE CAPM.

A57. The CAPM approach is generally considered to be the most widely referenced method for estimating the cost of equity among academicians and professional practitioners, with the pioneering researchers of this method receiving the Nobel

[52] Opinion No. 569-A at P 154.

Prize in 1990. The CAPM is a theory of market equilibrium that measures risk using the beta coefficient. Assuming investors are fully diversified, the relevant risk of an individual asset (e.g., common stock) is its volatility relative to the market as a whole, with beta reflecting the tendency of a stock's price to follow changes in the market. A stock that tends to respond less to market movements has a beta less than 1.00, while stocks that tend to move more than the market have betas greater than 1.00. The CAPM is mathematically expressed as:

$$R_j = R_f + \beta_j(R_m - R_f)$$

where: R_j = required rate of return for stock j;
R_f = risk-free rate;
R_m = expected return on the market portfolio; and
B_j = beta, or systematic risk, for stock j.

Like the DCF model, the CAPM is an *ex-ante*, or forward-looking, model based on expectations of the future. As a result, in order to produce a meaningful estimate of investors' required rate of return, the CAPM must be applied using estimates that reflect the expectations of actual investors in the market, not with backward-looking, historical data.

Q58. WHAT MARKET RATE OF RETURN HAS THE COMMISSION USED TO APPLY THE CAPM?

A58. Under the approach considered by the Commission in Opinion No. 569-A, the expected market rate of return was estimated by conducting a DCF analysis on the dividend paying firms in the S&P 500.[53]

[53] *Id.* at P 210.

Q59. WHAT BETA VALUES DID THE COMMISSION ADOPT TO APPLY THE CAPM IN OPINION NO. 569-A?

A59. The Commission relied on the beta values reported by Value Line, which in my experience is the most widely referenced source for beta in regulatory proceedings and is widely relied upon by investors. As noted in *New Regulatory Finance*:

> Value Line is the largest and most widely circulated independent investment advisory service, and influences the expectations of a large number of institutional and individual investors. . . . Value Line betas are computed on a theoretically sound basis using a broadly based market index, and they are adjusted for the regression tendency of betas to converge to 1.00.[54]

The fact that investors rely on Value Line betas in evaluating expected returns for utility common stocks provides strong support for this approach.

Q60. THE COMMISSION HAS SUGGESTED THAT IT MAY BE THEORETICALLY INCORRECT TO APPLY THE CAPM USING VALUE LINE BETAS AND A MARKET RETURN BASED ON THE S&P 500.[55] WHAT IS THE CRUX OF THIS ARGUMENT?

A60. Opinion No. 569-A stated that there is an "imperfect correspondence" between a market risk premium based on the dividend-paying firms in the S&P 500 and Value Line betas, which are determined based on a comparison of each stock's volatility relative to the stocks in the NYSE, rather than the S&P 500. While observing that there is substantial evidence that investors rely on Value Line betas,[56] in its recent decision in *Mystic* the Commission accepted Trial Staff's proposal to use

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[54] Roger A. Morin, *New Regulatory Finance*, Pub. Util. Reports, Inc., 71 (2006).
[55] Opinion No. 569-A at P 75.
[56] *See, e.g.*, Opinion No. 569-A at P 61.

Bloomberg-based, alternative betas derived from the returns to the S&P 500 Index.[57]

Q61. DO YOU AGREE THAT THERE IS A LACK OF CORRESPONDENCE BETWEEN A MARKET RETURN BASED ON THE S&P 500 AND VALUE LINE BETA VALUES?

A61. No. Under the CAPM, the volatility at issue theoretically relates the market price of the stock with the market price of every other possible investment opportunity in the "market," including collectible cars and gold bullion. Just as it is not possible to precisely define the growth expectations necessary to apply the DCF model directly to utilities, forward-looking market returns and beta values are unobservable. Application of the DCF approach to the dividend-paying firms in the S&P 500 provides a sound proxy for investors' expected return on the "market." Similarly, reference to Value Line's published beta values also offer an objective proxy for an unobservable, forward-looking beta. There is no "mismatch," as Opinion No. 569-A and *Mystic* seem to imply.

The contention that there is an "imperfect correspondence" between a market return that references the S&P 500 and beta values estimated against the NYSE is further disproved by reference to studies in the financial research. *Marston and Harris* noted that it derived an estimate of the market rate of return for a sample of approximately 400 companies selected from the S&P 500, while the beta values used in the study were calculated "against . . . all NYSE

[57] *Constellation Mystic Power, LLC,* 176 FERC ¶ 61,019, at PP 77, 85 (2021) ("*Mystic*").

securities."[58] This approach, used by recognized researchers in a peer-reviewed journal sponsored by the Eastern Finance Association, mirrors the CAPM approach adopted in Opinion No. 569-A. Similarly, in applying a market rate of return based on the dividend paying firms in the S&P 500, the Staff of the Illinois Commerce Commission also relied on published betas from Value Line.[59]

Q62. IS THERE OTHER EVIDENCE THAT UNDERCUTS THE ARGUMENT OF A LACK OF CORRESPONDENCE BETWEEN A MARKET RETURN FOR THE S&P 500 AND VALUE LINE BETAS?

A62. Yes. Beta measures the variability of the price of a common stock relative to the broader market. While it is possible to calculate this measure of relative price volatility using alternative market benchmarks (i.e., NYSE or S&P 500), to the extent that movements in market indices are driven by the stock prices of very large capitalization companies and thus move in tandem, the beta values using similar time periods would be indistinguishable. If there is no systemic difference in the relative movements of the NYSE and the S&P 500, then there is no basis to suggest that a beta calculated against the NYSE would not apply equally to a market rate of return estimated by reference to the S&P 500.

The degree to which movements in the NYSE and S&P 500 are synchronized can be tested through correlation analysis. The correlation coefficient measures the degree that two variables move together. A correlation coefficient of

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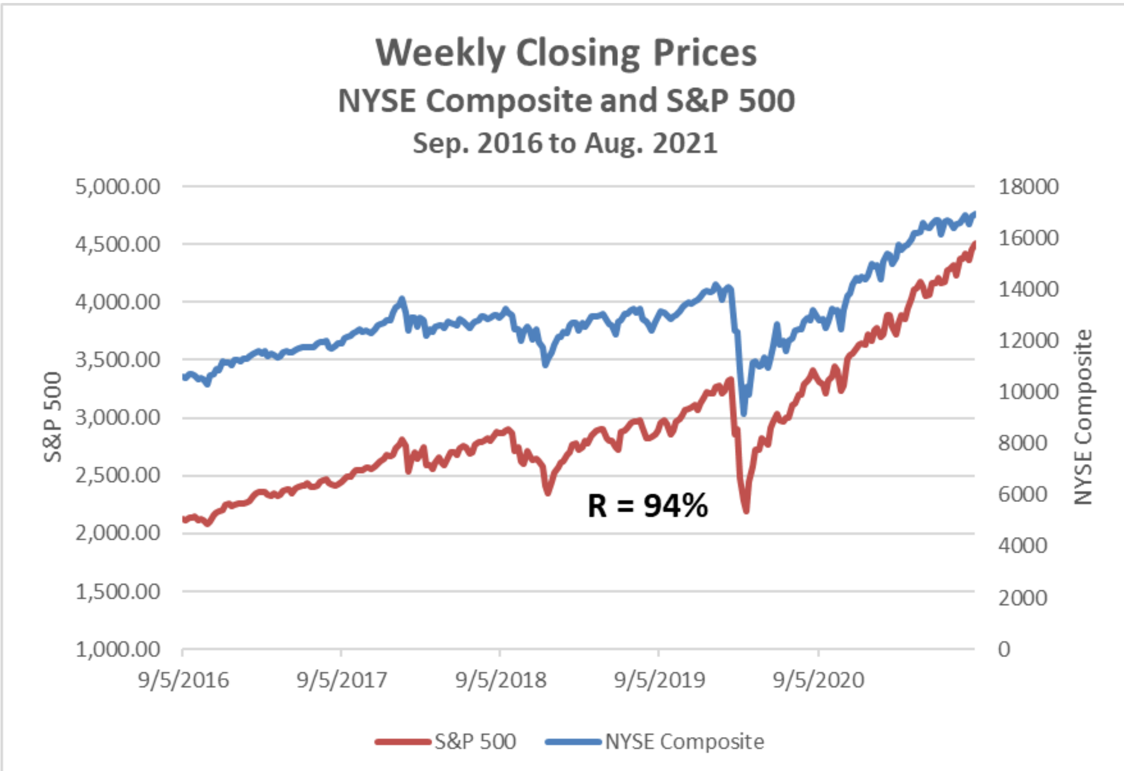
[58] Felicia Marston and Robert S. Harris, *Risk and Return: A Revisit Using Expected Returns*, Fin. Review (Feb. 1993) ("*Marston & Harris*"). Value Line betas are also derived based on weekly percentage changes in the New York Stock Exchange Average.

[59] *Direct Testimony of Rochelle Langfeldt*, Illinois Commerce Commission, Docket No. 01-0432 (2001), at 27 (citing "[t]he average Value Line adjusted beta for the Electric sample.").

0.0 would indicate that there is no consistent co-movement between two variables, while a correlation coefficient of 1.0 would indicate perfect correlation, i.e., that 100% of the change in one variable is reflected in the other variable.

Figure EPE-2 displays the weekly percentage changes in the NYSE and the S&P 500 over the five-year period ending August 31, 2021:

FIGURE EPE-2



As indicated on the chart, this analysis results in a correlation coefficient of 0.94, meaning that weekly changes for the NYSE are almost perfectly matched by similar movements in the S&P 500. The high degree of correlation between movements in the NYSE and movements in the S&P 500 undercuts any notion of a "mismatch" between Value Line betas and a market return predicated on a subset of the S&P 500.

Q63. ARE THERE OTHER FACTORS THAT ALSO WEIGH IN FAVOR OF CONTINUED REFERENCE TO VALUE LINE BETAS, VERSUS THOSE DERIVED FROM BLOOMBERG?

A63. Yes. Value Line is recognized as being the most widely available source of investment information to investors, and citations in many textbooks and other sources support its usefulness as a guide to investors' expectations.[60] Value Line is available at nominal prices for paper subscription or internet access, as well as being freely available to investors in libraries and through many brokerage offices. Importantly, the beta values reported by Value Line are updated on a weekly basis and calculated using a consistent methodology.

This contrasts with Bloomberg-derived betas, which are dependent on criteria specified by each individual user and subject to the potential for subjective manipulation to produce a desired end-result. Meanwhile, Bloomberg is available only to a select subset of investors that can afford substantial annual subscription fees to obtain the proprietary terminal required to access Bloomberg data. The administrative benefits associated with reliance on beta values from Value Line, including a consistent methodology by an independent third-party and immunity to selective changes in assumptions, support continued reference to Value Line betas in applying the CAPM approach.

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[60] *See, e.g.*, Roger A. Morin, *New Regulatory Finance*, Pub. Utils. Reports, Inc., 71 (2006) ("Value Line is the largest and most widely circulated independent investment advisory service, and influences the expectations of a large number of institutional and individual investors.").

Q64. THIS EVIDENCE NOTWITHSTANDING, HOW DO YOU ADDRESS ANY POTENTIAL CONCERNS REGARDING AN IMPERFECT CORRESPONDENCE BETWEEN THE ESTIMATED MARKET RETURN AND VALUE LINE BETAS?

A64. In order to address any potential concerns regarding the correspondence between Value Line betas and the CAPM market risk premium, I estimate the market rate of return by applying the same DCF methodology adopted in Opinion No. 569-A to the 1,350 dividend-paying firms in the NYSE. As a result, the index used as the basis for the estimated market return is matched with the index used to calculate Value Line's beta values, which resolves any potential for an "imperfect correspondence" between these two model inputs.

To apply the DCF model to the dividend-paying firms in the NYSE, I obtain the dividend yield for each company from Zacks, while the growth rate is based on the EPS growth projections for each firm published by IBES. As shown on Exhibit No. EPE-0022, after removing companies with growth rates that were negative or greater than 20%,[61] the weighted average of the projections for the individual firms implies an average growth rate of 10.39%. Combining this average growth rate with a weighted average dividend yield of 2.20% results in a current cost of common equity estimate for the market as a whole (R_m) of 12.59%.

[61] My use of the growth rate screen adopted in Opinion No. 569-A should not be considered an endorsement of this approach, which is based on an incorrect notion that using the DCF model to estimate the market return requires an assumption of constant growth for each of the specific firms in the NYSE. The NYSE includes a broad sample of companies at all stages of growth and the use of all of those companies to estimate the required return on common stocks reasonably reflects investors' consensus expectations about the NYSE as a whole.

Q65. DO YOU INCLUDE A SIZE ADJUSTMENT IN APPLYING THE CAPM?

A65. Yes. Because financial research indicates that the CAPM does not fully account for observed differences in rates of return attributable to firm size, a modification is required to account for this size effect. As explained by Morningstar:

> One of the most remarkable discoveries of modern finance is the finding of a relationship between firm size and return. On average, small companies have higher returns than large ones…. The relationship between firm size and return cuts across the entire size spectrum; it is not restricted to the smallest stocks.[62]

According to the CAPM, the expected return on a security should consist of the riskless rate, plus a premium to compensate for the systematic risk of the particular security. The degree of systematic risk is represented by the beta coefficient. The need for the size adjustment arises because differences in investors' required rates of return that are related to firm size are not fully captured by beta. To account for this, my CAPM analysis incorporates an adjustment to recognize the impact of size distinctions, as measured by the market capitalization for the companies in the Electric Group.

Q66. WHAT ROE IS IMPLIED FOR THE ELECTRIC GROUP USING THE CAPM?

A66. As detailed on Exhibit No. EPE-0021, referencing a 2.16% risk-free rate based on the six-month average yield on 30-year Treasury bonds at August 2021, the CAPM implies a cost of equity range of 9.76% to 13.82% for the Electric Group, with a median of 11.82%.

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[62] Morningstar, *2015 Ibbotson SBBI Classic Yearbook*, at 99 (2015).

C. Risk Premium Approach

Q67. BRIEFLY DESCRIBE THE RISK PREMIUM APPROACH.

A67. The risk premium approach extends the risk-return tradeoff observed with bonds to estimate investors' required rate of return on common stocks. The cost of equity is estimated by first determining the additional return investors require to forgo the relative safety of bonds and to bear the greater risks associated with common stock, and then adding this equity risk premium to the current yield on bonds.

Q68. IS THE RISK PREMIUM APPROACH A WIDELY ACCEPTED METHOD FOR ESTIMATING THE COST OF EQUITY?

A68. Yes. The risk premium approach is based on the fundamental risk-return principle that is central to finance. This method is routinely referenced by the investment community, by academics, and in regulatory proceedings, and provides an important tool in estimating a fair ROE.

Q69. DID THE COMMISSION DIRECT CHANGES TO THE APPLICATION OF THIS METHOD IN OPINION NO. 569-A?

A69. Yes. To address specific concerns regarding the implementation of the Risk Premium approach, Opinion No. 569-A directed certain refinements in its application. Specifically, the Commission:

- developed a separate risk premium for each individual case, rather than using annual averages;[63]
- adopted the six-month period preceding the filing date of the offer of settlement as the basis for establishing the six-month

[63] Opinion No. 569-A at P 108.

average bond yield used to calculate risk premiums attributable to ROEs approved through settled proceedings;[64]

- adopted the six-month study period as the basis for establishing the six-month average bond yield used to calculate risk premiums attributable to ROEs approved through litigated proceedings;[65] and,

- extended the sample period for the Risk Premium study through the conclusion of the study period, rather than the calendar year.[66]

As documented in Appendix I to Opinion No. 569-A, the Commission removed cases from the Risk Premium study where:

- the utility was merely adopting an existing ROE without consideration of whether that ROE would be determined to be just and reasonable under fresh analysis;

- the ROE was clearly not under consideration;

- there were duplicative findings from a previous case;

- the ROE was set for a definite future date, and the Commission could not have evaluated a risk premium for a future date; and

- the test period predated 2006.

More recently, in Opinion No. 569-B, the Commission corrected a limited number of typographical and other minor errors to the risk premium data set used in Opinion No. 569-A.[67] Based on these criteria, Opinion No. 569-B adopted a universe of 78 cases to apply the Risk Premium method. The Commission further refined this case set in *Mystic*.[68]

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[64] *Id.* at P 111.
[65] *Id.*
[66] *Id.*
[67] Opinion No. 569-B at PP 127-28, Appendix I.
[68] *Mystic* at PP 71-75.

Q70. DO YOU ADD ANY OBSERVATIONS TO THE RISK PREMIUM CASE SET RELIED ON BY THE COMMISSION IN *MYSTIC*?

A70. Yes. Apart from updating the observations to reflect ROEs approved by the Commission through August 31, 2021, I made several corrections to the model inputs listed in *Mystic*. Specifically, I identified four cases the Commission either mistakenly omitted using the criteria listed above or failed to consider altogether. These cases are described on page 6 of Exhibit No. EPE-0023. Finally, I also include the 9.33% ROE approved in *Mystic*.

Q71. DO YOU REMOVE ANY OBSERVATIONS FROM THE RISK PREMIUM CASE SET ADPOTED IN *MYSTIC*?

A71. Yes. I remove a 10.05% ROE attributed to Docket No. EL15-45, which was a pancaked section 206 complaint proceeding for the MISO TOs. The Commission dismissed this complaint, and no ROE was approved or established in this proceeding.

In applying the risk premium approach in *Mystic*, the Commission also incorporated cases involving publicly owned entities. Revenue requirements and underlying capital costs for publicly owned utilities are primarily driven by debt service requirements, and there is no relevant equivalent to the market cost of equity for an investor-owned utility. Accordingly, ROE determinations for municipals and cooperatives should not be included in applying the risk premium method to estimate the ROE for investor-owned electric utilities, such as EPE.

Q72. IS THIS CRITICAL DISTINCTION RECOGNIZED BY THE INVESTMENT COMMUNITY?

A72. Yes. For example, S&P observed that "[c]ash available from current operating revenues to pay debt service is the principal focus" of its financial analysis of cooperative utilities.[69] As S&P concluded:

> We believe that fixed costs and imputed charge coverage best gauges a retail utility's total financial capacity. It measures the ability of the retail utility to service both its total debt and debt-like obligations, which together we refer to as fixed costs and imputed charges.[70]

Moody's identified the "[l]ack of a profit motive or need to generate a return on equity" as key characteristics typifying public power utilities.[71] Meanwhile, Fitch concluded that:

> Public power systems are unique from their investor-owned counterparts. In nearly all cases, public power systems operate on a not-for-profit basis and with the fundamental mission of providing safe, reliable and affordable electric service. Excess cash flow is typically retained and used to build financial cushion, fund capital investment or reduce borrowings.[72]

Similarly, the Presiding Judge in *Missouri River Energy Services* noted that:

> Municipally-owned utilities do not answer to stockholders seeking a return on their investments. They pay no dividends . . . The

[69] S&P Global Ratings, *U.S. Public Finance: Applying Key Rating Factors to U.S. Cooperative Utilities*, Criteria | Governments (Nov. 21, 2007).

[70] S&P Global Ratings, *U.S. Municipal Retail Electric and Gas Utilities: Methodology and Assumptions* (Sept. 27, 2018), https://www.spglobal.com/ratings/en/research/articles/180927-criteria-governments-u-s-public-finance-u-s-municipal-retail-electric-and-gas-utilities-methodology-and-assum-10570235.

[71] Moody's Investors Service, *U.S. Public Power Electric Utilities With Generation Ownership Exposure* (Nov. 28, 2017) http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1096768.

[72] Fitch Ratings, Inc., *Exposure Draft: U.S. Public Power Rating Criteria*, Public Finance (June 14, 2018).

> governing members of municipal-owned utilities are their own customers . . . Publicly-owned utilities pay no income taxes. . . . By contrast, investor-owned utilities are profit-making and profit-maximizing private entities that strive to attain the greatest possible ROE for their shareholders. They do so in order to attract investors to their stock in the stock market. . . . In short, unlike investor-owned utilities, it is not the purpose of a municipally-owned utility to earn a profit. Quite the opposite, it is a *non*-profit institution that is set up that way in order to achieve lower rates for ratepayers.[73]

Publicly owned (cooperative or municipal) utilities do not raise equity in the capital markets and do not seek to make a profit. Consequently, ROE determinations for publicly owned electric systems provide no information relevant to a determination of a just and reasonable ROE for an investor-owned electric utility, such as the Company.

In addition, the bottom panel on page 6 of Exhibit No. EPE-0023 identifies one other minor correction to remove the impact of a post-record period adjustment for changes in bond yields that is necessary to match the ROE to the study period interest rate. The revised inputs to the Risk Premium approach are shown on pages 2-4 of Exhibit No. EPE-0023.

Q73. WHAT COST OF EQUITY IS IMPLIED BY THE RISK PREMIUM METHOD?

A73. As illustrated on page 1 of Exhibit No. EPE-0023, with an average six-month historical yield on Baa public utility bonds at August 2021 of 3.45%, the Risk Premium method implies a current equity risk premium of 6.13% for electric

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[73] *Missouri River Energy Services*, 130 FERC ¶ 63,014, at PP 228, 229, 231 (2010) (emphasis original).

utilities. Adding this equity risk premium to the average six-month historical yield on Baa utility bonds implies a current cost of equity of 9.58%.

D. Expected Earnings Approach

Q74. PLEASE EXPLAIN YOUR EXPECTED EARNINGS STUDY.

A74. Analysis of rates of return available from alternative investments of comparable risk can provide an important benchmark in assessing the return necessary for a firm to maintain financial integrity and attract capital. This approach is consistent with the economic underpinnings for a fair rate of return, as reflected in the comparable earnings test established by the Supreme Court in *Hope* and *Bluefield.* Moreover, it avoids the complexities and limitations of capital market methods and instead focuses on the returns earned on book equity, which are readily available to investors. As the Commission recognized in Opinion No. 531:

> [T]he . . . expected earnings analysis, given its close relationship to the comparable earnings standard that originated in *Hope*, and the fact that it is used by investors to estimate the ROE that a utility will earn in the future can be useful in validating our ROE Recommendation.[74]

Q75. DID THE COMMISSION RELY ON THE EXPECTED EARNINGS APPROACH IN OPINION NO. 569-A?

A75. No. However, the Commission noted that it would not foreclose the use of this approach in future proceedings, so long as the concerns raised in Opinion No. 569

[74] Opinion No. 531 at P 147.

and reiterated in Opinion No. 569-A are addressed. Specifically, the Commission raised the following concerns in explaining its decision not to rely on this method:

- The Expected Earnings approach is not based on market values.
- Differences between market values and book values undermine the relevance of the Expected Earnings approach.
- There is a lack of data demonstrating that investors use the Expected Earnings approach directly to value utility common stocks.

My subsequent testimony addresses the misguided nature of these concerns, along with the shortcomings of certain demonstrative examples presented in Opinion No. 569-A.

Q76. OPINION NO. 569-A CONCLUDED THAT BECAUSE INVESTORS CANNOT BUY STOCK IN THE MARKET AT BOOK VALUE, THE EXPECTED EARNINGS APPROACH SHOULD BE REJECTED.[75] DOES THIS FINDING UNDERMINE THE RELEVANCE OF THE EXPECTED EARNINGS APPROACH?

A76. No. I agree that the Expected Earnings method is not market-based, in that it is not dependent directly or indirectly on stock prices or other data from the capital markets. But this does not discount its usefulness as a meaningful approach for investors and regulators to compare expected returns in one utility versus another. Specifically, it is reasonable to expect that investors compare stock investments based on securities analysts' projections of the expected return on common equity, which is analogous to the return on the equity component of a utility's rate base.

As detailed below, this comparison is relevant to investors because it directly measures the returns on book investment that the investment community

[75] Opinion No. 569-A at PP 201, 204, 205, 210, 216, 217, 219, 221, 222.

expects from comparable-risk investments, without the need to make the subjective evaluations inherent in market-based models, such as how to best estimate investors' growth expectations or the market required return. In other words, the Expected Earnings approach serves as a direct measure of the expected returns on equity that investors associate with companies of comparable risk, which provides regulators with a meaningful guide to the return the utility should be expected to earn on its book equity investment. And given that rates are established on the basis of the book value of a utility's investment, this is a relevant measure of the ROE that is consistent with regulatory standards of comparable earnings and capital attraction established in *Hope* and *Bluefield*.

Q77. HAS THE EXPECTED EARNINGS APPROACH BEEN RECOGNIZED AS A MEANINGFUL METHODOLOGY IN EVALUATING A JUST AND REASONABLE ROE?

A77. Yes. The Expected Earnings approach is analogous to the comparable earnings method, which predominated before the advent of the DCF and other financial models. While the traditional comparable earnings test is often implemented using historical accounting data, it is also common to use projections of returns on book investment. Because these returns on book value equity are analogous to the allowed return on a utility's rate base, this measure of opportunity costs results in a direct, "apples to apples" comparison, and it has long been referenced and relied on in regulatory proceedings.[76] For example, in approving an ROE for electric utility operations, the North Carolina Utilities Commission recently concluded that:

> In prior cases, the Commission has given significant weight to the results of the Expected Earnings methodology, which stands separate and apart from the market-based methodologies (e.g., the DCF or CAPM) also used by ROE experts. . . The Commission chooses to do so again in this case.[77]

As S&P observed, "[h]istorically, there have been two approaches in calculating ROE in regulatory proceedings, a comparable earnings approach and a market analysis. In a comparable earnings approach, similar investments with similar risks are analyzed to determine an appropriate ROE."[78]

Q78. IS REFERENCE TO RETURNS ON BOOK VALUE CONSISTENT WITH HOW UTILITY RATES ARE EVALUATED?

A78. Yes. Regulators do not set the returns that investors earn in the capital markets—they can only establish the allowed return on the book value of a utility's investment. The expected earnings approach provides a direct guide to ensure that the allowed ROE is similar to what other utilities of comparable risk are expected to earn on invested capital. This opportunity-cost test does not require theoretical models to indirectly infer investors' perceptions from stock prices or other market

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[76] *See, e.g.,* Nat'l Ass'n of Regulatory Util. Comm'rs, *Utility Regulatory Policy in the U.S. and Canada, 1995-1996* (Dec. 1996). The Virginia State Corporation Commission is required by statute to consider the earned returns on book value, which establish lower and upper boundaries for the allowed ROE. Virginia Code § 56-585.1.A.2.a. The Ohio Public Utility Commission also considers prospective earned rates of return in evaluating the impact of electric security plans. Ohio R.C. 4928.143(E).

[77] North Carolina Utilities Commission, *Order Accepting Stipulations, Granting Partial Rate Increase, and Requiring Customer Notice*, Docket No. E-7, SUB 1187, *et al.*, at 94 (Mar. 31, 2021).

[78] S&P Global Market Intelligence, *The rate case process: establishing a fair return for regulated utilities*, RRA Regulatory Focus (June 29, 2020).

data. As long as the proxy companies are similar in risk, their expected earned returns on invested capital provide a direct benchmark for investors' opportunity costs, independent of fluctuating stock prices, market-to-book ratios, debates over DCF growth rates, or theoretical assumptions about investor behavior.

Indeed, a textbook prepared for the Society of Utility and Regulatory Financial Analysts labels the comparable earnings approach the "granddaddy of cost of equity methods,"[79] and notes that the comparable earnings method is firmly anchored in the regulatory economics underlying the *Bluefield* and *Hope* cases.[80] It also notes that the amount of subjective judgment required to implement this method is "minimal," particularly when compared to the DCF and CAPM methods.[81] *New Regulatory Finance* concluded that, "because the investment base for ratemaking purposes is expressed in book value terms, a rate of return on book value, as is the case with Comparable Earnings, is highly meaningful."[82]

Q79. DOES THE INVESTMENT COMMUNITY REFERENCE EARNED RETURNS ON BOOK VALUE IN THEIR EVALUATION OF ELECTRIC UTILITIES?

A79. Yes. Book value accounting measures, including earned and expected returns on book equity, are instrumental to the financial analysis underpinning investors' evaluation of electric utilities, including credit ratings. S&P cited the relevance of

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[79] David C. Parcell, *The Cost of Capital – A Practitioner's Guide*, Society of Utility and Regulatory Financial Analysts at 115-16 (2010).

[80] *Id.*

[81] *Id.*

[82] Roger A. Morin, *New Regulatory Finance*, Pub. Utils. Reports, Inc., 395 (2006).

earned returns on book value in highlighting the primary credit considerations in the utility industry, noting that "required rate of return on equity investment is closely linked to a utility company's profitability."[83] S&P indicated that, "[f]or regulated utilities subject to full cost-of-service regulation and return-on-investment requirements, we normally measure profitability using ROE, the ratio of net income available for common stockholders to average common equity."[84] While recognizing that "the regulator ultimately bases its decision on an authorized ROE," S&P observed that "different factors such as variances in costs and usage may influence the return a utility is actually able to earn, and consequently our analysis of profitability for cost-of-service-based utilities centers on the utility's ability to consistently earn the authorized ROE."[85] In S&P's view, the earned return on book value may provide better insight into the financial health of the utility because it reflects the actual impact of regulation, not the theoretical outcome implied by an authorized ROE. Consistent with this paradigm, S&P examines trends in utility returns on book equity, as compared with authorized ROEs, in evaluating financial performance for the electric utility industry.[86] Similarly, in a review of financial quality measures for utilities, S&P noted that

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[83] S&P Global Ratings, *Utilities: Key Credit Factors For The Regulated Utilities Industry,* at P 49 (Nov. 19, 2013), https://www.maalot.co.il/Publications/MT20200205141836.PDF.

[84] *Id* at 50.

[85] *Id.*

[86] *See, e.g.*, S&P Global Ratings, *Utility-earned ROEs exceeded authorized since 2016, but 2019 may not match 2018* (June 10, 2019), https://www.spglobal.com/marketintelligence/en/news-insights/research/utility-earned-roes-exceeded-authorized-since-2016-but-2019-may-not-match-2018.

"[t]he earned return on equity . . . is one of the most widely followed measures of the industry's financial performance."[87]

Moody's also recognizes the relevance of returns on book value in its assessment of a utility's prospects. While noting that "[t]he authorized ROE is a popular focal point in many regulatory rate case proceedings," Moody's recognized that "earned ROEs, as reported by utilities and adjusted by Moody's," are a key gauge of financial performance.[88] As Moody's concluded, "utilities are closer to earning their authorized equity returns, which is positive from an equity market valuation perspective."[89] In explaining its scorecard analysis for a Baa-rated utility, Moody's Investors' Service noted that regulatory outcomes should be "sufficient to attract capital without difficulty," and that this "will translate to returns (measured in relation to equity, total assets, rate base, or regulatory asset value, as applicable) that are average relative to global peers."[90] Similarly, in a publication entitled "Industry Surveys, Electric Utilities," CFRA[91] highlighted the relevance of returns on book equity to investors, noting that the earned ROE for electric utilities

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[87] S&P Global Market Intelligence, *Utility operating company financials mixed: ROE slips*, Financial Focus (Dec. 11, 2019).

[88] Moody's Investors Service, *Lower Authorized Equity Returns Will Not Hurt Near-Term Credit Profiles*, Sector In-Depth (Mar. 10, 2015).

[89] *Id*.

[90] Moody's Investors Service, *Regulated Electric and Gas Utilities*, at P 15 (Jun. 23, 2017) https://www.moodys.com/research/Regulated-Electric-and-Gas-Utilities--PBC_1072530.

[91] CFRA is one of the world's largest providers of institutional-grade independent investment research and acquired the equity and fund research arm of Standard & Poor's Corporation in October 2016.

"generally ranges between 10% and 13%, although the average has trended lower in the past few years."[92]

Q80. DO OPINION NOS. 569 OR 569-A UNDERMINE THE RELEVANCE OF THIS EVIDENCE?

A80. No. The Commission examined some of this evidence in Opinion No. 569, but nevertheless suggested that investors "may not" use the information from the Expected Earnings analysis to inform their investment decisions.[93] But these investment services would not provide this information if investors did not rely upon it to inform their decisions. The Commission also posited that investors may not use this information specifically to "determine the applicable cost of capital,"[94] but this again hinges on the notion that only market-based evidence is relevant in evaluating a just and reasonable ROE.

Q81. WHAT OTHER EVIDENCE SUPPORTS A FINDING THAT RETURNS ON BOOK VALUE INFLUENCE INVESTORS' VALUATION DECISIONS?

A81. In addition to the materials cited above, a research paper by Dr. Aswath Damodaran emphasized the importance of considering returns on book value in evaluating performance and alternative investments.[95] Contradicting Opinion No. 569's conclusion that returns on book value are unrelated to an evaluation of investors' expected return on investment,[96] Dr. Damodaran noted that, "[w]hile returns on

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[92] CFRA, *Electric Utilities*, Industry Surveys at 50 (Aug. 2018).

[93] Opinion No. 569 at P 212.

[94] *Id.* at P 217.

[95] Aswath Damodaran, *Return on Capital (ROC), Return on Invested Capital (ROIC) and Return on Equity (ROE): Measurement and Implications*, New York University, Stern School of Business (July 2007).

[96] Opinion No. 569 at PP 204, 205.

equity and capital are based upon accounting earnings and capital, and are designed to measure the quality of a firm's existing investments, they are correlated with returns you would make investing in the publicly traded equity of the firm."[97] A number of other peer-reviewed research studies also confirm the relationship between accounting-based performance measures and market-based measures such as stock returns.[98]

As Dr. Damodaran stated, "we can safely conclude that the key number in a valuation is not the cost of capital that we assign a firm but the return earned on capital that we attribute to it."[99] This is exactly what the Expected Earnings method seeks to measure. If the allowed ROE is insufficient to provide a return on the book value of a utility's investment as compared with what investors expect other utilities of comparable risk to earn, the utility's ability to compete for capital will be undermined. The Expected Earnings approach provides a measure of this necessary return as one component of the evaluation of a just and reasonable ROE.

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[97] Damodaran, *supra* n.95 at 49.

[98] *See, e.g., Kenneth Lehn, Anil Makhija, EVA, Accounting Profits, and CEO Turnover: An Empirical Examination, 1985-1994,* Journal of Applied Corporate Finance, Vol 10.2 (Summer 1997) at 90 (documenting a significant, positive correlation between ROE, market-based performance measures, and CEO turnover); D. Craig Nichols, James M. Wahlen, *How Do Earnings Numbers Relate to Stock Returns? A Review of Classic Accounting Research with Updated Evidence*, Accounting Horizons, Vol 18, No. 4 (Dec. 2004) at 272–274, 285 (documenting a significant positive relationship between stock returns and accounting earnings).

[99] Damodaran, *supra* n.95 at 6.

Q82. WHAT OTHER CONSIDERATIONS SUPPORT REFERENCE TO RETURNS ON BOOK VALUE, AS A COMPLEMENT TO MARKET-BASED METHODS?

A82. Opinion No. 569 contends that because investors can only purchase common stocks at market value, expected returns on book value are irrelevant unless the market-to-book ratio is equal to 1.0.[100] However, this ignores the fact that existing shareholders are continuously investing in a firm's equity *at book value* every time earnings are retained for reinvestment, rather than being paid as dividends. Retained earnings are reflected on the balance sheet as an increase in the book value of shareholders' equity. When a firm retains that portion of earnings not paid out as common dividends, its shareholders effectively invest in the firm's equity and these investments are made at book value.

Moreover, as the Commission has recognized, in most instances "the public utility companies for which the Commission sets rates are not publicly traded and thus do not have any market-determined stock values."[101] This was the case in the Supreme Court's *Hope* decision, where the financial integrity standards were directly related to the book value of a utility's equity and expected earnings. Similarly, one key gauge of a utility's financial integrity is credit metrics, which depend on the book value of equity and earnings on that book value of investment. The Expected Earnings method is directly related to ensuring that the standards underlying a just and reasonable ROE are met.

[100] Opinion No. 569 at P 201.
[101] *Id.* at P 208.

Q83. DOES A DIFFERENCE BETWEEN BOOK AND MARKET VALUES ALSO RAISE CONCERNS FOR MARKET-BASED METHODS?

A83. Yes. Differences between market realities and the theoretical constructs underlying market-based methods support the use, rather than rejection, of the Expected Earnings approach. Consider the implications of the example presented in Table EPE-4 below, where the market price of a utility stock is $20, or 2.00 times its book value of $10 per share. The utility currently earns 12% on its book investment, or $1.20 per share, and pays out $0.80 per share as dividends. As a result, retained earnings are $0.40 and the growth (*g*) in earnings and dividends is the same as the growth in book value at 4%.

TABLE EPE-4
MARKET-TO-BOOK AND DCF RESULTS

		Period 0	Period 1
	Market Price	$ 20.00	$ 20.00
	Book Value	$ 10.00	$ 10.00
	Market-to-Book Ratio	2.00	2.00
	Allowed ROE	12.0%	8.0%
(a)	Earnings	$ 1.20	$ 0.80
	Dividends	$ 0.80	$ 0.80
(b)	Retained Earnings	$ 0.40	$ -
(c)	Growth	4.0%	0.0%
(d)	Dividend Yield	4.0%	
(e)	DCF Cost of Equity	8.0%	

(a) Book Value x Allowed ROE.
(b) Earnings - Dividends.
(c) Retained Earnings / Book Value.
(d) Dividends / Market Price.
(e) Dividend Yield + Growth.

Assume further that an investor is given these facts and purchases a share of stock on the open market at $20 per share under the assumption that these conditions will continue indefinitely. The dividend yield on her market price will be 4% and growth will be equivalent to retained earnings of 4%. Under the DCF formula, if these conditions continue to infinity, the implied cost of equity will equal 8%. But as illustrated above, using 8% as the ROE applied to a $10 book value of investment produces total earnings of only $0.80 per share. Since the utility is paying $0.80 in dividends, retained earnings and growth will be zero, instead of the assumed 4%. The critical assumption underlying the investors' evaluation is that *the company itself will continue to earn 12% on its growing book value to infinity*.

As one researcher summarized in the early days before the DCF became a regulatory mainstay:

> We conclude that the [DCF] formula is logically incorrect for public utility regulation whenever stocks are selling at a price in excess of their book equity per share. . . . Although it purports to satisfy investor expectations, it is in fact designed to defeat the expectations of any investor who pays a market price in excess of book. It satisfies the expectations only of the investor who buys at book and expects market prices to remain at book.[102]

This is not to say that the DCF model is not a useful methodology when considered along with other methods. But as this discussion makes clear, arguments based on "truisms" inherent in the mathematical tautology of DCF theory do not support abandoning the Expected Earnings approach, which focuses on the projected earned returns on book equity supporting the investors' expectations underlying the market price of the stock.

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[102] Walter A. Morton, *The Investor Capitalization Theory of the Cost of Equity Capital*, Land Econ. 248-63 (Aug. 1970).

Q84. DO CURRENT CONDITIONS IN THE ECONOMY AND CAPITAL MARKETS PROVIDE ADDITIONAL SUPPORT FOR THE EXPECTED EARNINGS APPROACH?

A84. Yes. As discussed earlier, investors have recently confronted unprecedented market volatility and uncertainty, with common stock prices experiencing dramatic volatility. At the same time, the Federal Reserve has undertaken hyper-stimulative monetary policies on a scale never before seen, while governments have adopted fiscal policies designed to aggressively respond to the economic threat posed by the COVID-19 pandemic. Such tumultuous and highly aberrant conditions violate the general assumptions of market equilibrium and stability underlying market-based financial models.

For example, the CAPM requires a measure of the risk-free rate, which may be uncharacteristically suppressed (as it is currently) due to a "flight to safety" by investors or because of Federal Reserve monetary policies. Alternatively, a temporary spike in yields in reaction to inflationary concerns or changes in Federal Reserve policies (*e.g.*, the 2013 "taper tantrum") could lead to inflated CAPM results. The Expected Earnings model is largely insulated from such distortions and including it in the set of ROE models used by the Commission to determine ROEs provides a useful supplement to market-based methods that helps to ensure satisfaction of the *Hope* and *Bluefield* standards.

Q85. OPINION NO. 569 PRESENTS A NUMERICAL EXAMPLE PURPORTING TO ILLUSTRATE THAT EXPECTED BOOK RETURNS ARE NOT GERMANE TO THE EVALUATION OF A JUST AND REASONABLE ROE.[103] IS THAT EXAMPLE PERSUASIVE?

A85. No. Opinion No. 569 posits a comparison between two firms, both with a book value of $100 and an expected return on book value of 10%, but with the market price of the companies' stocks being $20 (Firm A) and $40 (Firm B), respectively. The problem with the example is that the assumptions are completely divorced from reality for electric utilities. For example, based on a stock price of $20, the illustration implies a market-to-book ratio of 0.25 times ($20/$100) and a price/earnings multiple of 2.0 ($20/$10), versus comparable averages for the electric utilities covered by Value Line on the order of 1.94 and 21.0, respectively.[104] Under an approach where assumptions are simply contrived to "demonstrate" a hypothesis, Opinion No. 569 could have just as easily "invalidated" the DCF model.

For example, extending the illustration to assume that each firm pays a dividend of $1.00 and both are expected to grow at 5%, the DCF cost of equity for Firm A would be 10%, versus only 5% for Firm B. Because the Opinion No. 569 example implicitly presumes that both stocks are of equal risk,[105] the differential between the implied DCF cost of equity estimates makes no sense. As with Opinion

[103] Opinion No. 569 at P 205.

[104] www.valueline.com (Oct. 15, 2021).

[105] This is unstated in Opinion No. 569, but without this assumption, the difference in stock prices between Firm A and Firm B is easily explained. If the risks of Firm A are considerably higher than those of Firm B, the price investors are willing to pay to receive the same expected stream of cash flows will be significantly lower.

No. 569's contrived assumptions, the problem is with the example, not the underlying model.

Q86. OPINION NO. 569 ALSO ASSERTED THAT RELIANCE ON DATA FROM VALUE LINE UNDERMINES THE RELIABILITY OF THE EXPECTED EARNINGS APPROACH.[106] IS THIS CONSISTENT WITH THE UNDERLYING FACTS?

A86. No. The Commission reversed this finding in Opinion No. 569-A, concluding that Value Line's projections "incorporate the input of multiple analysts."[107] The Commission also concluded that considering Value Line projections "may better reflect the data sources that investors consider in making investor decisions."[108] This provides additional support for the relevance of the Expected Earnings approach in evaluating investors' expectations and requirements.

Q87. OPINION NO. 569-A SUGGESTED THAT THE RELATIVE AMOUNT OF COMMON EQUITY OR ACCUMULATED DEPRECIATION ON A UTILITY'S BALANCE SHEET COULD DISTORT THE RESULTS OF THE EXPECTED EARNINGS APPROACH.[109] IS THIS ACCURATE?

A87. No. The absolute amount of equity in a utility's capital structure, or the fact that a utility may have a higher or lower equity ratio, does not lead to an "illogical result" under the Expected Earnings approach, as Opinion No. 569 posits. The Expected Earnings method is based on the ratio of earnings available to common stockholders to the outstanding balance of common equity investment. While a higher equity ratio would imply that the numerator would be higher relative to a utility with a

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[106] Opinion No. 569 at P 225.

[107] Opinion No. 569-A at P 80.

[108] *Id.* at P 78.

[109] Opinion No. 569-A at P 131 (citing Opinion No. 569 at P 223).

lower equity ratio, the denominator would also increase. In other words, assuming a constant allowed ROE, differences in equity ratios between one utility and another would have no impact at all on the resulting earned return on book value.[110]

Opinion No. 569's contention that the degree to which a utility's plant in service is depreciated on its books would distort the Expected Earnings results is equally misguided. Consider the simple example in the table below, which assumes that the only difference between the two utilities is the relative age of their respective utility systems and the degree to which their plant investment is depreciated.

TABLE EPE-5
IMPACT OF DEPRECIATION

	Utility A	Utility B
Plant	$1,000	$1,000
Accumulated Depreciation	$ 800	$ 100
Net Plant	$ 200	$ 900
Equity Ratio	50%	50%
Common Equity	$ 100	$ 450
ROE	10%	10%
Equity Return	$ 10	$ 45

This example shows that, just as with the utility's equity ratio, the degree to which the utility's plant is depreciated affects the amount of common equity investment that earns at the allowed ROE. However, the ratio of equity return to

[110] Consider two utilities, both with a rate base of $1,000 and an authorized ROE of 10%. If Utility A's common equity ratio were 60%, the Expected Earnings result would be calculated as ($1,000 x 60% x 10%) / ($1,000 x 60%) = 10%. For Utility B with a common equity ratio of 40%, the Expected Earnings result would be calculated as ($1,000 x 40% x 10%) / ($1,000 x 40%) = 10%. To the extent that the risk associated with Utility B's greater financial leverage were found to justify a ROE higher than that of Utility A, Utility B's Expected Earnings result would also be higher.

book common equity is the same in both cases (i.e., \$10/\$100 = 10% = \$45/\$450 = 10%). There are no "illogical results" in either instance.[111]

Q88. WHAT OTHER PRIMARY MISCONCEPTION UNDERLIES THE REJECTION OF THE EXPECTED EARNINGS APPROACH IN OPINION NOS. 569 AND 569-A?

A88. Tangential to the misguided notion that the Expected Earnings approach has no validity because it is not market based, Opinion No. 569-A argues that the Expected Earnings method should be excluded because of a lack of evidence "that investors use such data to directly value equities, determine the cost of equity, or make investment decisions."[112] Similarly, Opinion No. 569 concluded that "there is insufficient evidence to demonstrate that investors rely on the Expected Earnings model," or that investors "use the Expected Earnings model to determine their required returns on investments in public utilities."[113]

Q89. DOES THIS LINE OF ARGUMENT SUPPORT EXCLUDING THE EXPECTED EARNINGS APPROACH?

A89. No. As my testimony demonstrates, returns on book value are a key consideration in evaluating investment alternatives, particularly in the regulated sector where book values play a fundamental role in establishing future earnings and cash flows. But in any event, the merit of any specific financial model is not premised on whether individual investors rely directly on that method to "determine their

[111] Further, Opinion No. 569's suggestion (P 224) that the relative age of a utility's plant alone can be viewed as a key determinant of its risk is incorrect. Risk is a function of numerous factors that might affect the investors' ability to earn a fair ROE. While the relative age of a utility's facilities might arguably be a consideration, it is just as likely that older facilities could be viewed as riskier due to the presumptively greater potential for unplanned outages or catastrophic failure.

[112] Opinion No. 569-A at P 126.

[113] Opinion No. 569 at P 213.

required returns" or "to inform their investment decisions." In fact, it is precisely because it is impossible to know the valuation process that gives rise to investors' opportunity costs that such methods have been developed.

Consider the DCF model or the CAPM approach, for example. While each of these methodologies is premised on widely-accepted theoretical concepts, there is no evidence to support a finding that either the DCF or the CAPM is used directly by investors in establishing observable stock prices or other "market-based" parameters. In fact, approximately 75% of all trading on U.S. stock exchanges is generated by automatic trading systems. Under the logic expounded by Opinion Nos. 569 and 569-A, the DCF or CAPM approaches could be rejected because of insufficient proof that the algorithms underlying such automated trading systems rely on these methods.

It is because we cannot determine the process by which investors arrive at their required return that theoretical models of investor behavior have been developed. Just as with the DCF and CAPM, the Expected Earnings approach provides a sound basis to consider and represent an unobservable artifact of investors' decision-making (i.e., their required ROE). But the relevance of the model is not tied to the assumption that any individual investor actually depends on that specific approach, much less on the Commission's preferred application of each methodology.[114]

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[114] If such a requirement were governing, the Commission would be forced to jettison its continued reference to GDP growth in applying the DCF model. In contrast to the evidence I have presented to demonstrate the relevance of earned returns to investors' evaluation of electric utilities, there is

Product marketing provides a similar example. Companies invest heavily to develop models of consumer behavior as a means to guide product development, marketing, and promotional campaigns. The goal of these efforts is to better understand the process underlying consumer choice, including product attributes and pricing considerations that ultimately drive purchasing decisions. Just as with the marginal investor's willingness to provide capital through the purchase of common stock, the exact process by which consumers arrive at a decision to exchange their hard-earned money for a particular good is unobservable. The relevance of behavioral models is not contingent on the idea that consumers themselves use such models when making purchasing decisions. Similarly, the value of the Expected Earnings method—like the DCF and CAPM approaches—is not contingent on a demonstration that investors' behavior is premised on this analysis.

The relevant question, then, is not whether investors use the Expected Earnings approach directly, but whether this model provides useful insight into the considerations that drive investor behavior. The purpose of all ROE models is to better understand investor return requirements, and those requirements cannot be directly observed. While real world investors might not apply the models in exactly the same way as theory dictates, the inputs to the models (*e.g.*, beta, growth rates, dividend yields, forecasted book returns) are widely published in investment

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no support for the notion that investors use GDP growth rates "to determine the cost of capital of utilities or to calculate return on an investment." Opinion No. 569 at P 216. Accordingly, by the Commission's reasoning, its own two-stage DCF model "does not reflect how an investor would make an investment decision." *Id.* 217.

advisory reports discussing utility stocks and industry prospects. Given the importance of both expected earnings and book value investment for utility investors, and the direct link to the *Hope* and *Bluefield* regulatory standards, the Expected Earnings approach provides a useful perspective in evaluating a just and reasonable ROE.

Q90. WHAT RATES OF RETURN ON EQUITY ARE INDICATED FOR ELECTRIC UTILITIES BASED ON THE EXPECTED EARNINGS APPROACH?

A90. The year-end returns on common equity projected by Value Line over its forecast horizon for each of the utilities in the proxy group are shown on Exhibit No. EPE-0024. In *Southern California Edison Co.*, the Commission correctly recognized that if the rate of return were based on end-of-year book values, such as those reported by Value Line, it would understate actual returns because of growth in common equity over the year.[115] Accordingly, consistent with the Commission's findings and the theory underlying this approach, I made an adjustment to compute an average rate of return.[116]

As shown on Exhibit No. EPE-0024, Value Line's projections for the Electric Group resulted in an adjusted range of expected rates of return from 7.69% to 14.35%, with a median of 11.24%.

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[115] *So. Cal. Edison Co.*, 92 FERC ¶ 61,070 at 61,263 & n. 38 (2000).

[116] Use of an average return in developing the rate of return is well supported. *See, e.g.*, Roger A. Morin, *New Regulatory Finance*, Pub. Util. Reports, Inc., 305-06 (2006), which discusses the need to adjust Value Line's end-of-year data, consistent with the Commission's prior findings.

V. SUPPLEMENTAL ROE BENCHMARKS

Q91. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A91. This section presents additional benchmarks to evaluate a just and reasonable ROE for EPE. Specifically, I examine results of the constant growth DCF model and ECAPM applied to my proxy group of electric utilities. These other benchmarks provide additional guidance that is relevant in evaluating the veracity of the end result of the primary methods discussed previously and provide further support for the Four-Model Approach.

Q92. HAS THE COMMISSION ACKNOWLEDGED THE POTENTIAL RELEVANCE OF EVIDENCE BEYOND THE RESULTS OF ANY PARTICULAR SET OF FINANCIAL MODELS?

A92. Yes. In the context of applying the first prong of Section 206 of the FPA (*i.e.*, evaluating a utility's existing ROE) the Commission has noted that the ultimate determination of a just and reasonable end result depends "on the particular circumstances of the case," and noted that a broad range of additional evidence may be pertinent in evaluating investors' required return.[117] There is no sound reason why such evidence would not be equally relevant to ensuring that the ROE established in the context of a Section 205 rate change represents a just and reasonable end result.

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[117] Opinion No. 569 at P 68 (footnote omitted); Opinion No. 569-A at P 175 (footnote omitted). For example, the Commission noted that evidence concerning "ROEs of non-utility companies, . . . non-utility stock prices, [and] investor expectations for non-utility stocks" may be relevant. *Id.*

In my experience, this single-stage version of the DCF approach is the model most widely referenced by financial practitioners and regulatory agencies.[118] Similarly, the ECAPM has been relied on by witnesses for a variety of stakeholders and adopted by a number of regulatory agencies.[119] Both of these benchmarks support my conclusion that the Four-Model Approach should be used to establish an ROE for EPE in this case.

A. Constant Growth DCF Model

Q93. HAS THE COMMISSION RECOGNIZED THAT THE RESULTS OF THE TWO-STEP DCF APPROACH ARE NOT NECESSARILY INDICATIVE OF INVESTORS' COST OF EQUITY?

A93. Yes. The Commission confirmed the potential unreliability of two-step DCF results in Opinion No. 531, noting that an ROE based on the midpoint of the DCF range in that case would violate the *Hope* and *Bluefield* standards.[120] More recently, the Commission affirmed that relying on the two-step DCF methodology alone "will not produce a just and reasonable ROE," and that this method "may no longer singularly reflect how investors make their decisions."[121]

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[118] *See also,* James C. Bonbright, Albert L. Danielsen, David R. Kamerschen, *Principles of Public Utility Rates*, Pub. Util. Reports, Inc. (1988) at 318 (noting, "Virtually all cost of capital witnesses use this method, and most of them consider it their primary technique. . . [T]he majority of cost of capital witnesses use the most basic version of this model . . .").

[119] *See, e.g.,* New York Department of Public Service, *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plan*, Case 17-E-0459 at 38 (June 14, 2018); Regulatory Commission of Alaska, Order No. P-97-004(151) at 146 (Nov. 27, 2002); *Mont. Pub. Serv. Comm'n*, Order No. 7575c at P 114 (Sept. 26, 2018).

[120] Opinion No. 531 at P 142.

[121] *Coakley v. Bangor Hydro-Elec. Co.*, 165 FERC ¶ 61,030, at PP 32, 40 (2018); *Ass'n of Buss. Advocating Tariff Equity v. Midcontinent Indep. Sys. Operator, Inc.*, 165 FERC ¶ 61,118, at PP 34, 42 (2018).

Q94. ARE THERE SIGNIFICANT SHORTCOMINGS ASSOCIATED WITH REFERENCING GDP GROWTH IN APPLYING THE DCF MODEL?

A94. Yes, there are several:

1) Practical application of the DCF model does not require a long-term growth estimate over a horizon of 30 years and beyond—it requires a growth estimate that matches investors' expectations.

2) Evidence supports the conclusion that investors do not reference long-term GDP growth in evaluating expectations for individual common stocks, including those in the utility industry.

3) The theoretical proposition that growth rates for all companies converge to overall growth in the economy over the very long term does not guide investors' views, and growth rates for utilities can and do routinely exceed GDP growth.

4) There is no evidence that investors' growth expectations for regulated electric utilities have begun to converge to that of the economy.

In short, there is no demonstrable evidence that investors look to GDP growth rates in the distant future in assessing their expectations for utility common stocks. Opinion No. 569 took issue with many aspects of the constant growth DCF model, but never appropriately addressed or grappled with this essential argument.

Q95. DID OPINION NO. 569-A PROVIDE EVIDENTIARY SUPPORT FOR ITS CONTINUED REFERENCE TO GDP GROWTH IN APPLYING THE DCF MODEL TO ELECTRIC UTILITIES?

A95. No. Opinion No. 569-A reduced the weighting assigned to GDP from one-third to one-fifth, but there was no evidentiary basis linking the 20% weighting factor selected by the Commission to the actual expectations of investors. Rather, Opinion No. 569-A noted that the court has granted the Commission "broad discretion in its weighting choice."[122] In lieu of specific evidence demonstrating that investors' growth expectations for electric utilities are linked to long-term trends in GDP, Opinion No. 569-A simply rehashed broad-brush observations from a 1983 gas pipeline proceeding regarding the "infinite stream of future dividends" that is baked into DCF theory.[123] Similar to Opinion No. 569's reliance on *New Regulatory Finance* for the theoretical proposition that growth for all companies must "converge to a level consistent with the growth rate of the aggregate economy,"[124] this does not substantiate a finding that investors anticipate growth for all electric utilities to coalesce at a 30-year growth projection for GDP. Dr. Morin himself in more recent testimony has not utilized the two-stage DCF model or factored in long-term growth rates in his DCF model when estimating the ROE for electric utilities.[125]

Equally misguided is Opinion No. 569-A's conclusion that reference to GDP growth is required to "aid in normalizing any distortions that might be reflected in short-term data limited to a narrow segment of the economy."[126] In fact, the only "distortion" that has been evident in the two-step DCF results is a

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[122] Opinion No. 569-A at P 57 (citing 254 F.3d 289 (D.C. Cir. 2001)).

[123] *Id.* at P 59.

[124] Opinion No, 569 at P 152 (citing Roger A Morin, *New Regulatory Finance,* Pub. Util. Reports, Inc. at 308 (2006)).

[125] *See, e.g., Oklahoma Gas and Electric Company,* Oklahoma Corporation Commission, Cause No. PUD 201700496, Direct Testimony of Roger A. Morin at 21 (Jan. 16, 2018) (noting, "I used Value Line's growth forecasts as well as analysts' long-term growth forecasts reported in Zacks as proxies for investors' growth expectations in applying the DCF model."); *San Diego Gas & Electric Co.,* Docket No. ER19-221, at Exhibit Nos. SD-0019, SD-0024 and SD-0025 (Oct. 30, 2018).

[126] Opinion No. 569-A at P 60 (footnote omitted).

consistent downward bias, which the Commission explicitly recognized in Opinion Nos. 531 and 551. Moreover, concern over any potential for significant distortion of DCF results is properly addressed through application of appropriate low-end and high-end screening tests, not through inclusion of GDP growth at an arbitrary weighting. While Opinion No. 569-A asserted that it is reasonable to consider GDP "to some extent,"[127] it did not cite to any evidence that directly links investors' growth expectations for electric utilities to long-term trends in GDP growth. The Commission has previously cited this same reasoning in rejecting reliance on GDP growth rates when applying the DCF model to electric utilities:

> The Commission finds that these rationales do not support the use of GDP to develop a long-term growth rate estimate in this proceeding. Specifically, growth rate estimates for Entergy are not two to three times greater than GDP as were the growth rate estimates that led to the adoption of a two-stage approach for gas pipelines. There is also no evidence that Entergy's 'growth rate will approach that of the economy as a whole.' As such, the notion that Entergy is a company with excessive growth that will decrease in the long-term as it matures and that will eventually equate to GDP is not supported by the record.[128]

Nothing has changed that would justify reliance on GDP growth rates in this proceeding.

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[127] *Id.* at P 59.

[128] *System Energy Resources, Inc.*, Opinion No. 446, 92 FERC ¶ 61,119, at 61,444 (2000) (citations omitted).

Q96. ARE THERE ACADEMIC STUDIES THAT RECOGNIZE THE SHORTCOMINGS OF ADOPTING A GENERIC LONG-TERM GROWTH RATE IN APPLYING THE DCF MODEL?

A96. Yes. Dr. Myron J. Gordon, who pioneered the application of the constant growth DCF approach, stated that reference to a generic long-term growth rate was unsupported.[129] More specifically, Dr. Gordon concluded that any assumption of a single time horizon for a transition to a generic long-term growth rate was highly questionable and failed to reduce error in DCF estimates. Instead, Dr. Gordon specifically recognized that, "it is the growth that investors expect that should be used" in applying the DCF model, and he concluded: "A number of considerations suggest that investors may, in fact, use earnings growth as a measure of expected future growth."[130]

Similarly, a subsequent paper co-authored by Dr. Gordon concluded that:

> [A]nalysts do not predict earnings beyond five years, which suggests that any consensus of opinion among investors probably deteriorates quickly after five years.[131]

Dr. Gordon concluded that "the consensus among investors is that the future has a finite horizon of approximately seven years."[132] In other words, reference to long-term forecasts of GDP growth in applying the DCF model is inconsistent with investor behavior.

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[129] Myron J. Gordon, *The Cost of Capital to a Public Utility*, MSU Pub. Util. Studies at 100-01 (1974).

[130] *Id.* at 89.

[131] Joseph R. Gordon and Myron T. Gordon, *The Finite Horizon Expected Return Model*, Financial Analysts Journal at 52-61 (May-Jun. 1997).

[132] *Id.*

Q97. IS THERE EVIDENCE THAT LONG-TERM GDP GROWTH RATES UNDERSTATE INVESTORS' EXPECTATIONS FOR ELECTRIC UTILITIES?

A97. Yes. Actual historical growth rates for individual companies refute the notion that long-term growth for electric utilities is constrained by GDP. For example, Value Line reports that over 80% of the companies included in its electric utility industry group achieved earnings growth over the last 10 years that exceeded the GDP growth rate used to apply the Commission's two-step DCF model.[133] These values indicate that utilities can achieve growth over extended periods well in excess of the expected GDP growth rate, which highlights a serious flaw in the Commission's two-step DCF model.

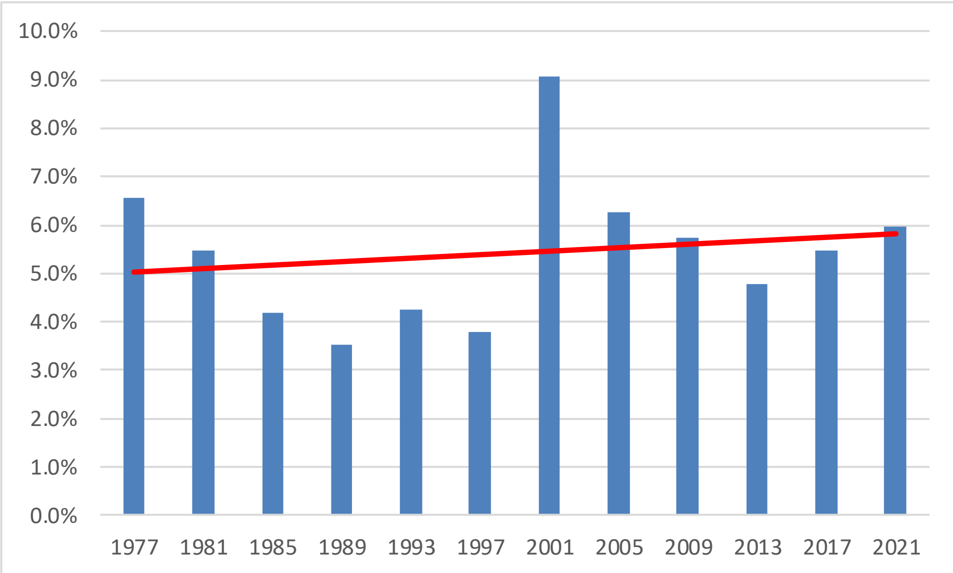
Q98. WHAT OTHER EVIDENCE CONTRADICTS THE PATTERN OF GROWTH ASSUMED IN THE COMMISSION'S TWO-STEP DCF APPROACH?

A98. According to the rationale underlying the two-step DCF model, company-specific growth rates collapse to the GDP growth rate. In other words, at some point in the intermediate future all the companies in the electric utility industry are assumed to grow at a constant rate equal to the economy as a whole. But such an outcome is entirely at odds with what real-world investors face in the capital markets.

For example, Figure EPE-3 compares Value Line's forecasted EPS growth rates for electric utilities beginning in 1977 with current projections.

[133] www.valueline.com (retrieved Sept. 20, 2021).

FIGURE EPE-3
ELECTRIC UTILITY INDUSTRY EPS GROWTH PROJECTIONS



Source: The Value Line Investment Survey

Under the paradigm of the Commission's two-step DCF approach, expected growth in EPS should have gradually moved towards the artificial GDP growth ceiling (4.20% in its current rendition) over the past four-plus decades. In fact, however, no such trend is evident. Value Line is now expecting near-term EPS growth to average 6.0% for the firms in the electric utility industry, versus 6.6% in 1977 and 6.3% in 2005. In other words, there has been no convergence to GDP growth observed over the last forty-plus years. This provides another indication that the 4.20% GDP growth rate used in Commission's two-step DCF model is at odds with the evidence concerning the pattern of investors' growth expectations for electric utilities.

Q99. DO CURRENT EXPECTATIONS FOR THE UTILITY INDUSTRY SUPPORT A FUNDAMENTAL SHIFT TOWARDS GDP GROWTH?

A99. No. Industry fundamentals do not suggest that investors are anticipating growth rates for electric utilities to uniformly trend downward to the growth rate in the overall economy. At least in part, growth in the electric utility industry is created by additional infrastructure investment. Contrary to the assumption that growth trends will somehow mirror GDP, investors recognize that the electric utility industry is committed to a cycle of significant infrastructure spending.

Q100. WHAT UNDERLYING FUNDAMENTALS SUPPORT INVESTORS' CONCLUSION THAT ELECTRIC UTILITIES HAVE ENTERED A PERIOD OF GROWTH THAT WILL OUTPACE THE ECONOMY AS A WHOLE?

A100. As the Commission has recognized,[134] the need for additional infrastructure investment in the utility industry is being driven in large part by fundamental changes in generation mix and mandated transitions to renewable resources, and that, "These shifts create a need for more transmission infrastructure to bring generation to load."[135] More recently, in the Advance Notice of Proposed Rulemaking in Docket No. RM21-17, the Commission acknowledged that "[t]he electricity sector is transforming as the generation fleet shifts from resources located close to population centers toward resources, including renewables, that

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[134] *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 61,051, at P 45 (2011), *order on reh'g and clarification*, Order No. 1000-A, 139 FERC ¶ 61,132 (2012), *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd*, *S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014) (per curiam).

[135] *Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act*, Notice of Proposed Rulemaking, 170 FERC ¶ 61,206, at P 27 (2020).

may often be located far from load centers,"[136] The ANOPR reflects the Commission's concern that existing transmission planning processes do not adequately anticipate the transmission investment required to deliver energy from production facilities to load centers as the ongoing transition of the generation mix continues.

Consistent with these observations, the Edison Electric Institute has stated that its members commit more than $120 billion annually to electric utility infrastructure investment.[137] Similarly, the investment community also understands that utilities are facing the prospect of a long-term commitment to infrastructure investment. For example, RRA concluded that:

> Projected 2021 capital expenditures for the 47 energy utilities in the [RRA] sample of the publicly traded U.S.-based utility universe currently exceeds $142 billion, well above 2020's $130 billion investment level. . . . The nation's electric and gas utilities are investing in infrastructure to upgrade aging transmission and distribution systems, build new natural gas, solar, and wind generation, and implement new technologies, including smart meter deployment, smart grid systems, cybersecurity measures and battery storage.[138]

The report further concluded that "we expect considerable levels of spending to serve as the basis for solid profit expansion in the sector *for the foreseeable future*."[139]

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[136] *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, 176 FERC ¶ 61,024 at P 3 (2021).

[137] Edison Electric Institute, Issues & Policy: *Finance & Tax*, https://www.eei.org/issuesandpolicy/Pages/FinanceAndTax.aspx (last visited Sept. 20, 2021).

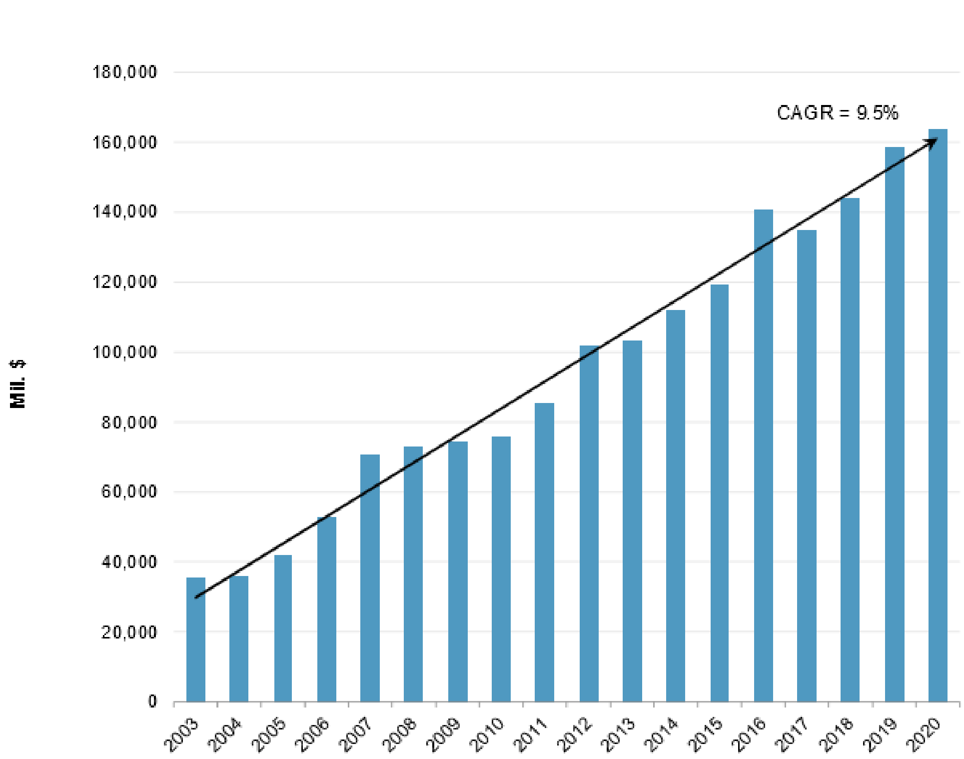
[138] S&P Global Market Intelligence, *RRA Financial Focus – Utility Capital Expenditures Update* (Apr. 8, 2021).

[139] *Id*. (emphasis added).

S&P confirmed this trend, observing that “capital expenditures are increasing across the sector and are now at or near record highs in a multiyear trend that reflects the proactive deployment of capital to modernize and improve utility generation and network assets.”[140] S&P documented a 9.5% compound annual growth in utility investment since 2003, as reflected in the chart reproduced as Figure EPE-4, below.

FIGURE EPE-4

North America Regulated Utility - Electric, Gas, And Water Capital Spending



Source: S&P Global Ratings.

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[140] S&P Global Ratings, *Keeping The Lights On: U.S. Utilities’ Exposure To Physical Climate Risks* (Sep. 16, 2021), https://www.spglobal.com/ratings/en/research/articles/210916-keeping-the-lights-on-u-s-utilities-exposure-to-physical-climate-risks-12098174.

Q101. DO FORMULATIONS OF THE DCF MODEL OTHER THAN THE COMMISSION'S TWO-STEP VERSION OFFER A RELEVANT BENCHMARK FOR PURPOSES OF EVALUATING A JUST AND REASONABLE ROE FOR ELECTRIC UTILITIES?

A101. Yes. As noted earlier, the Commission has determined that its evaluation should focus on how investors analyze and compare investment opportunities.[141] There is no evidence to support a finding that investors' current expectations for electric utilities follow the pattern assumed by the two-step DCF model. As documented above, the long-term cycle of capital investment implies higher—not lower—long-term growth and suggests that GDP growth estimates understate investors' expectations for electric utilities. In this light, I believe the constant growth DCF model provides a meaningful benchmark that is more consistent with the way in which investors assess their expectations and evaluate common stocks.

Q102. WHAT RESULTS ARE PRODUCED USING THE CONSTANT GROWTH DCF MODEL?

A102. Application of the constant growth DCF model employing the evaluation of low and high-end values discussed previously is presented in Exhibit No. EPE-0025. As shown there, the constant growth DCF model results in a range of 5.72% to 12.39%, with a median of 9.17%.

B. Empirical CAPM

Q103. HOW DOES THE ECAPM APPROACH DIFFER FROM TRADITIONAL APPLICATIONS OF THE CAPM?

A103. Empirical tests of the CAPM have shown that low-beta securities earn returns somewhat higher than the CAPM would predict, and high-beta securities earn

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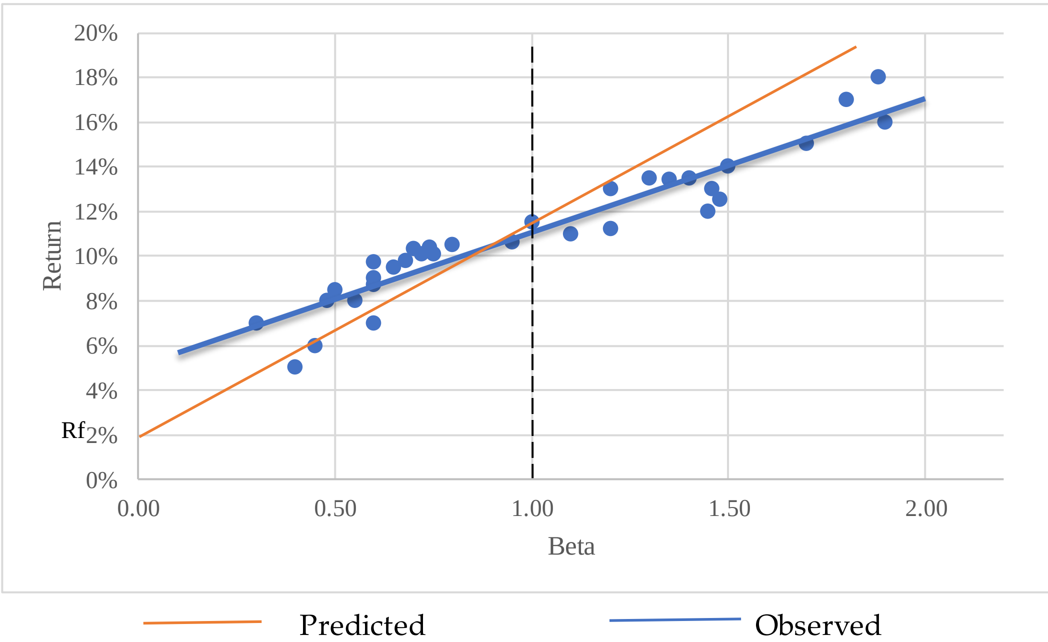
[141] Opinion No. 569 at P 33.

somewhat less than predicted. In other words, the CAPM tends to overstate the actual sensitivity of the cost of capital to beta, with low-beta stocks tending to have higher returns and high-beta stocks tending to have lower returns than predicted by the CAPM. This is illustrated graphically in the figure below:

FIGURE EPE-5
CAPM – PREDICTED VS. OBSERVED RETURNS



Because the betas of utility stocks, including those in the Electric Group, are generally less than 1.0, this implies that cost of equity estimates based on the traditional CAPM would understate the cost of equity. This empirical finding is widely reported in the finance literature, as summarized in *New Regulatory Finance*:

> As discussed in the previous section, several finance scholars have developed refined and expanded versions of the standard CAPM by relaxing the constraints imposed on the CAPM, such as dividend yield, size, and skewness effects. These enhanced CAPMs typically produce a risk-return relationship that is flatter than the CAPM prediction in keeping with the actual observed risk-return

> relationship. The ECAPM makes use of these empirical relationships.[142]

Based on a review of the empirical evidence, *New Regulatory Finance* concluded that the relationship between the expected return on a security and its risk is represented by the following ECAPM formula:

$$R_j = R_f + 0.25(R_m - R_f) + 0.75[\beta_j(R_m - R_f)]$$

where: R_j = required rate of return for stock j;
R_f = risk-free rate;
R_m = expected return on the market portfolio; and
B_j = beta, or systematic risk, for stock j.

This equation, and the associated weighting factors, recognize the observed relationship between standard CAPM estimates and the cost of capital documented in the financial research, and corrects for the understated returns that would otherwise be produced for low beta stocks.

Q104. IS THE USE OF THE ECAPM CONSISTENT WITH THE USE OF VALUE LINE BETAS?

A104. Yes. Value Line beta values are adjusted for the observed tendency of beta to converge toward the mean value of 1.00 over time. The purpose of this adjustment is to refine beta values determined using historical data to better match forward-looking estimates of beta, which are the relevant parameter in applying the CAPM or ECAPM models. Meanwhile, the ECAPM does not involve any adjustment to beta whatsoever. Rather, it represents a formal recognition of findings in the financial literature that the observed risk-return tradeoff illustrated in Figure EPE-5 is flatter than predicted by the CAPM. In other words, even if a

[142] Roger A. Morin, *New Regulatory Finance,* Pub. Util. Reports, Inc., 189 (2006).

firm's beta value were estimated with perfect precision, the CAPM would still understate the return for low-beta stocks and overstate the return for high-beta stocks. The ECAPM and the use of adjusted betas represent two separate and distinct issues in estimating returns.

Q105. WHAT COST OF EQUITY ESTIMATES ARE INDICATED BY THE ECAPM?

A105. My application of the ECAPM approach is based on the same forward-looking market rate of return, risk-free rate, and beta values discussed earlier in connection with the traditional CAPM. As shown on Exhibit No. EPE-0026, applying the forward-looking ECAPM approach to the firms in the Electric Group results in a cost of equity range of 10.41% to 13.69%, with a median of 11.98%.

Q106. WHAT DO THESE ALTERNATIVE BENCHMARKS INDICATE WITH RESPECT TO A FAIR ROE FOR EPE IN THIS CASE?

A106. Application of the constant growth DCF model and ECAPM document the continued downward bias in the results of the two-step DCF approach, which produces a median value of 8.89%. These benchmarks indicate that the average ROE resulting from the Three-Model Approach is correspondingly understated. Coupled with the evidence presented earlier in my testimony demonstrating the relevance of the Expected Earnings method, this supports reference to the Four-Model Approach to evaluate a just and reasonable ROE for EPE.

VI. CAPITAL STRUCTURE

Q107. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A107. This section presents an evaluation of the appropriate capital structure ratios for developing the overall rate of return on which EPE's transmission service rates will be based.

Q108. HOW DO FIRMS DETERMINE AN APPROPRIATE CAPITAL STRUCTURE FOR THEIR OPERATIONS?

A108. There are many considerations in the capital structure decision. In general, the goal is to employ the mix of capital that minimizes the weighted average cost of capital, while ensuring the financial integrity of the firm and continuous access to capital, even during times of unfavorable market conditions. Given the interplay between costs of debt and equity, the impact of taxes, bankruptcy costs, and the level of business risks, determining a firm's optimal capital structure is an imprecise exercise. In practice, capital structure decisions must be made by considering managements' judgment, numerical analysis, and investors' risk perceptions.

Q109. HAS THE COMMISSION RECOGNIZED THE PREEMINENCE OF A UTILITY'S ACTUAL CAPITAL STRUCTURE FOR RATEMAKING PURPOSES?

A109. Yes. FERC precedent reflects a long and clear preference for using the actual capital structure of the utility in establishing the overall rate of return, without imposing caps on the equity ratio or ROE adjustments related to capital structure.[143]

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[143] *See, e.g., Transcon. Gas Pipe Line Corp.*, Opinion No. 414-A, 84 FERC ¶ 61,084, *order on reh'g*, Opinion No. 414-B, 85 FERC ¶ 61,323 (1998); *Ky. W. Va. Gas. Co.*, 2 FERC ¶ 61,139 (1978) ("*Kentucky West Virginia*").

As FERC stated in *Kentucky West Virginia*, for example: "In our opinion a utility should be regulated on the basis of its being an independent entity; that is, a utility should be considered as nearly as possible on its own merits . . . ."[144]

Q110. WHAT IS EPE'S ACTUAL CAPITAL STRUCTURE?

A110. As shown in the table below, as of December 31, 2020, EPE's actual capital structure consisted of 52.03% common equity and 47.97% long-term debt:

TABLE EPE-6
CAPITAL STRUCTURE RATIOS

Description	Balance	Percent
Long-term debt	$1,288,017,678	47.97%
Common Equity	$1,397,187,639	52.03%
	$2,685,205,317	100.00%

Source: FERC Form No. 1 (filed date Mar. 30, 2021).

Q111. HOW DOES THIS COMPARE TO THE EQUITY RATIOS MAINTAINED BY THE FIRMS IN THE ELECTRIC GROUP?

A111. Exhibit No. EPE-0027 presents the sources of long-term capital (long-term debt and common equity) used by the publicly traded firms in the group of electric utilities used to estimate the cost of equity. As shown there, at year-end 2020, common equity ratios for the utilities in the Electric Group ranged from 28.6% to 60.9%. The Company's common equity ratio as of December 31, 2020, of 52.03% falls within this range.

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[144] *Id* at 61,325 (citing *Fla. Gas Transmission Co.*, 47 FPC 341 at 363 (1972)).

Q112. HOW DO THESE HISTORICAL CAPITALIZATION RATIOS COMPARE WITH INVESTORS' FORWARD-LOOKING EXPECTATIONS?

A112. As shown on Exhibit No. EPE-0027, Value Line expects an average common equity ratio of 46.4% for the Electric Group over its three-to-five year forecast horizon, with the individual common equity ratios ranging from 32.5% to 61.0%.

Q113. HOW DOES EPE'S EQUITY RATIO COMPARE WITH THE CAPITALIZATION RATIOS MAINTAINED BY OTHER UTILITY OPERATING COMPANIES?

A113. Based on data as of December 31, 2020, Exhibit No. EPE-0028 presents the capital structures for the group of electric utility operating companies owned by the firms in the Electric Group. As shown there, common equity ratios for these utilities averaged 53.0% and ranged from 39.9% to 73.4%. Once again, the Company's common equity ratio at December 31, 2020, of 52.03% falls well within the range established by reference to other comparable electric utility operating companies.

Q114. WHAT OTHER FACTORS DO INVESTORS CONSIDER IN THEIR ASSESSMENT OF A COMPANY'S CAPITAL STRUCTURE?

A114. Utilities, including EPE, are facing significant capital investment plans. Coupled with the potential for turmoil in capital markets, this warrants a stronger balance sheet to deal with an uncertain environment. A conservative financial profile, in the form of a reasonable common equity ratio, is consistent with the need to accommodate these uncertainties and maintain the continuous access to capital under reasonable terms that is required to fund operations and necessary system investment, even during times of adverse capital market conditions.

Q115. DO ONGOING ECONOMIC AND CAPITAL MARKET UNCERTAINTIES ALSO INFLUENCE THE APPROPRIATE CAPITAL STRUCTURE FOR EPE?

A115. Yes. Financial flexibility plays a crucial role in ensuring the wherewithal to meet funding needs, and utilities with higher financial leverage may be foreclosed or have limited access to additional borrowing, especially during times of stress. As Moody's observed:

> Utilities are among the largest debt issuers in the corporate universe and typically require consistent access to capital markets to assure adequate sources of funding and to maintain financial flexibility. During times of distress and when capital markets are exceedingly volatile and tight, liquidity becomes critically important because access to capital markets may be difficult.[145]

As a result, the Company's capital structure must maintain adequate equity to preserve the flexibility necessary to maintain continuous access to capital even during times of unfavorable market conditions.

Q116. WHAT DOES THIS EVIDENCE SUGGEST WITH RESPECT TO EPE'S CAPITAL STRUCTURE?

A116. EPE's mix of external financing and its actual 52.03% common equity ratio are consistent with the range of industry benchmarks, as reflected in the most recent year-end capital structure ratios maintained by the Electric Group, Value Line's forward-looking expectations for these same utilities, and the capitalization maintained by other electric utility operating companies. Taken together, I conclude that EPE's capital structure represents a reasonable basis on which to calculate the overall rate of return.

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[145] Moody's Investors Service, *FAQ on credit implications of the coronavirus outbreak*, Sector Comment (Mar. 26, 2020).

Q117. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A117. Yes, it does.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	)	Docket No. ER22-___-000

VERIFICATION

Pursuant to 28 U.S.C. § 1746 (2000), I state under penalty of perjury that I am the Adrien M. McKenzie referred to in the foregoing "Prepared Direct Testimony of Adrien M. McKenzie on Behalf of El Paso Electric Company," that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Executed this 29th day of October, 2021.

ADRIEN M. MCKENZIE

EXHIBIT NO. EPE-0017

CURRICULUM VITAE OF ADRIEN M. MCKENZIE

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

. My name is Adrien M. McKenzie. My business address is 3907 Red River Street, Austin, Texas 78751.

Q. LEASE STATE YOUR OCCUPATION.

. I am a principal in FINCAP, Inc., a firm engaged primarily in financial, economic, and policy consulting in the field of public utility regulation.

Q. LEASE DESCRIBE YOUR QUALIFICATIONS AND EXPERIENCE.

. I received B.A. and M.B.A. degrees with a major in finance from The University of Texas at Austin, and hold the Chartered Financial Analyst (CFA®) designation. Since joining FINCAP in 1984, I have participated in consulting assignments involving a broad range of economic and financial issues, including cost of capital, cost of service, rate design, economic damages, and business valuation. I have extensive experience in economic and financial analysis for regulated industries, and in preparing and supporting expert witness testimony before courts, regulatory agencies, and legislative committees throughout the U.S. and Canada. I have personally sponsored direct and rebuttal testimony in over 140 proceedings filed with the Federal Energy Regulatory Commission ("FERC") and regulatory agencies in Alaska, Arkansas, Colorado, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Montana, Nebraska, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Texas, Virginia, Washington, West Virginia, and Wyoming. My testimony addressed the establishment of risk-comparable proxy groups, the application of alternative quantitative methods, and the consideration of regulatory standards and policy objectives in establishing a fair rate of return on equity for regulated electric, gas, and water utility operations. In connection with these assignments, my responsibilities have included critically evaluating the positions of other parties and preparation of rebuttal testimony, representing clients in settlement negotiations and hearings, and assisting in the preparation of legal briefs.

FINCAP was formed in 1979 as an economic and financial consulting firm serving clients in both the regulated and competitive sectors. FINCAP conducts assignments ranging from broad qualitative analyses and policy consulting to technical analyses and research. The firm's experience is in the areas of public utilities, valuation of closely-held businesses, and economic evaluations (e.g., damage and cost/benefit analyses). Prior to joining FINCAP, I was employed by an oil and gas firm and was responsible for operations and accounting. I am a member of the CFA Institute. A resume containing the details of my qualifications and experience is attached below.

ADRIEN M. McKENZIE

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Economic and Financial Counsel

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Summary of Qualifications

Adrien McKenzie has an MBA in finance from the University of Texas at Austin and holds the Chartered Financial Analyst (CFA®) designation. He has over 30 years of experience in economic and financial analysis for regulated industries, and in preparing and supporting expert witness testimony before courts, regulatory agencies, and legislative committees throughout the U.S. and Canada. Assignments have included a broad range of economic and financial issues, including cost of capital, cost of service, rate design, economic damages, and business valuation.

Employment

President
FINCAP, Inc.
(June 1984 to June 1987)
(April 1988 to present)

Economic consulting firm specializing in regulated industries and valuation of closely-held businesses. Assignments have involved electric, gas, telecommunication, and water/sewer utilities, with clients including utilities, consumer groups, municipalities, regulatory agencies, and cogenerators. Areas of participation have included rate of return, revenue requirements, rate design, tariff analysis, avoided cost, forecasting, and negotiations. Develop cost of capital analyses using alternative market models for electric, gas, and telephone utilities. Prepare pre-filed direct and rebuttal testimony, participate in settlement negotiations, respond to interrogatories, evaluate opposition testimony, and assist in the areas of cross-examination and the preparations of legal briefs. Other assignments have involved preparation of technical reports, valuations, estimation of damages, industry studies, and various economic analyses in support of litigation.

Manager,
McKenzie Energy Company
(Jan. 1981 to May. 1984)

Responsible for operations and accounting for firm engaged in the management of working interests in oil and gas properties.

Education

M.B.A., Finance, University of Texas at Austin (Sep. 1982 to May. 1984)	Program included coursework in corporate finance, accounting, financial modeling, and statistics. Received Dean's Award for Academic Excellence and Good Neighbor Scholarship. Professional Report: *The Impact of Construction Expenditures on Investor-Owned Electric Utilities*
B.B.A., Finance, University of Texas at Austin (Jan. 1981 to May 1982)	Electives included capital market theory, portfolio management, and international economics and finance. Elected to Beta Gamma Sigma business honor society. Dean's List 1981-1982.
Simon Fraser University, Vancouver, Canada and University of Hawaii at Manoa, Honolulu, Hawaii (Jan. 1979 to Dec 1980)	Coursework in accounting, finance, economics, and liberal arts.

Professional Associations

Received Chartered Financial Analyst (CFA®) designation in 1990.

Member – CFA Institute.

Bibliography

"A Profile of State Regulatory Commissions," A Special Report by the Electricity Consumers Resource Council (ELCON), Summer 1991.

"The Impact of Regulatory Climate on Utility Capital Costs: An Alternative Test," with Bruce H. Fairchild, *Public Utilities Fortnightly* (May 25, 1989).

Presentations

"ROE at FERC: Issues and Methods," *Expert Briefing on Parallels in ROE Issues between AER, ERA, and FERC*, Jones Day (Sydney, Melbourne, and Perth, Australia) (April 15, 2014).

Cost of Capital Working Group eforum, Edison Electric Institute (April 24, 2012).

"Cost-of-Service Studies and Rate Design," General Management of Electric Utilities (A Training Program for Electric Utility Managers from Developing Countries), Austin, Texas (October 1989 and November 1990 and 1991).

Representative Assignments

Mr. McKenzie has prepared and sponsored prefiled testimony submitted in over 150 regulatory proceedings. In addition to filings before regulatory agencies in Alaska, Arkansas, Colorado, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Montana, Nebraska, New Mexico, Ohio, Oklahoma, Oregon, South Dakota, Texas, Virginia, Washington, West Virginia, and Wyoming, Mr. McKenzie has considerable expertise in preparing expert analyses and testimony before the Federal Energy Regulatory Commission ("FERC") on the issue of rate of return on equity ("ROE"), and has broad experience in applying and evaluating the results of quantitative methods to estimate a fair ROE. Other representative assignments have included developing cost of service and cost allocation studies, the application of econometric models to analyze the impact of anti-competitive behavior and estimate lost profits; development of explanatory models for nuclear plant capital costs in connection with prudency reviews; and the analysis of avoided cost pricing for cogenerated power.

SUMMARY OF RESULTS

OPINION NO. 569-A METHOD

I. THREE MODEL APPROACH

Method	Range			Median	Midpoint
Two-Step DCF	6.09%	--	11.43%	8.89%	8.76%
CAPM	9.76%	--	13.82%	11.82%	11.79%
Risk Premium	7.23%	--	11.93%	9.58%	9.58%
Composite ROE	**7.69%**	--	**12.39%**	**10.09%**	**10.04%**

II. FOUR MODEL APPROACH

Method	Range			Median	Midpoint
Two-Step DCF	6.09%	--	11.43%	8.89%	8.76%
CAPM	9.76%	--	13.82%	11.82%	11.79%
Expected Earnings	7.69%	--	14.35%	11.24%	11.02%
Risk Premium	6.90%	--	12.25%	9.58%	9.58%
Composite ROE	**7.61%**	--	**12.96%**	**10.38%**	**10.29%**

ALTERNATIVE BENCHMARKS

Method	Range			Median	Midpoint
Constant Growth DCF	5.72%	--	12.39%	9.17%	9.06%
ECAPM	10.41%	--	13.69%	11.98%	12.05%
	8.07%	--	13.04%	10.57%	10.55%

ELECTRIC GROUP

			(a)	(b)	(c)			(c)
			S&P	**Moody's**	**Value Line**			**Market**
			Corporate	**Long-term**	**Safety**	**Financial**		**Cap**
	Company	**SYM**	**Rating**	**Rating**	**Rank**	**Strength**	**Beta**	**($M)**
1	ALLETE	ALE	BBB	Baa1	2	A	0.90	$3,500
2	Alliant Energy	LNT	A-	Baa2	2	A	0.85	$15,000
3	Ameren Corp.	AEE	BBB+	Baa1	1	A	0.85	$23,000
4	American Elec Pwr	AEP	A-	Baa2	1	A+	0.75	$45,000
5	Avista Corp.	AVA	BBB	Baa2	2	B++	0.95	$2,900
6	Black Hills Corp.	BKH	BBB+	Baa2	2	A	1.00	$4,200
7	CMS Energy Corp.	CMS	BBB+	Baa2	2	B++	0.80	$19,000
8	Consolidated Edison	ED	A-	Baa2	1	A+	0.75	$26,000
9	Dominion Energy	D	BBB+	Baa2	2	B++	0.85	$61,000
10	Duke Energy Corp.	DUK	BBB+	Baa2	2	A	0.90	$82,000
11	Edison International	EIX	BBB	Baa3	3	B+	1.00	$22,000
12	Emera Inc.	EMA	BBB	Baa3	2	B+	0.80	$14,300
13	Entergy Corp.	ETR	BBB+	Baa2	2	B++	0.95	$22,000
14	Evergy Inc.	EVRG	A-	Baa2	2	B++	0.95	$16,000
15	Eversource Energy	ES	A-	Baa1	1	A	0.90	$30,000
16	Fortis Inc.	FTS	A-	Baa3	2	B++	0.75	$27,000
17	IDACORP, Inc.	IDA	BBB	Baa1	1	A+	0.85	$5,000
18	NextEra Energy, Inc.	NEE	A-	Baa1	1	A+	0.95	$155,000
19	NorthWestern Corp.	NWE	BBB	Baa2	2	B++	0.95	$3,100
20	OGE Energy Corp.	OGE	BBB+	Baa1	2	A	1.05	$7,100
21	Otter Tail Corp.	OTTR	BBB	Baa2	2	A	0.90	$2,200
22	Pub Sv Enterprise Grp.	PEG	BBB+	Baa1	1	A++	0.95	$32,000
23	Sempra Energy	SRE	BBB+	Baa2	2	A	1.00	$40,000
24	Southern Company	SO	A-	Baa2	2	A	0.95	$68,000
25	WEC Energy Group	WEC	A-	Baa1	1	A+	0.80	$30,000
26	Xcel Energy Inc.	XEL	A-	Baa1	1	A+	0.80	$37,000
			BBB+	**Baa2**	**2**	**A**	**0.89**	**$30,473**

(a) Issuer credit rating from www.standardandpoors.com (retrieved Sep. 7, 2021).
(b) Long-term rating from www.moodys.com (retrieved Sep. 7, 2021).
(c) The Value Line Investment Survey (Jul. 23, Aug, 13 and Sep. 10, 2021).

ELECTRIC GROUP

		(a)	(b)	(c)	(d)	(e)	(f)	
	Company	**6-mo. Avg Dividend Yield**	**EPS Growth**	**GDP**	**Weighted**	**Adjusted Dividend Yield**	**DCF Result**	**Break (b Pts)**
1	Otter Tail Corp.	3.25%	9.00%	4.20%	8.04%	3.39%	11.43%	93
2	Emera Inc.	4.51%	6.27%	4.20%	5.86%	4.65%	10.50%	19
3	Southern Company	4.14%	6.50%	4.20%	6.04%	4.27%	10.31%	55
4	Ameren Corp.	2.66%	7.70%	4.20%	7.00%	2.76%	9.76%	3
5	Avista Corp.	3.81%	6.20%	4.20%	5.80%	3.93%	9.73%	15
6	Dominion Energy	3.31%	6.65%	4.20%	6.16%	3.42%	9.58%	13
7	NextEra Energy, Inc.	2.02%	8.13%	4.20%	7.34%	2.10%	9.45%	23
8	American Elec Pwr	3.45%	6.03%	4.20%	5.66%	3.55%	9.21%	4
9	Duke Energy Corp.	3.87%	5.45%	4.20%	5.20%	3.98%	9.18%	5
10	Eversource Energy	2.85%	6.68%	4.20%	6.18%	2.95%	9.13%	1
11	ALLETE	3.64%	5.67%	4.20%	5.38%	3.74%	9.12%	8
12	WEC Energy Group	2.91%	6.50%	4.20%	6.04%	3.00%	9.04%	12
13	Evergy Inc.	3.43%	5.70%	4.20%	5.40%	3.53%	8.93%	7
14	OGE Energy Corp.	4.81%	3.90%	4.20%	3.96%	4.90%	8.86%	7
15	Fortis Inc.	3.66%	5.30%	4.20%	5.08%	3.75%	8.83%	3
16	CMS Energy Corp.	2.83%	6.18%	4.20%	5.78%	2.92%	8.70%	13
17	Xcel Energy Inc.	2.69%	6.30%	4.20%	5.88%	2.78%	8.66%	4
18	NorthWestern Corp.	3.89%	4.50%	4.20%	4.44%	3.98%	8.42%	24
19	Edison International	4.60%	3.40%	4.20%	3.56%	4.68%	8.24%	18
20	Black Hills Corp.	3.36%	4.67%	4.20%	4.58%	3.44%	8.02%	22
21	Alliant Energy	2.87%	5.10%	4.20%	4.92%	2.94%	7.86%	16
22	Entergy Corp.	3.69%	3.85%	4.20%	3.92%	3.76%	7.68%	18
23	Sempra Energy	3.31%	4.30%	4.20%	4.28%	3.38%	7.66%	2
24	Consolidated Edison	4.13%	2.00%	4.20%	2.44%	4.17%	6.61%	105
25	IDACORP, Inc.	2.82%	3.20%	4.20%	3.40%	2.87%	6.27%	34
26	Pub Sv Enterprise Grp.	3.33%	2.35%	4.20%	2.72%	3.37%	6.09%	18
	Lower End (g)						**6.09%**	
	Upper End (g)						**11.43%**	
	Median (g)						**8.89%**	
	Midpoint						**8.76%**	
	Median - All Values						**8.89%**	
	Low-End Test (h)						**5.54%**	
	High-End Test (i)						**17.79%**	

(a) Six-month average dividend yield for Mar. 2021 to Aug. 2021.
(b) www.finance.yahoo.com (retreived Sep. 8, 2021).
(c) Exhibit No. EPE-0020, page 2.
(d) EPS Growth x 80% + GDP Growth x 20%.
(e) Six-month average dividend yield x [1+ (EPS Growth Rate / 2)].
(f) (d) + (e).
(g) Excludes highlighted values.
(h) Average Baa utility bond yield for six-months ending Aug. 2021, plus 20% of CAPM market risk premium.
(i) 200% of Median - All Values.

GDP GROWTH RATE

		Nominal GDP ($ Billions)				Compound Annual Growth Rate
	Source	**2026**	**2050**	**2051**	**2076**	
(a)	**IHS Markit**	28,646		79,197		4.15%
(b)	**EIA**					
	Real GDP	21,645	34,365			
	GDP Deflator	1.248	2.213			
		27,013	76,054			4.41%
(c)	**SSA Trustees Report**	28,190			205,423	4.05%
	Average Projected GDP Growth					**4.20%**

(a) IHS Markit, Long-Term Macro Forecast - Baseline (Mar. 1, 2021).
(b) Energy Information Administration, *Annual Energy Outlook 2021* (Feb. 3, 2021).
(c) Social Security Administration, *2021 OASDI Trustees Report,* Table VI.G6.-Selected Economic Variables.

NYSE / IBES

		(a)	(b)		(c)		(d)		(e)	(f)		
		Market Return (R_m)				**Market**						
		Div	**Proj.**	**Cost of**	**Risk-Free**	**Risk**		**Unadjusted**	**Market**	**Size**	**CAPM**	**Break**
	Company	**Yield**	**Growth**	**Equity**	**Rate**	**Premium**	**Beta**	**K_e**	**Cap**	**Adjustment**	**Result**	**(B Pts)**
1	OGE Energy Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	1.05	13.11%	$7,100	0.71%	13.82%	48
2	Black Hills Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	1.00	12.59%	$4,200	0.75%	13.34%	18
3	Avista Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	0.95	12.07%	$2,900	1.09%	13.16%	0
4	NorthWestern Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	0.95	12.07%	$3,100	1.09%	13.16%	8
5	Edison International	2.20%	10.39%	12.59%	2.16%	10.43%	1.00	12.59%	$22,000	0.49%	13.08%	16
6	Otter Tail Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	0.90	11.55%	$2,200	1.37%	12.92%	28
7	ALLETE	2.20%	10.39%	12.59%	2.16%	10.43%	0.90	11.55%	$3,500	1.09%	12.64%	8
8	Entergy Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	0.95	12.07%	$22,000	0.49%	12.56%	0
9	Evergy Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	0.95	12.07%	$16,000	0.49%	12.56%	19
10	Sempra Energy	2.20%	10.39%	12.59%	2.16%	10.43%	1.00	12.59%	$40,000	-0.22%	12.37%	52
11	NextEra Energy, Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	0.95	12.07%	$155,000	-0.22%	11.85%	0
12	Pub Sv Enterprise Grp.	2.20%	10.39%	12.59%	2.16%	10.43%	0.95	12.07%	$32,000	-0.22%	11.85%	0
13	Southern Company	2.20%	10.39%	12.59%	2.16%	10.43%	0.95	12.07%	$68,000	-0.22%	11.85%	7
14	IDACORP, Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	0.85	11.03%	$5,000	0.75%	11.78%	7
15	Alliant Energy	2.20%	10.39%	12.59%	2.16%	10.43%	0.85	11.03%	$15,000	0.49%	11.52%	26
16	Ameren Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	0.85	11.03%	$23,000	0.49%	11.52%	0
17	Duke Energy Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	0.90	11.55%	$82,000	-0.22%	11.33%	19
18	Eversource Energy	2.20%	10.39%	12.59%	2.16%	10.43%	0.90	11.55%	$30,000	-0.22%	11.33%	0
19	CMS Energy Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	0.80	10.50%	$19,000	0.49%	10.99%	34
20	Emera Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	0.80	10.50%	$14,300	0.49%	10.99%	0
21	Dominion Energy	2.20%	10.39%	12.59%	2.16%	10.43%	0.85	11.03%	$61,000	-0.22%	10.81%	18
22	Consolidated Edison	2.20%	10.39%	12.59%	2.16%	10.43%	0.75	9.98%	$26,000	0.49%	10.47%	34
23	Fortis Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	0.75	9.98%	$27,000	0.49%	10.47%	0
24	WEC Energy Group	2.20%	10.39%	12.59%	2.16%	10.43%	0.80	10.50%	$30,000	-0.22%	10.28%	19
25	Xcel Energy Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	0.80	10.50%	$37,000	-0.22%	10.28%	0
26	American Elec Pwr	2.20%	10.39%	12.59%	2.16%	10.43%	0.75	9.98%	$45,000	-0.22%	9.76%	52
	Lower End (g)										**9.76%**	
	Upper End (g)										**13.82%**	
	Median (g)										**11.82%**	
	Midpoint										**11.79%**	
	Median - All Values										**11.82%**	
	Low-End Test (h)										**5.54%**	
	High-End Test (i)										**23.64%**	

(a) Weighted average for dividend-paying stocks in the NYSE based on data from www.zacks.com (retrieved Aug. 12, 2021).
(b) IBES growth rates from Refinitiv, as provided by www.fidelity.com (retrieved Aug. 12, 2021). Eliminated growth rates greater than 20%, as well as all negative values.
(c) Six-month average yield on 30-year Treasury bonds for Aug. 2021 from https://fred.stlouisfed.org/.
(d) The Value Line Investment Survey, Summary & Index (Sep. 10, 2021).
(e) The Value Line Investment Survey (Jul. 23, Aug, 13 and Sep. 10, 2021).
(f) Duff & Phelps, 2021 CRSP Deciles Size Study -- Supplementary Data Exhibits, Cost of Capital Navigator.
(g) Excludes highlighted values.
(h) Average Baa utility bond yield for six-months ending Aug. 2021, plus 20% of CAPM market risk premium.
(i) 200% of Median - All Values.

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
1	3M Co.	MMM	2.94%	8.22%	116.636	116.64	0.0064	0.000189	0.000527
2	A. O. Smith Corp.	AOS	1.44%	n/a	11.501	--	--	--	--
3	Aarons Holdings Co., Inc.	PRG	0.19%	n/a	3.040	--	--	--	--
4	ABB Ltd	ABB	1.37%	n/a	76.829	--	--	--	--
5	Abbott Laboratories	ABT	1.48%	12.84%	215.326	215.33	0.0118	0.000175	0.001520
6	AbbVie Inc.	ABBV	4.57%	4.50%	200.963	200.96	0.0110	0.000505	0.000497
7	Aberdeen Japan Equity Fund, Inc.	JEQ	4.75%	n/a	0.123	--	--	--	--
8	ABM Industries Inc.	ABM	1.59%	n/a	3.217	--	--	--	--
9	Acadia Realty Trust	AKR	2.77%	n/a	1.914	--	--	--	--
10	Accenture PLC	ACN	1.10%	11.80%	202.955	202.96	0.0112	0.000123	0.001317
11	Acco Brands Corp.	ACCO	2.80%	n/a	0.889	--	--	--	--
12	Acuity Brands Inc	AYI	0.28%	12.46%	6.522	6.52	0.0004	0.000001	0.000045
13	Acushnet Holdings Corp.	GOLF	1.24%	n/a	3.945	--	--	--	--
14	Adams Diversified Equity Fund, Inc.	ADX	5.04%	n/a	2.267	--	--	--	--
15	Adams Natural Resources Fund, Inc.	PEO	4.77%	n/a	0.368	--	--	--	--
16	ADT Inc.	ADT	1.54%	-7.00%	7.447	--	--	--	--
17	Advance Auto Parts, Inc.	AAP	1.89%	12.41%	13.821	13.82	0.0008	0.000014	0.000094
18	Advanced Drainage Systems, Inc.	WMS	0.37%	49.50%	8.375	--	--	--	--
19	Aegon NV	AEG	2.72%	n/a	12.175	--	--	--	--
20	Affiliated Managers Group, Inc.	AMG	0.02%	13.82%	7.008	7.01	0.0004	0.000000	0.000053
21	Aflac Inc.	AFL	2.32%	n/a	38.199	--	--	--	--
22	AG Mortgage Investment Trust, Inc.	MITT	7.94%	-30.28%	0.171	--	--	--	--
23	AGCO Corp.	AGCO	0.56%	21.60%	10.776	--	--	--	--
24	Agilent Technologies, Inc.	A	0.50%	10.80%	47.495	47.49	0.0026	0.000013	0.000282
25	Agnico Eagle Mines Limited	AEM	0.94%	38.68%	14.335	--	--	--	--
26	Agree Realty Corp.	ADC	3.49%	n/a	5.141	--	--	--	--
27	Air Lease Corp.	AL	1.47%	16.78%	4.965	4.97	0.0003	0.000004	0.000046
28	Air Products and Chemicals, Inc.	APD	2.15%	12.28%	61.701	61.70	0.0034	0.000073	0.000417
29	Alamo Group, Inc.	ALG	0.36%	n/a	1.844	--	--	--	--
30	Alamos Gold Inc.	AGI	0.46%	88.27%	3.010	--	--	--	--
31	Albany Int. Corp.	AIN	1.02%	n/a	2.523	--	--	--	--
32	Albemarle Corp.	ALB	0.66%	29.83%	27.599	--	--	--	--
33	Albertsons Companies, Inc.	ACI	1.40%	-11.66%	13.324	--	--	--	--
34	Alexander & Baldwin Holdings, Inc.	ALEX	3.12%	n/a	1.489	--	--	--	--
35	Alexanders, Inc.	ALX	6.64%	n/a	1.386	--	--	--	--
36	Alexandria Real Estate Equities, Inc.	ARE	2.19%	n/a	31.166	--	--	--	--
37	Algonquin Power & Utilities Corp.	AQN	1.95%	9.13%	9.819	9.82	0.0005	0.000011	0.000049
38	Allegion PLC	ALLE	1.05%	7.46%	12.304	12.30	0.0007	0.000007	0.000050
39	Allete, Inc.	ALE	3.50%	n/a	3.762	--	--	--	--
40	Alliance Data Systems Corp.	ADS	0.89%	n/a	4.700	--	--	--	--
41	AllianceBernstein Global High Income Fund, In	AWF	6.32%	n/a	1.073	--	--	--	--
42	AllianceBernstein Holding L.P.	AB	7.30%	16.14%	4.979	4.98	0.0003	0.000020	0.000044
43	Allison Transmission Holdings, Inc.	ALSN	1.91%	32.77%	4.206	--	--	--	--
44	Ally Financial Inc.	ALLY	1.84%	7.33%	19.545	19.54	0.0011	0.000020	0.000079
45	Alpine Income Property Trust, Inc.	PINE	5.16%	n/a	0.219	--	--	--	--
46	ALPS REIT Dividend Dogs ETF	RDOG	4.00%	n/a	0.032	--	--	--	--
47	Altria Group, Inc.	MO	7.14%	4.45%	88.829	88.83	0.0049	0.000349	0.000217
48	Ambev S.A.	ABEV	0.47%	-3.45%	49.565	--	--	--	--
49	Amcor PLC	AMCR	3.86%	8.67%	19.025	19.02	0.0010	0.000040	0.000091
50	Ameren Corp.	AEE	2.50%	7.70%	22.670	22.67	0.0012	0.000031	0.000096
51	America Movil, S.A.B. de C.V.	AMX	2.37%	9.33%	56.060	56.06	0.0031	0.000073	0.000288
52	American Assets Trust, Inc.	AAT	2.94%	n/a	2.307	--	--	--	--
53	American Campus Communities Inc	ACC	3.85%	n/a	6.793	--	--	--	--
54	American Eagle Outfitters, Inc.	AEO	2.03%	7.70%	5.956	5.96	0.0003	0.000007	0.000025
55	American Equity Investment Life Holding Co.	AEL	0.96%	n/a	3.078	--	--	--	--
56	American Express Co.	AXP	1.01%	42.30%	135.586	--	--	--	--
57	American Financial Group, Inc.	AFG	1.48%	n/a	11.464	--	--	--	--
58	American Homes 4 Rent	AMH	0.98%	n/a	12.903	--	--	--	--
59	American Int. Group, Inc.	AIG	2.37%	32.66%	46.249	--	--	--	--
60	American States Water Co.	AWR	1.52%	6.30%	3.260	3.26	0.0002	0.000003	0.000011
61	American Tower Corp.	AMT	1.83%	18.30%	126.174	126.17	0.0069	0.000127	0.001270
62	American Vanguard Corp.	AVD	0.52%	n/a	0.476	--	--	--	--
63	American Water Works Co., Inc.	AWK	1.37%	8.60%	31.863	31.86	0.0018	0.000024	0.000151
64	Americold Realty Trust	COLD	2.39%	n/a	9.613	--	--	--	--
65	Ameriprise Financial, Inc.	AMP	1.67%	9.42%	30.862	30.86	0.0017	0.000028	0.000160

NYSE / IBES

	(a)		(b)	(b)	(b)			Weighted	
	Company	Ticker	Dividend Yield	IBES Refinitiv Growth	Market Cap ($billions)	Mkt. Cap.	Weight	Dividend Yield	Growth Rate
66	AmerisourceBergen Corp.	ABC	1.48%	12.31%	24.493	24.49	0.0013	0.000020	0.000166
67	AMETEK, Inc.	AME	0.58%	n/a	31.779	--	--	--	--
68	Amphenol Corp.	APH	0.79%	12.00%	44.098	44.10	0.0024	0.000019	0.000291
69	AngloGold Ashanti Limited	AU	2.32%	34.89%	6.752	--	--	--	--
70	AnheuserBusch InBev SANV	BUD	0.72%	1.80%	121.552	121.55	0.0067	0.000048	0.000120
71	Annaly Capital Management Inc	NLY	10.24%	n/a	12.406	--	--	--	--
72	Antero Midstream Corp.	AM	9.63%	n/a	4.464	--	--	--	--
73	Anthem, Inc.	ANTM	1.23%	13.30%	89.636	89.64	0.0049	0.000061	0.000655
74	Aon plc	AON	0.75%	n/a	61.667	--	--	--	--
75	Apartment Income REIT Corp.	AIRC	3.44%	n/a	7.853	--	--	--	--
76	Apartment Investment and Mngmt Co.	AIV	22.77%	n/a	1.004	--	--	--	--
77	Apollo Commercial Real Estate Finance	ARI	9.09%	n/a	2.154	--	--	--	--
78	Apollo Global Management, Inc.	APO	3.37%	30.78%	13.784	--	--	--	--
79	Apple Hospitality REIT, Inc.	APLE	0.27%	n/a	3.427	--	--	--	--
80	Applied Industrial Technologies, Inc.	AIT	1.46%	n/a	3.517	--	--	--	--
81	AptarGroup, Inc.	ATR	1.15%	7.12%	8.682	8.68	0.0005	0.000005	0.000034
82	Aramark	ARMK	1.25%	n/a	8.951	--	--	--	--
83	Arbor Realty Trust	ABR	7.27%	n/a	2.658	--	--	--	--
84	ARC Document Solutions, Inc.	ARC	2.62%	n/a	0.132	--	--	--	--
85	ArcelorMittal	MT	0.70%	n/a	36.708	--	--	--	--
86	Archer Daniels Midland Co.	ADM	2.41%	7.50%	34.360	34.36	0.0019	0.000046	0.000142
87	Archrock, Inc.	AROC	7.11%	n/a	1.257	--	--	--	--
88	Arcos Dorados Holdings Inc.	ARCO	0.53%	n/a	1.180	--	--	--	--
89	Arcosa, Inc.	ACA	0.39%	4.10%	2.475	2.47	0.0001	0.000001	0.000006
90	Ardagh Group S.A.	ARD	2.27%	4.10%	0.493	0.49	0.0000	0.000001	0.000001
91	Ares Commercial Real Estate Corp.	ACRE	8.97%	n/a	0.692	--	--	--	--
92	Ares Management Corp.	ARES	2.65%	20.50%	18.611	--	--	--	--
93	Argan, Inc.	AGX	2.18%	n/a	0.725	--	--	--	--
94	Argo Group Int. Holdings, Ltd.	ARGO	2.15%	n/a	2.008	--	--	--	--
95	Armada Hoffler Properties, Inc.	AHH	4.86%	n/a	1.069	--	--	--	--
96	ARMOUR Residential REIT, Inc.	ARR	11.24%	-2.46%	0.761	--	--	--	--
97	Armstrong World Industries, Inc.	AWI	0.75%	n/a	5.347	--	--	--	--
98	Arthur J. Gallagher & Co.	AJG	1.35%	12.47%	29.416	29.42	0.0016	0.000022	0.000202
99	Artisan Partners Asset Management Inc.	APAM	6.67%	24.60%	3.619	--	--	--	--
100	ASA Gold and Precious Metals Limited	ASA	0.10%	n/a	0.406	--	--	--	--
101	ASE Technology Holding Co., Ltd.	ASX	0.95%	n/a	20.022	--	--	--	--
102	Ashland Global Holdings Inc.	ASH	1.40%	n/a	5.203	--	--	--	--
103	Associated BancCorp	ASB	3.38%	n/a	3.260	--	--	--	--
104	Associated Capital Group, Inc.	AC	0.55%	n/a	0.810	--	--	--	--
105	Assurant, Inc.	AIZ	1.61%	17.80%	9.646	9.65	0.0005	0.000009	0.000094
106	Assured Guaranty Ltd.	AGO	1.77%	n/a	3.638	--	--	--	--
107	AT&T Inc.	T	7.39%	1.46%	201.062	201.06	0.0111	0.000817	0.000161
108	Atlas Corp.	ATCO	3.48%	n/a	3.549	--	--	--	--
109	Atmos Energy Corp.	ATO	2.47%	7.17%	13.228	13.23	0.0007	0.000018	0.000052
110	Autohome Inc.	ATHM	2.02%	11.65%	5.296	5.30	0.0003	0.000006	0.000034
111	Autoliv, Inc.	ALV	2.52%	48.00%	8.618	--	--	--	--
112	AvalonBay Communities, Inc.	AVB	2.86%	n/a	31.023	--	--	--	--
113	Avangrid, Inc.	AGR	3.26%	8.57%	20.886	20.89	0.0011	0.000037	0.000098
114	Avery Dennison Corp.	AVY	1.25%	8.98%	18.027	18.03	0.0010	0.000012	0.000089
115	Avient Corp.	AVNT	1.74%	n/a	4.466	--	--	--	--
116	Avista Corp.	AVA	4.01%	6.90%	2.939	2.94	0.0002	0.000006	0.000011
117	Axis Capital Holdings Limited	AXS	3.16%	n/a	4.507	--	--	--	--
118	AZZ Inc.	AZZ	1.26%	n/a	1.354	--	--	--	--
119	B&G Foods, Inc.	BGS	6.23%	0.40%	1.977	1.98	0.0001	0.000007	0.000000
120	Badger Meter, Inc.	BMI	0.69%	n/a	3.030	--	--	--	--
121	Bain Capital Specialty Finance, Inc.	BCSF	8.83%	n/a	0.995	--	--	--	--
122	Baker Hughes Co.	BKR	3.35%	n/a	22.424	--	--	--	--
123	Ball Corp.	BLL	0.67%	12.88%	29.245	29.24	0.0016	0.000011	0.000207
124	Banc of California, Inc.	BANC	1.31%	n/a	0.931	--	--	--	--
125	Banco Bradesco SA	BBD	0.72%	n/a	43.833	--	--	--	--
126	Banco Bradesco SA	BBDO	0.77%	n/a	37.904	--	--	--	--
127	Banco De Chile	BCH	2.10%	16.40%	8.985	8.99	0.0005	0.000010	0.000081
128	Banco Latinoamericano de Comercio	BLX	5.91%	n/a	0.671	--	--	--	--
129	Banco Santander Brasil SA	BSBR	4.95%	9.70%	28.794	28.79	0.0016	0.000078	0.000154
130	Banco Santander Chile	BSAC	3.43%	15.80%	9.432	9.43	0.0005	0.000018	0.000082

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
131	BanColombia S.A.	CIB	0.85%	n/a	6.968	--	--	--	--
132	BancorpSouth Bank	BXS	2.65%	n/a	2.948	--	--	--	--
133	Bank of America Corp.	BAC	1.72%	24.32%	353.005	--	--	--	--
134	Bank of Hawaii Corp.	BOH	3.08%	n/a	3.522	--	--	--	--
135	Bank Of Montreal	BMO	1.58%	23.70%	66.873	--	--	--	--
136	Bank of N.T. Butterfield & Son Limited	NTB	5.16%	n/a	1.835	--	--	--	--
137	Bank of Nova Scotia The	BNS	2.13%	n/a	78.754	--	--	--	--
138	BankUnited, Inc.	BKU	2.14%	n/a	3.986	--	--	--	--
139	Barclays PLC	BCS	0.52%	n/a	44.704	--	--	--	--
140	BARINGS BDC, INC.	BBDC	7.27%	n/a	0.528	--	--	--	--
141	Barings Corporate Investors	MCI	6.26%	n/a	0.311	--	--	--	--
142	Barings Participation Investors	MPV	5.73%	n/a	0.148	--	--	--	--
143	Barnes Group, Inc.	B	1.28%	n/a	2.522	--	--	--	--
144	Barrick Gold Corp.	GOLD	0.84%	-6.10%	36.119	--	--	--	--
145	Bath & Body Works, Inc.	BBWI	0.95%	n/a	17.378	--	--	--	--
146	Baxter Int. Inc.	BAX	1.51%	11.49%	36.983	36.98	0.0020	0.000031	0.000234
147	BCE, Inc.	BCE	5.70%	4.98%	46.102	46.10	0.0025	0.000144	0.000126
148	Becton, Dickinson and Co.	BDX	1.38%	11.65%	69.115	69.12	0.0038	0.000052	0.000443
149	Belden Inc	BDC	0.36%	n/a	2.491	--	--	--	--
150	Benchmark Electronics, Inc.	BHE	2.52%	n/a	0.933	--	--	--	--
151	Berkshire Hills Bancorp, Inc.	BHLB	1.71%	n/a	1.438	--	--	--	--
152	Best Buy Co., Inc.	BBY	2.37%	9.90%	29.571	29.57	0.0016	0.000039	0.000161
153	BGSF, Inc.	BGSF	2.89%	n/a	0.143	--	--	--	--
154	BHP Billiton PLC	BBL	6.22%	5.30%	68.558	68.56	0.0038	0.000234	0.000200
155	BHP Group Limited Sponsored ADR	BHP	5.19%	5.30%	114.697	114.70	0.0063	0.000327	0.000334
156	Big Lots, Inc.	BIG	2.04%	0.70%	2.039	2.04	0.0001	0.000002	0.000001
157	Black Hills Corp.	BKH	3.17%	4.67%	4.532	4.53	0.0002	0.000008	0.000012
158	Black Stone Minerals, L.P.	BSM	6.51%	n/a	2.228	--	--	--	--
159	BlackRock Debt Strategies Fund, Inc.	DSU	6.74%	n/a	0.534	--	--	--	--
160	BLACKROCK INCOM	BKT	6.45%	n/a	0.408	--	--	--	--
161	BLACKROCK INVT	BKN	4.31%	n/a	0.321	--	--	--	--
162	BlackRock MuniAssets Fund, Inc.	MUA	3.89%	n/a	0.585	--	--	--	--
163	BlackRock MuniHoldings CA Quality Fund	MUC	4.00%	n/a	0.669	--	--	--	--
164	BlackRock MuniHoldings Invest. Quality Fund	MFL	3.84%	n/a	0.568	--	--	--	--
165	BlackRock MuniHoldings NJ Quality Fund	MUJ	4.71%	n/a	0.477	--	--	--	--
166	BlackRock MuniHoldings NY Quality Fund	MHN	4.31%	n/a	0.468	--	--	--	--
167	BlackRock MuniVest Fund II, Inc.	MVT	4.23%	n/a	0.351	--	--	--	--
168	BlackRock MuniVest Fund, Inc.	MVF	4.11%	n/a	0.633	--	--	--	--
169	BlackRock MuniYield CA Fund, Inc.	MYC	3.29%	n/a	0.336	--	--	--	--
170	BlackRock MuniYield CA Quality Fund, Inc.	MCA	4.00%	n/a	0.549	--	--	--	--
171	BlackRock MuniYield Fund, Inc.	MYD	4.39%	n/a	0.718	--	--	--	--
172	BlackRock MuniYield MI Quality Fund, Inc.	MIY	4.20%	n/a	0.465	--	--	--	--
173	BlackRock MuniYield New Jersey Fund, Inc.	MYJ	4.71%	n/a	0.382	--	--	--	--
174	BlackRock MuniYield NY Quality Fund, Inc.	MYN	4.21%	n/a	0.571	--	--	--	--
175	BlackRock MuniYield PA Quality Fund	MPA	4.10%	n/a	0.214	--	--	--	--
176	BlackRock MuniYield Quality Fund II, Inc.	MQT	4.32%	n/a	0.334	--	--	--	--
177	BlackRock MuniYield Quality Fund III, Inc.	MYI	4.00%	n/a	1.030	--	--	--	--
178	BlackRock MuniYield Quality Fund, Inc.	MQY	4.09%	n/a	0.516	--	--	--	--
179	BlackRock, Inc.	BLK	1.80%	14.95%	139.880	139.88	0.0077	0.000138	0.001150
180	Blackstone Inc.	BX	2.45%	21.09%	78.514	--	--	--	--
181	Blackstone Mortgage Trust, Inc.	BXMT	7.63%	-2.48%	4.777	--	--	--	--
182	BNY Mellon High Yield Strategies Fund	DHF	7.68%	n/a	0.244	--	--	--	--
183	BNY Mellon Strategic Muni Bond Fund, Inc.	DSM	4.28%	n/a	0.416	--	--	--	--
184	BNY Mellon Strategic Muni.s, Inc.	LEO	4.45%	n/a	0.587	--	--	--	--
185	Boise Cascade, L.L.C.	BCC	0.71%	-17.30%	2.225	--	--	--	--
186	Bonanza Creek Energy, Inc.	BCEI	3.74%	n/a	1.156	--	--	--	--
187	Booz Allen Hamilton Holding Corp.	BAH	1.81%	9.84%	11.049	11.05	0.0006	0.000011	0.000060
188	BorgWarner Inc.	BWA	1.45%	20.74%	11.222	--	--	--	--
189	Boston Properties, Inc.	BXP	3.32%	n/a	18.444	--	--	--	--
190	BOULDER GR&INC	BIF	2.90%	n/a	1.385	--	--	--	--
191	BP Midstream Partners LP	BPMP	10.70%	3.90%	1.361	1.36	0.0001	0.000008	0.000003
192	BP p.l.c.	BP	4.76%	n/a	87.988	--	--	--	--
193	BP Prudhoe Bay Royalty Trust	BPT	2.78%	n/a	0.075	--	--	--	--
194	Brady Corp.	BRC	1.65%	7.00%	2.784	2.78	0.0002	0.000003	0.000011
195	Brandywine Realty Trust	BDN	5.48%	n/a	2.369	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
196	Brasilagro Cia Brasileira De Prop. Agricolas	LND	2.09%	n/a	0.342	--	--	--	--
197	Brigham Minerals, Inc.	MNRL	6.65%	n/a	1.092	--	--	--	--
198	Bright Scholar Education Holdings Ltd.	BEDU	3.29%	n/a	0.383	--	--	--	--
199	BrightSphere Investment Group Inc.	BSIG	0.15%	24.20%	2.117	--	--	--	--
200	BrightSpire Capital, Inc.	BRSP	6.09%	n/a	1.194	--	--	--	--
201	Brinks Co. The	BCO	1.01%	n/a	3.960	--	--	--	--
202	Bristol Myers Squibb Co.	BMY	2.93%	7.95%	148.593	148.59	0.0082	0.000239	0.000649
203	British American Tobacco p.l.c.	BTI	7.91%	4.30%	79.911	79.91	0.0044	0.000347	0.000189
204	Brixmor Property Group Inc.	BRX	3.62%	-15.08%	7.056	--	--	--	--
205	Broadmark Realty Capital Inc.	BRMK	8.05%	n/a	1.384	--	--	--	--
206	Broadridge Financial Solutions, Inc.	BR	1.34%	11.60%	19.988	19.99	0.0011	0.000015	0.000127
207	Broadstone Net Lease, Inc.	BNL	3.87%	n/a	3.848	--	--	--	--
208	Brookfield Asset Management Inc	BAM	0.42%	n/a	94.120	--	--	--	--
209	Brookfield Business Partners L.P.	BBU	0.30%	n/a	3.277	--	--	--	--
210	Brookfield Infrastructure Corp.	BIPC	3.14%	n/a	2.916	--	--	--	--
211	Brookfield Infrastructure Partners LP	BIP	1.74%	n/a	16.459	--	--	--	--
212	Brookfield Renewable Corp.	BEPC	2.86%	n/a	7.315	--	--	--	--
213	Brookfield Renewable Partners L.P.	BEP	1.50%	n/a	10.594	--	--	--	--
214	Brown & Brown, Inc.	BRO	0.67%	11.45%	15.595	15.60	0.0009	0.000006	0.000098
215	Brown Forman Corp.	BF.A	1.11%	n/a	31.028	--	--	--	--
216	BrownForman Corp.	BF.B	1.04%	n/a	33.207	--	--	--	--
217	BRT Apartments Corp.	BRT	4.92%	n/a	0.325	--	--	--	--
218	Brunswick Corp.	BC	1.26%	n/a	8.272	--	--	--	--
219	Buckle, Inc. The	BKE	2.92%	n/a	2.248	--	--	--	--
220	Bunge Limited	BG	2.52%	-7.70%	11.230	--	--	--	--
221	BWX Technologies, Inc.	BWXT	1.51%	6.42%	5.298	5.30	0.0003	0.000004	0.000019
222	Byline Bancorp, Inc.	BY	1.41%	10.00%	0.965	0.97	0.0001	0.000001	0.000005
223	Cable One, Inc.	CABO	0.49%	18.40%	12.221	12.22	0.0007	0.000003	0.000124
224	Cabot Corp.	CBT	2.52%	44.90%	3.150	--	--	--	--
225	Cabot Oil & Gas Corp.	COG	2.70%	n/a	6.503	--	--	--	--
226	Cactus, Inc.	WHD	0.98%	39.10%	2.777	--	--	--	--
227	Cadence Bancorp	CADE	2.89%	n/a	2.587	--	--	--	--
228	CAI Int., Inc.	CAI	2.15%	n/a	0.969	--	--	--	--
229	Caleres, Inc.	CAL	1.16%	n/a	0.921	--	--	--	--
230	California Water Service Group	CWT	1.44%	n/a	3.242	--	--	--	--
231	Camden Property Trust	CPT	2.30%	n/a	14.512	--	--	--	--
232	Cameco Corp.	CCJ	0.34%	61.60%	6.925	--	--	--	--
233	Campbell Soup Co.	CPB	3.46%	n/a	12.980	--	--	--	--
234	Camping World Holdings Inc.	CWH	2.43%	n/a	3.638	--	--	--	--
235	Canadian Imperial Bank of Commerce	CM	1.89%	16.30%	53.276	53.28	0.0029	0.000055	0.000477
236	Canadian National Railway Co.	CNI	0.82%	10.26%	76.625	76.63	0.0042	0.000035	0.000432
237	Canadian Natural Resources Limited	CNQ	1.94%	n/a	39.919	--	--	--	--
238	Canadian Pacific Railway Limited	CP	0.40%	10.79%	49.026	49.03	0.0027	0.000011	0.000291
239	Canon, Inc.	CAJ	2.73%	n/a	25.372	--	--	--	--
240	Capital One Financial Corp.	COF	1.38%	46.50%	77.869	--	--	--	--
241	Capstead Mortgage Corp.	CMO	9.24%	n/a	0.629	--	--	--	--
242	Cardinal Health, Inc.	CAH	3.80%	6.83%	14.998	15.00	0.0008	0.000031	0.000056
243	Carlisle Companies Inc.	CSL	1.02%	n/a	10.767	--	--	--	--
244	Carpenter Technology Corp.	CRS	2.07%	n/a	1.857	--	--	--	--
245	Carriage Services, Inc.	CSV	1.03%	n/a	0.698	--	--	--	--
246	Carrier Global Corp.	CARR	0.84%	17.32%	49.364	49.36	0.0027	0.000023	0.000470
247	Carters, Inc.	CRI	1.52%	21.10%	4.637	--	--	--	--
248	CatchMark Timber Trust, Inc.	CTT	4.59%	n/a	0.575	--	--	--	--
249	Caterpillar Inc.	CAT	2.00%	31.22%	121.353	--	--	--	--
250	Cato Corp. The	CATO	2.68%	n/a	0.371	--	--	--	--
251	Cedar Realty Trust, Inc.	CDR	1.47%	n/a	0.247	--	--	--	--
252	Celanese Corp.	CE	1.67%	23.11%	18.131	--	--	--	--
253	Cementos Pacasmayo S.A.A.	CPAC	21.67%	38.15%	0.476	--	--	--	--
254	CenterPoint Energy, Inc.	CNP	2.39%	4.61%	15.895	15.90	0.0009	0.000021	0.000040
255	Centerspace	CSR	2.98%	n/a	1.320	--	--	--	--
256	Centrais Eltricas Brasileiras SA	EBR	5.20%	n/a	12.049	--	--	--	--
257	Century Communities, Inc.	CCS	0.83%	n/a	2.431	--	--	--	--
258	CF Industries Holdings, Inc.	CF	2.48%	n/a	10.391	--	--	--	--
259	Chemed Corp.	CHE	0.30%	7.35%	7.198	7.20	0.0004	0.000001	0.000029
260	Cherry Hill Mortgage Investment Corp.	CHMI	12.04%	n/a	0.154	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
261	Chesapeake Utilities Corp.	CPK	1.48%	n/a	2.283	--	--	--	--
262	Chevron Corp.	CVX	5.21%	n/a	198.903	--	--	--	--
263	Chimera Investment Corp.	CIM	8.72%	-2.53%	3.570	--	--	--	--
264	China Eastern Airlines Corp. Ltd.	CEA	1.76%	n/a	5.956	--	--	--	--
265	China Life Insurance Co. Limited	LFC	4.98%	n/a	48.276	--	--	--	--
266	China Petroleum & Chemical Corp.	SNP	7.69%	n/a	56.673	--	--	--	--
267	China Yuchai Int. Limited	CYD	11.20%	n/a	0.620	--	--	--	--
268	Choice Hotels Int., Inc.	CHH	0.76%	27.64%	6.612	--	--	--	--
269	Chubb Limited	CB	1.77%	22.85%	79.447	--	--	--	--
270	Chunghwa Telecom Co., Ltd.	CHT	2.61%	n/a	33.054	--	--	--	--
271	Church & Dwight Co., Inc.	CHD	1.20%	8.10%	20.687	20.69	0.0011	0.000014	0.000092
272	Cigna Corp.	CI	1.89%	12.60%	71.865	71.86	0.0040	0.000075	0.000498
273	Cimarex Energy Co	XEC	1.64%	68.01%	6.761	--	--	--	--
274	CIT Group Inc.	CIT	2.57%	n/a	5.409	--	--	--	--
275	Citigroup Inc.	C	2.75%	28.35%	150.590	--	--	--	--
276	Citizens Financial Group, Inc.	CFG	3.44%	n/a	19.319	--	--	--	--
277	City Office REIT, Inc.	CIO	4.49%	n/a	0.581	--	--	--	--
278	Clearway Energy, Inc.	CWEN	4.26%	n/a	6.233	--	--	--	--
279	Clipper Realty Inc.	CLPR	4.57%	n/a	0.134	--	--	--	--
280	CMS Energy Corp.	CMS	2.75%	6.64%	18.303	18.30	0.0010	0.000028	0.000067
281	CNA Financial Corp.	CNA	3.40%	n/a	12.119	--	--	--	--
282	CNO Financial Group, Inc.	CNO	2.18%	n/a	3.052	--	--	--	--
283	Coca Cola Femsa S.A.B. de C.V.	KOF	4.31%	-1.90%	95.966	--	--	--	--
284	CocaCola Co. The	KO	2.96%	9.11%	244.602	244.60	0.0134	0.000398	0.001225
285	Cohen & Steers Inc	CNS	2.04%	21.10%	4.257	--	--	--	--
286	Cohen & Steers Tot. Return Realty Fund, Inc.	RFI	6.19%	n/a	0.428	--	--	--	--
287	ColgatePalmolive Co.	CL	2.28%	7.89%	66.722	66.72	0.0037	0.000084	0.000289
288	Columbia Property Trust, Inc.	CXP	5.14%	n/a	1.878	--	--	--	--
289	Comerica Inc.	CMA	3.63%	-10.70%	10.030	--	--	--	--
290	Comfort Systems USA, Inc.	FIX	0.59%	n/a	2.821	--	--	--	--
291	Commercial Metals Co.	CMC	1.34%	0.80%	4.304	4.30	0.0002	0.000003	0.000002
292	Community Bank System, Inc.	CBU	2.21%	n/a	4.098	--	--	--	--
293	Community Healthcare Trust Inc.	CHCT	3.56%	n/a	1.193	--	--	--	--
294	Comp En De Mn Cemig ADS	CIG	9.26%	n/a	4.097	--	--	--	--
295	Comp. de saneamento Basico De Sao Paulo	SBS	0.89%	n/a	4.580	--	--	--	--
296	Companhia Brasileira de Distribuicao	CBD	1.63%	-34.20%	1.559	--	--	--	--
297	Companhia Paranaense de Energia	ELP	0.61%	n/a	3.382	--	--	--	--
298	Compania Cervecerias Unidas, S.A.	CCU	2.35%	n/a	3.882	--	--	--	--
299	Compass Diversified Holdings	CODI	5.26%	n/a	1.776	--	--	--	--
300	Compass Minerals Int., Inc.	CMP	4.18%	n/a	2.343	--	--	--	--
301	CONAGRA BRANDS	CAG	3.70%	1.84%	16.240	16.24	0.0009	0.000033	0.000016
302	CONMED Corp.	CNMD	0.64%	n/a	3.671	--	--	--	--
303	ConocoPhillips	COP	3.01%	-1.81%	76.582	--	--	--	--
304	Cons. Discr. Select Sector SPDR ETF	XLY	0.62%	n/a	19.747	--	--	--	--
305	Consolidated Edison Inc	ED	4.02%	2.00%	27.253	27.25	0.0015	0.000060	0.000030
306	Constellation Brands Inc	STZ	1.42%	9.14%	40.991	40.99	0.0023	0.000032	0.000206
307	Constellation Brands Inc	STZ.B	1.27%	n/a	41.737	--	--	--	--
308	Continental Resources, Inc.	CLR	1.61%	-10.74%	13.673	--	--	--	--
309	Core Laboratories N.V.	CLB	0.14%	40.70%	1.366	--	--	--	--
310	CorEnergy Infrastructure Trust, Inc.	CORR	3.88%	n/a	0.076	--	--	--	--
311	CoreSite Realty Corp.	COR	3.61%	n/a	6.225	--	--	--	--
312	Corning Inc.	GLW	2.34%	23.90%	34.964	--	--	--	--
313	Corporate Office Properties Trust	OFC	3.87%	n/a	3.194	--	--	--	--
314	Corteva, Inc.	CTVA	1.14%	19.56%	33.582	33.58	0.0018	0.000021	0.000361
315	Cosan S.A. Sponsored ADR	CSAN	6.45%	n/a	7.102	--	--	--	--
316	Costamare Inc.	CMRE	3.82%	n/a	1.471	--	--	--	--
317	Cousins Properties Inc.	CUZ	3.14%	n/a	5.876	--	--	--	--
318	Covanta Holding Corp.	CVA	1.60%	n/a	2.659	--	--	--	--
319	CPB Inc.	CPF	3.58%	n/a	0.757	--	--	--	--
320	Crane Co.	CR	1.67%	n/a	6.040	--	--	--	--
321	Crawford & Co.	CRD.A	2.31%	n/a	0.553	--	--	--	--
322	Crawford & Co.	CRD.B	2.39%	n/a	0.536	--	--	--	--
323	Credit Suisse Group	CS	0.82%	4.20%	27.780	27.78	0.0015	0.000013	0.000064
324	Crescent Point Energy Corp.	CPG	0.11%	n/a	2.112	--	--	--	--
325	Crestwood Equity Partners LP	CEQP	9.18%	n/a	1.712	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
326	CRH PLC	CRH	3.52%	n/a	41.643	--	--	--	--
327	Cross Timbers Royalty Trust	CRT	12.35%	n/a	0.072	--	--	--	--
328	CrossAmerica Partners LP	CAPL	11.43%	n/a	0.696	--	--	--	--
329	Crown Castle Int. Corp.	CCI	2.77%	21.00%	82.960	--	--	--	--
330	Crown Holdings, Inc.	CCK	0.74%	10.12%	14.502	14.50	0.0008	0.000006	0.000081
331	CTO Realty Growth, Inc.	CTO	7.31%	n/a	0.326	--	--	--	--
332	CTS Corp.	CTS	0.44%	n/a	1.177	--	--	--	--
333	CubeSmart	CUBE	2.71%	n/a	10.111	--	--	--	--
334	CullenFrost Bankers, Inc.	CFR	2.44%	n/a	7.486	--	--	--	--
335	Culp, Inc.	CULP	3.10%	n/a	0.175	--	--	--	--
336	Cummins Inc.	CMI	2.23%	17.94%	34.724	34.72	0.0019	0.000043	0.000342
337	CURO Group Holdings Corp.	CURO	2.64%	3.57%	0.690	0.69	0.0000	0.000001	0.000001
338	CurtissWright Corp.	CW	0.59%	n/a	4.979	--	--	--	--
339	CVS Health Corp.	CVS	2.35%	4.01%	112.098	112.10	0.0062	0.000145	0.000247
340	D.R. Horton, Inc.	DHI	0.81%	n/a	35.263	--	--	--	--
341	Dana Inc.	DAN	1.63%	107.95%	3.571	--	--	--	--
342	Danaher Corp.	DHR	0.27%	16.35%	221.716	221.72	0.0122	0.000033	0.001993
343	Danaos Corp.	DAC	2.74%	n/a	1.501	--	--	--	--
344	Darden Restaurants, Inc.	DRI	3.12%	29.57%	18.387	--	--	--	--
345	DCP Midstream Partners, LP	DCP	5.76%	n/a	5.645	--	--	--	--
346	Deere & Co.	DE	0.93%	37.57%	120.435	--	--	--	--
347	DELAWARE GRP DI	DDF	6.56%	n/a	0.085	--	--	--	--
348	Delek Logistics Partners, L.P.	DKL	9.33%	4.61%	1.751	1.75	0.0001	0.000009	0.000004
349	Deluxe Corp.	DLX	2.83%	n/a	1.801	--	--	--	--
350	Devon Energy Corp.	DVN	1.57%	n/a	18.956	--	--	--	--
351	DHT Holdings, Inc.	DHT	2.77%	n/a	0.986	--	--	--	--
352	Diageo plc	DEO	1.53%	10.10%	116.402	116.40	0.0064	0.000098	0.000646
353	DICKS Sporting Goods, Inc.	DKS	1.34%	14.84%	9.691	9.69	0.0005	0.000007	0.000079
354	Digital Realty Trust, Inc.	DLR	2.97%	30.30%	44.215	--	--	--	--
355	Dillards, Inc.	DDS	0.33%	n/a	3.851	--	--	--	--
356	Direxion Daily Financial Bull 3X Shares	FAS	0.31%	n/a	3.538	--	--	--	--
357	Discover Financial Services	DFS	1.32%	54.70%	40.015	--	--	--	--
358	DNP Select Income Fund Inc.	DNP	7.28%	n/a	3.655	--	--	--	--
359	Dolby Laboratories	DLB	0.91%	n/a	9.818	--	--	--	--
360	Dollar General Corp.	DG	0.71%	5.72%	56.217	56.22	0.0031	0.000022	0.000177
361	Dominion Energy Inc.	D	3.28%	6.60%	62.197	62.20	0.0034	0.000112	0.000226
362	Dominos Pizza Inc	DPZ	0.73%	11.21%	18.992	18.99	0.0010	0.000008	0.000117
363	Donaldson Co., Inc.	DCI	1.29%	10.00%	8.570	8.57	0.0005	0.000006	0.000047
364	Dorian LPG Ltd.	LPG	8.05%	n/a	0.501	--	--	--	--
365	Douglas Dynamics, Inc.	PLOW	2.82%	n/a	0.928	--	--	--	--
366	Douglas Emmett, Inc.	DEI	3.48%	n/a	5.641	--	--	--	--
367	Dover Corp.	DOV	1.15%	10.26%	24.832	24.83	0.0014	0.000016	0.000140
368	Dover Motorsports, Inc.	DVD	2.92%	n/a	0.100	--	--	--	--
369	Dow Inc.	DOW	4.36%	n/a	47.908	--	--	--	--
370	Dr. Reddys Laboratories Ltd	RDY	0.44%	-1.60%	10.548	--	--	--	--
371	DRDGOLD Limited	DRD	3.68%	n/a	0.834	--	--	--	--
372	DTE Energy Co.	DTE	3.61%	6.00%	23.285	23.29	0.0013	0.000046	0.000077
373	DTF TaxFree Income, Inc.	DTF	3.21%	n/a	0.128	--	--	--	--
374	Duke Energy Corp.	DUK	3.60%	5.00%	82.427	82.43	0.0045	0.000163	0.000227
375	Duke Realty Corp.	DRE	2.02%	n/a	19.065	--	--	--	--
376	DuPont de Nemours, Inc.	DD	1.53%	n/a	40.955	--	--	--	--
377	DWS Muni. Income Trust	KTF	4.25%	n/a	0.491	--	--	--	--
378	DWS Strategic Muni. Income Trust	KSM	4.42%	n/a	0.142	--	--	--	--
379	Dynex Capital, Inc.	DX	8.87%	-3.87%	0.608	--	--	--	--
380	Eagle Materials Inc	EXP	0.64%	n/a	6.495	--	--	--	--
381	Eagle Point Credit Co. Inc.	ECC	6.57%	n/a	0.453	--	--	--	--
382	Easterly Government Properties, Inc.	DEA	4.75%	n/a	1.873	--	--	--	--
383	EastGroup Properties, Inc.	EGP	1.84%	n/a	6.949	--	--	--	--
384	Eastman Chemical Co.	EMN	2.36%	18.01%	15.853	15.85	0.0009	0.000021	0.000157
385	Eaton Corp., PLC	ETN	1.82%	16.53%	66.530	66.53	0.0037	0.000067	0.000604
386	Eaton Vance Muni. Income Trust	EVN	4.34%	n/a	0.566	--	--	--	--
387	Ecolab Inc.	ECL	0.87%	16.24%	63.119	63.12	0.0035	0.000030	0.000563
388	Edgewell Personal Care Co.	EPC	1.33%	4.01%	2.444	2.44	0.0001	0.000002	0.000005
389	Edison Int.	EIX	4.64%	3.40%	21.696	21.70	0.0012	0.000055	0.000041
390	Element Solutions Inc.	ESI	1.01%	n/a	5.865	--	--	--	--

NYSE / IBES

	(a) Company	Ticker	(b) Dividend Yield	(b) IBES Refinitiv Growth	(b) Market Cap ($billions)	Mkt. Cap.	Weight	Weighted Dividend Yield	Weighted Growth Rate
391	Eletrobras	EBR.B	5.79%	n/a	12.018	--	--	--	--
392	Eli Lilly and Co.	LLY	1.29%	14.81%	253.279	253.28	0.0139	0.000180	0.002062
393	Ellington Financial Inc.	EFC	9.86%	n/a	0.915	--	--	--	--
394	Ellington Residential Mortgage REIT	EARN	10.66%	-5.89%	0.139	--	--	--	--
395	Embotelladora Andina S.A.	AKO.A	4.61%	n/a	1.855	--	--	--	--
396	Embotelladora Andina S.A.	AKO.B	4.43%	n/a	2.122	--	--	--	--
397	EMCOR Group, Inc.	EME	0.43%	n/a	6.559	--	--	--	--
398	Emerson Electric Co.	EMR	1.94%	10.84%	62.339	62.34	0.0034	0.000066	0.000372
399	Empire State Realty Trust, Inc.	ESRT	1.29%	n/a	1.871	--	--	--	--
400	Employers Holdings Inc	EIG	2.39%	n/a	1.184	--	--	--	--
401	Enable Midstream Partners, LP	ENBL	8.20%	n/a	3.513	--	--	--	--
402	Enbridge Inc	ENB	4.66%	8.51%	81.596	81.60	0.0045	0.000209	0.000382
403	Encompass Health Corp.	EHC	1.43%	17.30%	7.790	7.79	0.0004	0.000006	0.000074
404	Enel Americas S.A.	ENIA	4.00%	n/a	10.241	--	--	--	--
405	Energizer Holdings, Inc.	ENR	2.95%	20.50%	2.779	--	--	--	--
406	Energy Transfer LP	ET	6.39%	n/a	25.804	--	--	--	--
407	Enerpac Tool Group Corp.	EPAC	0.16%	n/a	1.530	--	--	--	--
408	Enerplus Corp.	ERF	0.64%	n/a	1.515	--	--	--	--
409	Enersis Chile S.A.	ENIC	6.52%	n/a	3.362	--	--	--	--
410	Enersys	ENS	0.70%	n/a	4.253	--	--	--	--
411	Eneti Inc.	NETI	1.10%	n/a	0.205	--	--	--	--
412	Eni SpA	E	3.27%	n/a	44.313	--	--	--	--
413	EnLink Midstream, LLC	ENLC	6.83%	n/a	2.690	--	--	--	--
414	Ennis, Inc.	EBF	4.90%	n/a	0.533	--	--	--	--
415	EnPro Industries	NPO	1.22%	5.10%	1.829	1.83	0.0001	0.000001	0.000005
416	Entergy Corp.	ETR	3.49%	5.80%	21.906	21.91	0.0012	0.000042	0.000070
417	Enterprise Products Partners L.P.	EPD	7.94%	8.40%	49.521	49.52	0.0027	0.000216	0.000229
418	Entravision Communications Corp.	EVC	1.32%	n/a	0.644	--	--	--	--
419	Enviva Partners, LP	EVA	5.67%	n/a	2.494	--	--	--	--
420	EOG Resources, Inc.	EOG	2.38%	56.52%	40.555	--	--	--	--
421	EPR Properties	EPR	5.92%	n/a	3.790	--	--	--	--
422	Equifax, Inc.	EFX	0.60%	8.50%	31.839	31.84	0.0018	0.000011	0.000149
423	Equinor ASA	EQNR	2.07%	n/a	67.554	--	--	--	--
424	Equitable Holdings, Inc.	EQH	2.18%	10.70%	13.590	13.59	0.0007	0.000016	0.000080
425	Equitrans Midstream Corp.	ETRN	7.07%	n/a	3.672	--	--	--	--
426	Equity Lifestyle Properties, Inc.	ELS	1.77%	n/a	14.906	--	--	--	--
427	Equity Residential	EQR	2.94%	n/a	30.683	--	--	--	--
428	ESCO Technologies Inc.	ESE	0.34%	n/a	2.448	--	--	--	--
429	Essent Group Ltd.	ESNT	1.42%	15.06%	5.359	5.36	0.0003	0.000004	0.000044
430	Essential Properties Realty Trust, Inc.	EPRT	3.32%	n/a	3.564	--	--	--	--
431	Essential Utilities Inc.	WTRG	2.04%	6.40%	12.072	12.07	0.0007	0.000014	0.000042
432	Essex Property Trust, Inc.	ESS	2.65%	n/a	20.496	--	--	--	--
433	Ethan Allen Interiors Inc.	ETH	3.78%	n/a	0.667	--	--	--	--
434	Euronav NV	EURN	1.02%	n/a	1.658	--	--	--	--
435	Evercore Inc	EVR	1.98%	n/a	5.622	--	--	--	--
436	Everest Re Group, Ltd.	RE	2.31%	70.08%	10.718	--	--	--	--
437	Evergy Inc.	EVRG	3.17%	5.80%	15.489	15.49	0.0009	0.000027	0.000049
438	Eversource Energy	ES	2.68%	6.81%	30.900	30.90	0.0017	0.000046	0.000116
439	Evertec, Inc.	EVTC	0.43%	9.68%	3.337	3.34	0.0002	0.000001	0.000018
440	Extra Space Storage Inc	EXR	2.31%	n/a	23.205	--	--	--	--
441	Exxon Mobil Corp.	XOM	5.96%	10.14%	247.028	247.03	0.0136	0.000809	0.001377
442	F.N.B. Corp.	FNB	4.01%	n/a	3.821	--	--	--	--
443	FactSet Research Systems Inc.	FDS	0.90%	5.73%	13.765	13.76	0.0008	0.000007	0.000043
444	Farmland Partners Inc.	FPI	1.69%	n/a	0.389	--	--	--	--
445	FB Financial Corp.	FBK	1.07%	n/a	1.952	--	--	--	--
446	Federal Agricultural Mortgage Corp.	AGM	3.53%	n/a	1.023	--	--	--	--
447	Federal Realty Investment Trust	FRT	3.51%	n/a	9.391	--	--	--	--
448	Federal Signal Corp.	FSS	0.90%	n/a	2.449	--	--	--	--
449	Federated Hermes, Inc.	FHI	3.18%	0.66%	3.348	3.35	0.0002	0.000006	0.000001
450	FedEx Corp.	FDX	1.09%	11.65%	73.860	73.86	0.0041	0.000044	0.000473
451	Fidelity National Financial, Inc.	FNF	2.95%	n/a	13.938	--	--	--	--
452	Fidelity National Information Services, Inc.	FIS	1.17%	17.11%	82.690	82.69	0.0045	0.000053	0.000778
453	Financial Select Sector SPDR ETF	XLF	1.49%	n/a	41.524	--	--	--	--
454	First American Financial Corp.	FAF	2.68%	-3.10%	7.557	--	--	--	--
455	First BanCorp.	FBP	2.15%	n/a	2.711	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
456	First Commonwealth Financial Corp.	FCF	3.34%	n/a	1.321	--	--	--	--
457	First Horizon Corp.	FHN	3.66%	n/a	9.015	--	--	--	--
458	First Industrial Realty Trust, Inc.	FR	1.98%	n/a	7.034	--	--	--	--
459	First Republic Bank	FRC	0.43%	18.90%	34.975	34.97	0.0019	0.000008	0.000363
460	FirstEnergy Corp.	FE	4.09%	-1.84%	20.766	--	--	--	--
461	Flagstar Bancorp, Inc.	FBC	0.49%	n/a	2.603	--	--	--	--
462	Flaherty & Crumrine Pref. and Inc. Fund Inc.	PFO	6.16%	n/a	0.168	--	--	--	--
463	Flex LNG Ltd.	FLNG	11.34%	n/a	0.751	--	--	--	--
464	Flowers Foods, Inc.	FLO	3.65%	-3.36%	4.874	--	--	--	--
465	Flowserve Corp.	FLS	1.98%	13.89%	5.270	5.27	0.0003	0.000006	0.000040
466	FMC Corp.	FMC	2.00%	9.10%	12.380	12.38	0.0007	0.000014	0.000062
467	Fomento Economico Mexicano	FMX	0.64%	6.10%	31.349	31.35	0.0017	0.000011	0.000105
468	Foot Locker, Inc.	FL	1.39%	34.06%	5.979	--	--	--	--
469	Fortis Inc.	FTS	2.46%	n/a	21.779	--	--	--	--
470	Fortive Corp.	FTV	0.37%	9.77%	26.872	26.87	0.0015	0.000005	0.000144
471	Fortress Transp. and Infrast. Investors LLC	FTAI	4.58%	n/a	2.468	--	--	--	--
472	Fortune Brands Home & Security, Inc.	FBHS	1.02%	n/a	14.123	--	--	--	--
473	Four Corners Property Trust, Inc.	FCPT	4.61%	n/a	2.099	--	--	--	--
474	FrancoNevada Corp.	FNV	0.34%	10.79%	29.642	29.64	0.0016	0.000006	0.000176
475	Franklin Resources, Inc.	BEN	3.35%	10.22%	16.805	16.81	0.0009	0.000031	0.000094
476	Franklin Universal Trust	FT	4.91%	n/a	0.213	--	--	--	--
477	FreeportMcMoRan Inc.	FCX	0.77%	25.90%	56.760	--	--	--	--
478	Fresenius Medical Care AG & Co.	FMS	1.43%	2.60%	23.484	23.48	0.0013	0.000018	0.000034
479	Fresh Del Monte Produce, Inc.	FDP	1.24%	n/a	1.531	--	--	--	--
480	Frontline Ltd.	FRO	6.54%	-15.23%	1.512	--	--	--	--
481	FS KKR Capital Corp.	FSK	10.56%	n/a	2.812	--	--	--	--
482	FutureFuel Corp.	FF	2.78%	n/a	0.378	--	--	--	--
483	Gabelli Conv. & Income Securities Fund Inc.	GCV	7.37%	n/a	0.123	--	--	--	--
484	Gabelli Equity Trust Inc.	GAB	8.80%	n/a	1.785	--	--	--	--
485	Gabelli Multimedia Trust Inc.	GGT	9.16%	n/a	0.243	--	--	--	--
486	Gamco Investors, Inc.	GBL	0.29%	n/a	0.743	--	--	--	--
487	GasLog Partners LP	GLOP	0.99%	-11.10%	0.201	--	--	--	--
488	GATX Corp.	GATX	2.11%	n/a	3.366	--	--	--	--
489	Genco Shipping & Trading Limited	GNK	1.05%	n/a	0.801	--	--	--	--
490	General American Investors, Inc.	GAM	6.20%	n/a	1.091	--	--	--	--
491	General Dynamics Corp.	GD	2.37%	6.38%	56.101	56.10	0.0031	0.000073	0.000197
492	General Electric Co.	GE	0.30%	330.10%	116.396	--	--	--	--
493	General Mills, Inc.	GIS	3.45%	4.61%	35.856	35.86	0.0020	0.000068	0.000091
494	Genesis Energy, L.P.	GEL	7.03%	n/a	1.046	--	--	--	--
495	Genpact Limited	G	0.84%	12.50%	9.623	9.62	0.0005	0.000004	0.000066
496	Genuine Parts Co.	GPC	2.59%	n/a	18.008	--	--	--	--
497	Geopark Ltd	GPRK	0.71%	n/a	0.704	--	--	--	--
498	Gerdau S.A.	GGB	2.25%	n/a	10.524	--	--	--	--
499	Getty Realty Corp.	GTY	4.92%	n/a	1.418	--	--	--	--
500	GFL Environmental Inc.	GFL	0.06%	n/a	11.498	--	--	--	--
501	Glatfelter Corp.	GLT	3.52%	n/a	0.708	--	--	--	--
502	GlaxoSmithKline plc	GSK	5.05%	4.40%	110.693	110.69	0.0061	0.000307	0.000268
503	Global Industrial Co.	GIC	1.60%	n/a	1.509	--	--	--	--
504	Global Medical REIT Inc.	GMRE	5.50%	n/a	0.957	--	--	--	--
505	Global Net Lease, Inc.	GNL	9.02%	n/a	1.779	--	--	--	--
506	Global Partners LP	GLP	10.98%	-18.40%	0.712	--	--	--	--
507	Global Payments Inc.	GPN	0.46%	19.30%	49.808	49.81	0.0027	0.000013	0.000529
508	Global Ship Lease, Inc.	GSL	5.20%	n/a	0.698	--	--	--	--
509	Globe Life Inc.	GL	0.81%	n/a	9.917	--	--	--	--
510	Gold Fields Limited	GFI	3.86%	n/a	7.847	--	--	--	--
511	Goldman Sachs BDC, Inc.	GSBD	9.28%	n/a	1.974	--	--	--	--
512	GormanRupp Co. The	GRC	1.75%	n/a	0.925	--	--	--	--
513	Graco Inc.	GGG	0.96%	n/a	13.211	--	--	--	--
514	GrafTech Int. Ltd.	EAF	0.35%	-5.87%	3.054	--	--	--	--
515	Graham Corp.	GHM	3.39%	n/a	0.139	--	--	--	--
516	Graham Holdings Co.	GHC	0.96%	n/a	3.153	--	--	--	--
517	Granite Construction Inc.	GVA	1.25%	n/a	1.900	--	--	--	--
518	Granite Point Mortgage Trust Inc.	GPMT	7.73%	2.13%	0.709	0.71	0.0000	0.000003	0.000001
519	Granite Real Estate Inc.	GRP.U	1.24%	n/a	4.650	--	--	--	--
520	Graphic Packaging Holding Co.	GPK	1.54%	19.69%	5.997	6.00	0.0003	0.000005	0.000065

NYSE / IBES

	(a)		(b)	(b)	(b)			Weighted	
	Company	Ticker	Dividend Yield	IBES Refinitiv Growth	Market Cap ($billions)	Mkt. Cap.	Weight	Dividend Yield	Growth Rate
521	Gray Television, Inc.	GTN	1.43%	n/a	2.139	--	--	--	--
522	Gray Television, Inc.	GTN.A	1.61%	n/a	1.895	--	--	--	--
523	Great Ajax Corp.	AJX	5.46%	n/a	0.320	--	--	--	--
524	Great Western Bancorp, Inc.	GWB	0.12%	n/a	1.818	--	--	--	--
525	Greenbrier Companies, Inc. The	GBX	2.33%	n/a	1.500	--	--	--	--
526	Greenhill & Co., Inc.	GHL	1.28%	n/a	0.300	--	--	--	--
527	Greif Bros. Corp.	GEF.B	4.23%	n/a	3.030	--	--	--	--
528	Greif, Inc.	GEF	2.78%	n/a	3.071	--	--	--	--
529	Griffon Corp.	GFF	1.38%	n/a	1.315	--	--	--	--
530	Group 1 Automotive, Inc.	GPI	0.77%	n/a	3.108	--	--	--	--
531	Grupo Aval Acciones y Valores S.A.	AVAL	4.78%	n/a	5.750	--	--	--	--
532	Grupo Financiero Santander Mx.	BSMX	1.67%	n/a	7.968	--	--	--	--
533	Grupo Supervielle S.A.	SUPV	0.63%	-19.00%	0.195	--	--	--	--
534	Grupo Televisa S.A.	TV	0.60%	n/a	7.259	--	--	--	--
535	Guess, Inc.	GES	1.95%	n/a	1.501	--	--	--	--
536	H&R Block, Inc.	HRB	4.21%	12.50%	4.666	4.67	0.0003	0.000011	0.000032
537	H. B. Fuller Co.	FUL	1.00%	20.00%	3.516	3.52	0.0002	0.000002	0.000039
538	Halliburton Co.	HAL	0.87%	53.80%	18.371	--	--	--	--
539	Hamilton Beach Brands Holding Co.	HBB	2.34%	n/a	0.237	--	--	--	--
540	Hanesbrands Inc.	HBI	2.92%	10.00%	7.182	7.18	0.0004	0.000012	0.000039
541	Hannon Armstrong Sust. Infrast. Capital, Inc.	HASI	2.41%	8.00%	4.566	4.57	0.0003	0.000006	0.000020
542	HarleyDavidson, Inc.	HOG	1.43%	n/a	6.440	--	--	--	--
543	Harmony Gold Mining Co. Limited	HMY	3.40%	n/a	2.230	--	--	--	--
544	Haverty Furniture Companies, Inc.	HVT	2.61%	n/a	0.698	--	--	--	--
545	Haverty Furniture Companies, Inc.	HVT.A	2.42%	n/a	0.693	--	--	--	--
546	Hawaiian Electric Industries, Inc.	HE	3.06%	1.30%	4.861	4.86	0.0003	0.000008	0.000003
547	HCA Healthcare, Inc.	HCA	0.80%	13.09%	77.205	77.21	0.0042	0.000034	0.000556
548	HCI Group, Inc.	HCI	1.38%	n/a	0.983	--	--	--	--
549	HDFC Bank Limited	HDB	0.29%	n/a	137.856	--	--	--	--
550	Healthcare Realty Trust Inc.	HR	3.97%	n/a	4.433	--	--	--	--
551	Healthcare Trust of America, Inc.	HTA	4.42%	n/a	6.339	--	--	--	--
552	Healthpeak Properties, Inc.	PEAK	3.41%	1.70%	18.988	18.99	0.0010	0.000036	0.000018
553	Hecla Mining Co.	HL	0.72%	n/a	3.367	--	--	--	--
554	Heico Corp.	HEI	0.13%	9.59%	18.071	18.07	0.0010	0.000001	0.000095
555	Heico Corp.	HEI.A	0.15%	n/a	16.592	--	--	--	--
556	Helmerich & Payne, Inc.	HP	3.49%	n/a	3.096	--	--	--	--
557	Hercules Capital, Inc.	HTGC	7.49%	n/a	1.980	--	--	--	--
558	Heritage Insurance Holdings, Inc.	HRTG	3.20%	n/a	0.210	--	--	--	--
559	Hershey Co. The	HSY	1.80%	8.65%	36.813	36.81	0.0020	0.000036	0.000175
560	Hess Corp.	HES	1.37%	n/a	22.538	--	--	--	--
561	Hess Midstream Partners LP	HESM	8.00%	14.46%	0.631	0.63	0.0000	0.000003	0.000005
562	Hewlett Packard Enterprise Co.	HPE	3.16%	11.60%	19.837	19.84	0.0011	0.000034	0.000126
563	High Income Securities Fund	PCF	9.68%	n/a	0.094	--	--	--	--
564	Highwoods Properties, Inc.	HIW	4.14%	n/a	4.826	--	--	--	--
565	Hillenbrand Inc	HI	1.88%	n/a	3.345	--	--	--	--
566	HillRom Holdings, Inc.	HRC	0.74%	7.70%	8.523	8.52	0.0005	0.000003	0.000036
567	Hilltop Holdings Inc.	HTH	1.43%	n/a	2.729	--	--	--	--
568	HNI Corp.	HNI	3.12%	n/a	1.742	--	--	--	--
569	Hoegh LNG Partners LP	HMLP	0.79%	n/a	0.169	--	--	--	--
570	Holly Energy Partners, L.P.	HEP	7.67%	16.90%	1.924	1.92	0.0001	0.000008	0.000018
571	Honda Motor Co., Ltd.	HMC	4.74%	n/a	57.185	--	--	--	--
572	Horace Mann Educators Corp.	HMN	3.09%	n/a	1.667	--	--	--	--
573	Hormel Foods Corp.	HRL	2.14%	7.00%	24.784	24.78	0.0014	0.000029	0.000095
574	Houlihan Lokey, Inc.	HLI	1.94%	n/a	6.056	--	--	--	--
575	Howmet Aerospace Inc.	HWM	0.24%	n/a	14.158	--	--	--	--
576	HP Inc.	HPQ	2.58%	17.03%	36.158	36.16	0.0020	0.000051	0.000338
577	HSBC Holdings plc	HSBC	2.60%	n/a	116.959	--	--	--	--
578	Huaneng Power Int., Inc.	HNP	6.58%	13.10%	5.926	5.93	0.0003	0.000021	0.000043
579	Hubbell Inc	HUBB	1.92%	10.00%	11.078	11.08	0.0006	0.000012	0.000061
580	Hudson Pacific Properties, Inc.	HPP	3.72%	n/a	4.099	--	--	--	--
581	Humana Inc.	HUM	0.68%	13.47%	52.533	52.53	0.0029	0.000020	0.000389
582	Huntington Ingalls Industries, Inc.	HII	2.18%	0.83%	8.387	8.39	0.0005	0.000010	0.000004
583	Huntsman Corp.	HUN	2.86%	n/a	5.810	--	--	--	--
584	HysterYale Materials Handling, Inc.	HY	2.11%	n/a	1.026	--	--	--	--
585	ICICI Bank Limited	IBN	0.25%	n/a	65.166	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
586	ICL Group Ltd	ICL	2.24%	n/a	9.421	--	--	--	--
587	IDACORP, Inc.	IDA	2.67%	3.20%	5.372	5.37	0.0003	0.000008	0.000009
588	IDEX Corp.	IEX	0.95%	12.50%	17.326	17.33	0.0010	0.000009	0.000119
589	IHS Markit Ltd.	INFO	0.68%	11.05%	46.984	46.98	0.0026	0.000018	0.000285
590	Illinois Tool Works Inc.	ITW	1.95%	14.47%	73.649	73.65	0.0040	0.000079	0.000586
591	Independence Holding Co.	IHC	1.01%	n/a	0.637	--	--	--	--
592	Independence Realty Trust, Inc.	IRT	2.43%	n/a	2.078	--	--	--	--
593	Industrias Bachoco, S.A. de C.V.	IBA	1.89%	n/a	2.212	--	--	--	--
594	Infosys Limited	INFY	1.48%	n/a	97.518	--	--	--	--
595	InfraCap MLP ETF	AMZA	10.31%	n/a	0.284	--	--	--	--
596	ING Group, N.V.	ING	0.90%	n/a	53.556	--	--	--	--
597	Ingredion Inc.	INGR	2.92%	n/a	5.876	--	--	--	--
598	Innovative Industrial Properties, Inc.	IIPR	2.44%	n/a	5.493	--	--	--	--
599	Insight Select Income Fund	INSI	5.66%	n/a	0.244	--	--	--	--
600	Insperity, Inc.	NSP	1.73%	15.00%	4.013	4.01	0.0002	0.000004	0.000033
601	Installed Building Products, Inc.	IBP	0.94%	n/a	3.785	--	--	--	--
602	Insteel Industries, Inc.	IIIN	0.28%	n/a	0.826	--	--	--	--
603	Int. Business Machines Corp.	IBM	4.62%	16.32%	127.394	127.39	0.0070	0.000324	0.001143
604	Int. Flavors & Fragrances Inc.	IFF	1.96%	7.72%	39.048	39.05	0.0021	0.000042	0.000166
605	Int. Paper Co.	IP	3.41%	n/a	23.474	--	--	--	--
606	Int. Seaways Inc.	INSW	1.44%	n/a	0.469	--	--	--	--
607	Intercontinental Exchange Inc.	ICE	1.11%	9.34%	66.858	66.86	0.0037	0.000041	0.000343
608	Intercorp Financial Services Inc.	IFS	3.90%	n/a	2.163	--	--	--	--
609	Interpublic Grp of Companies, Inc.	IPG	2.88%	14.10%	14.761	14.76	0.0008	0.000023	0.000114
610	INV VK CA VALU	VCV	3.97%	n/a	0.688	--	--	--	--
611	INV VK HI INC2	VLT	7.63%	n/a	0.099	--	--	--	--
612	INV VK INVT NY	VTN	4.01%	n/a	0.270	--	--	--	--
613	INV VK MUN OPP	VMO	4.61%	n/a	0.932	--	--	--	--
614	INV VK MUN TR	VKQ	4.52%	n/a	0.765	--	--	--	--
615	INV VK PA VALU	VPV	4.36%	n/a	0.328	--	--	--	--
616	INV VK TR INV	VGM	4.60%	n/a	0.766	--	--	--	--
617	Invesco Bond Fund	VBF	6.81%	n/a	0.241	--	--	--	--
618	Invesco Emerging Mrk. Sovereign Debt ETF	PCY	4.43%	n/a	2.793	--	--	--	--
619	Invesco Global Listed Private Equity ETF	PSP	5.65%	n/a	0.264	--	--	--	--
620	Invesco India ETF	PIN	0.43%	n/a	0.110	--	--	--	--
621	Invesco Ltd.	IVZ	2.65%	23.23%	11.844	--	--	--	--
622	INVESCO MORTGAGE CAPITAL INC	IVR	11.43%	n/a	0.912	--	--	--	--
623	Invesco Preferred ETF	PGX	4.90%	n/a	7.402	--	--	--	--
624	Invesco S&P 500 Equal Weight ETF	RSP	1.29%	n/a	28.980	--	--	--	--
625	Invitation Home Inc.	INVH	1.74%	n/a	22.552	--	--	--	--
626	INVMUN INCOM	OIA	4.61%	n/a	0.391	--	--	--	--
627	INVQUALITY MU	IQI	4.51%	n/a	0.729	--	--	--	--
628	INVVLU MU INCM	IIM	4.45%	n/a	0.798	--	--	--	--
629	Iron Mountain Inc.	IRM	5.30%	n/a	13.524	--	--	--	--
630	iShares Agency Bond ETF	AGZ	1.75%	n/a	0.731	--	--	--	--
631	iShares China LargeCap ETF	FXI	1.99%	n/a	5.005	--	--	--	--
632	iShares Core S&P 500 ETF	IVV	1.27%	n/a	298.695	--	--	--	--
633	iShares Core S&P MidCap ETF	IJH	1.06%	n/a	64.262	--	--	--	--
634	iShares Core S&P SmallCap ETF	IJR	0.94%	n/a	69.739	--	--	--	--
635	iShares Core U.S. Aggregate Bond ETF	AGG	1.85%	n/a	88.585	--	--	--	--
636	iShares iBoxx High Yld Corp. Bond ETF	HYG	4.40%	n/a	19.193	--	--	--	--
637	iShares iBoxx Invest. Grade Corp. Bond ETF	LQD	2.41%	n/a	41.282	--	--	--	--
638	iShares Latin America 40 ETF	ILF	2.19%	n/a	1.586	--	--	--	--
639	iShares MSCI Australia ETF	EWA	2.18%	n/a	1.575	--	--	--	--
640	iShares MSCI Brazil ETF	EWZ	2.40%	n/a	5.673	--	--	--	--
641	iShares MSCI EAFE ETF	EFA	2.22%	n/a	58.417	--	--	--	--
642	iShares MSCI Emerging Markets ETF	EEM	1.45%	n/a	30.843	--	--	--	--
643	iShares MSCI France ETF	EWQ	1.52%	n/a	0.769	--	--	--	--
644	iShares MSCI Germany ETF	EWG	2.12%	n/a	2.909	--	--	--	--
645	iShares MSCI Hong Kong ETF	EWH	2.31%	n/a	1.060	--	--	--	--
646	iShares MSCI Italy ETF	EWI	1.92%	n/a	0.550	--	--	--	--
647	iShares MSCI Japan ETF	EWJ	1.11%	n/a	11.864	--	--	--	--
648	iShares MSCI Malaysia ETF	EWM	3.40%	n/a	0.235	--	--	--	--
649	iShares MSCI Pacific ex Japan ETF	EPP	2.24%	n/a	2.483	--	--	--	--
650	iShares MSCI Singapore ETF	EWS	2.69%	n/a	0.668	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
651	iShares MSCI South Africa ETF	EZA	4.65%	n/a	0.224	--	--	--	--
652	iShares MSCI South Korea ETF	EWY	0.71%	n/a	6.209	--	--	--	--
653	iShares MSCI Spain ETF	EWP	3.19%	n/a	0.619	--	--	--	--
654	iShares MSCI Sweden ETF	EWD	2.92%	n/a	0.660	--	--	--	--
655	iShares MSCI Switzerland ETF	EWL	1.86%	n/a	1.675	--	--	--	--
656	iShares MSCI Thailand ETF	THD	2.37%	n/a	0.372	--	--	--	--
657	iShares MSCI United Kingdom ETF	EWU	2.67%	n/a	3.551	--	--	--	--
658	iShares National Muni Bond ETF	MUB	1.91%	n/a	23.313	--	--	--	--
659	iShares Russell 1000 Growth ETF	IWF	0.52%	n/a	73.094	--	--	--	--
660	iShares Russell 1000 Value ETF	IWD	1.54%	n/a	55.110	--	--	--	--
661	iShares Russell 2000 ETF	IWM	0.85%	n/a	66.481	--	--	--	--
662	iShares Russell 2000 Growth ETF	IWO	0.33%	n/a	11.957	--	--	--	--
663	iShares Russell 2000 Value ETF	IWN	1.23%	n/a	15.642	--	--	--	--
664	iShares Russell MidCap ETF	IWR	0.98%	n/a	30.300	--	--	--	--
665	iShares Russell MidCap Growth ETF	IWP	0.25%	n/a	16.013	--	--	--	--
666	iShares Russell MidCap Value ETF	IWS	1.31%	n/a	14.513	--	--	--	--
667	iShares S&P MidCap 400 Growth ETF	IJK	0.56%	n/a	8.220	--	--	--	--
668	iShares S&P MidCap 400 Value ETF	IJJ	1.35%	n/a	8.809	--	--	--	--
669	iShares S&P SmallCap 600 Value ETF	IJS	0.84%	n/a	8.893	--	--	--	--
670	iShares TIPS Bond ETF	TIP	3.10%	n/a	32.255	--	--	--	--
671	iShares U.S. Energy ETF	IYE	2.93%	n/a	2.202	--	--	--	--
672	iShares U.S. Real Estate ETF	IYR	1.93%	n/a	5.450	--	--	--	--
673	iShares U.S. Technology ETF	IYW	0.34%	n/a	8.394	--	--	--	--
674	iStar Financial Inc.	STAR	1.94%	n/a	1.846	--	--	--	--
675	Itau Unibanco Holding S.A.	ITUB	0.58%	n/a	58.212	--	--	--	--
676	ITT Inc.	ITT	0.88%	17.80%	8.565	8.57	0.0005	0.000004	0.000084
677	Jabil, Inc.	JBL	0.53%	19.50%	8.801	8.80	0.0005	0.000003	0.000094
678	Jacobs Engineering Group Inc.	J	0.62%	13.22%	17.742	17.74	0.0010	0.000006	0.000129
679	Janus Henderson Group plc	JHG	3.52%	9.71%	7.439	7.44	0.0004	0.000014	0.000040
680	Japan Smaller Capitalization Fund, Inc.	JOF	3.81%	n/a	0.256	--	--	--	--
681	JBG SMITH Properties	JBGS	2.95%	6.60%	4.024	4.02	0.0002	0.000007	0.000015
682	Jefferies Financial Group Inc.	JEF	2.24%	n/a	8.834	--	--	--	--
683	John Bean Technologies Corp.	JBT	0.27%	14.20%	4.641	4.64	0.0003	0.000001	0.000036
684	John Hancock Fin Opportunities Fund	BTO	5.12%	n/a	0.808	--	--	--	--
685	John Hancock Income Securities Trust	JHS	5.53%	n/a	0.185	--	--	--	--
686	John Hancock Investors Trust	JHI	7.42%	n/a	0.165	--	--	--	--
687	John Hancock Premium Dividend Fund	PDT	7.39%	n/a	0.836	--	--	--	--
688	John Wiley & Sons, Inc.	JW.A	2.38%	n/a	3.240	--	--	--	--
689	John Wiley & Sons, Inc.	JW.B	2.39%	n/a	3.230	--	--	--	--
690	Johnson & Johnson	JNJ	2.44%	7.45%	457.525	457.53	0.0252	0.000614	0.001873
691	Johnson Controls Int. plc	JCI	1.48%	17.46%	51.985	51.99	0.0029	0.000042	0.000499
692	JPMorgan Chase & Co.	JPM	2.23%	3.00%	481.571	481.57	0.0265	0.000590	0.000794
693	Juniper Networks, Inc.	JNPR	2.82%	7.79%	9.234	9.23	0.0005	0.000014	0.000040
694	Kadant Inc	KAI	0.49%	8.00%	2.373	2.37	0.0001	0.000001	0.000010
695	Kaman Corp.	KAMN	1.82%	n/a	1.221	--	--	--	--
696	Kansas City Southern	KSU	0.74%	17.50%	26.665	26.67	0.0015	0.000011	0.000256
697	KB Financial Group Inc	KB	2.30%	n/a	19.260	--	--	--	--
698	KB Home	KBH	1.37%	n/a	4.036	--	--	--	--
699	KBR, Inc.	KBR	1.13%	16.49%	5.489	5.49	0.0003	0.000003	0.000050
700	Kellogg Co.	K	3.60%	3.22%	21.973	21.97	0.0012	0.000043	0.000039
701	Kemper Corp.	KMPR	1.85%	n/a	4.256	--	--	--	--
702	Kennametal Inc.	KMT	2.14%	35.50%	3.120	--	--	--	--
703	KennedyWilson Holdings Inc.	KW	4.14%	n/a	2.990	--	--	--	--
704	Kenon Holdings Ltd.	KEN	5.08%	n/a	1.971	--	--	--	--
705	KeyCorp	KEY	3.54%	n/a	19.969	--	--	--	--
706	Kilroy Realty Corp.	KRC	2.98%	n/a	7.820	--	--	--	--
707	KIMBELL ROYALTY	KRP	11.16%	n/a	0.672	--	--	--	--
708	KimberlyClark Corp.	KMB	3.40%	2.57%	45.190	45.19	0.0025	0.000084	0.000064
709	Kimco Realty Corp.	KIM	3.05%	n/a	9.667	--	--	--	--
710	Kinder Morgan, Inc.	KMI	6.26%	4.03%	39.075	39.07	0.0021	0.000134	0.000087
711	Kinross Gold Corp.	KGC	1.00%	-7.90%	7.597	--	--	--	--
712	Kirkland Lake Gold Ltd.	KL	0.79%	12.18%	10.510	10.51	0.0006	0.000005	0.000070
713	Kite Realty Group Trust	KRG	3.60%	n/a	1.691	--	--	--	--
714	KKR & Co. Inc.	KKR	0.88%	25.55%	38.369	--	--	--	--
715	KKR Real Estate Finance Trust Inc.	KREF	8.25%	n/a	1.160	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
716	KnightSwift Transportation Holdings Inc.	KNX	0.80%	13.51%	8.246	8.25	0.0005	0.000004	0.000061
717	Kohls Corp.	KSS	1.77%	n/a	8.824	--	--	--	--
718	Koninklijke Philips N.V.	PHG	1.97%	n/a	40.294	--	--	--	--
719	Kontoor Brands, Inc.	KTB	2.77%	23.60%	3.325	--	--	--	--
720	Korea Electric Power Corp.	KEP	4.75%	n/a	13.943	--	--	--	--
721	KornFerry Int.	KFY	0.70%	n/a	3.707	--	--	--	--
722	Kronos Worldwide Inc	KRO	5.48%	28.12%	1.517	--	--	--	--
723	KT Corp.	KT	3.37%	n/a	7.421	--	--	--	--
724	L3Harris Technologies Inc	LHX	1.75%	10.40%	46.798	46.80	0.0026	0.000045	0.000267
725	Ladder Capital Corp	LADR	7.06%	n/a	1.430	--	--	--	--
726	Lamb Weston Holdings Inc.	LW	1.42%	10.65%	9.592	9.59	0.0005	0.000007	0.000056
727	Lazard Ltd	LAZ	3.89%	7.30%	5.073	5.07	0.0003	0.000011	0.000020
728	LaZBoy Inc.	LZB	1.67%	n/a	1.628	--	--	--	--
729	LCI Industries	LCII	2.38%	n/a	3.816	--	--	--	--
730	Lear Corp.	LEA	0.59%	58.44%	10.129	--	--	--	--
731	Leggett & Platt, Inc.	LEG	3.38%	n/a	6.626	--	--	--	--
732	Leidos Holdings, Inc.	LDOS	1.41%	9.57%	13.643	13.64	0.0007	0.000011	0.000072
733	Lennar Corp.	LEN	0.92%	n/a	34.108	--	--	--	--
734	Lennar Corp.	LEN.B	1.12%	n/a	27.969	--	--	--	--
735	Lennox Int., Inc.	LII	1.07%	12.34%	12.801	12.80	0.0007	0.000008	0.000087
736	Levi Strauss & Co.	LEVI	1.12%	n/a	11.483	--	--	--	--
737	Lexington Realty Trust	LXP	3.24%	n/a	3.685	--	--	--	--
738	Liberty AllStar Equity Fund	USA	8.96%	n/a	1.805	--	--	--	--
739	Liberty AllStar Growth Fund	ASG	8.83%	n/a	0.367	--	--	--	--
740	Life Storage, Inc.	LSI	2.48%	n/a	9.332	--	--	--	--
741	Lincoln National Corp.	LNC	2.39%	38.55%	13.194	--	--	--	--
742	Linde plc	LIN	1.38%	8.11%	158.177	158.18	0.0087	0.000120	0.000705
743	Lindsay Corp.	LNN	0.75%	n/a	1.931	--	--	--	--
744	Lithia Motors, Inc.	LAD	0.37%	20.40%	11.342	--	--	--	--
745	Lloyds Banking Group PLC	LYG	2.93%	n/a	45.426	--	--	--	--
746	loanDepot, Inc.	LDI	0.78%	n/a	3.143	--	--	--	--
747	Lockheed Martin Corp.	LMT	2.86%	5.11%	100.604	100.60	0.0055	0.000158	0.000283
748	Loews Corp.	L	0.44%	n/a	14.454	--	--	--	--
749	Loma Negra Compania Industrial Argentina	LOMA	3.16%	n/a	0.960	--	--	--	--
750	LouisianaPacific Corp.	LPX	1.22%	n/a	5.614	--	--	--	--
751	Lowes Companies, Inc.	LOW	1.65%	19.14%	137.504	137.50	0.0076	0.000125	0.001447
752	LTC Properties, Inc.	LTC	6.46%	n/a	1.389	--	--	--	--
753	Lumen Technologies, Inc.	LUMN	8.06%	-4.10%	13.705	--	--	--	--
754	Lument Finance Trust, Inc.	LFT	8.91%	n/a	0.101	--	--	--	--
755	Luxfer Holdings PLC	LXFR	2.40%	n/a	0.596	--	--	--	--
756	LyondellBasell Industries N.V.	LYB	4.27%	50.81%	35.439	--	--	--	--
757	M&T Bank Corp.	MTB	3.08%	15.20%	18.356	18.36	0.0010	0.000031	0.000153
758	M.D.C. Holdings, Inc.	MDC	3.03%	n/a	3.727	--	--	--	--
759	Macerich Co. The	MAC	3.50%	n/a	3.653	--	--	--	--
760	Magellan Midstream Partners, L.P.	MMP	8.65%	7.46%	10.522	10.52	0.0006	0.000050	0.000043
761	Magna Int. Inc.	MGA	0.92%	40.80%	26.079	--	--	--	--
762	Magnolia Oil & Gas Corp	MGY	1.08%	n/a	3.586	--	--	--	--
763	Main Street Capital Corp.	MAIN	5.79%	n/a	2.917	--	--	--	--
764	Manchester United Ltd.	MANU	1.09%	n/a	0.714	--	--	--	--
765	Manning & Napier, Inc.	MN	2.00%	n/a	0.170	--	--	--	--
766	ManpowerGroup Inc.	MAN	2.07%	43.20%	6.601	--	--	--	--
767	Manulife Financial Corp	MFC	2.05%	n/a	39.619	--	--	--	--
768	Marathon Oil Corp.	MRO	1.29%	-27.95%	9.776	--	--	--	--
769	Marathon Petroleum Corp.	MPC	3.92%	n/a	37.743	--	--	--	--
770	Marine Products Corp.	MPX	3.11%	n/a	0.525	--	--	--	--
771	Marsh & McLennan Companies, Inc.	MMC	1.41%	11.29%	76.799	76.80	0.0042	0.000060	0.000477
772	Martin Marietta Materials, Inc.	MLM	0.58%	14.17%	24.353	24.35	0.0013	0.000008	0.000190
773	Masco Corp.	MAS	1.52%	n/a	15.312	--	--	--	--
774	Mastercard Inc.	MA	0.48%	26.52%	359.423	--	--	--	--
775	Matador Resources Co.	MTDR	0.35%	n/a	3.376	--	--	--	--
776	Materials Select Sector SPDR ETF	XLB	1.55%	n/a	8.640	--	--	--	--
777	Materion Corp.	MTRN	0.64%	n/a	1.523	--	--	--	--
778	Matson, Inc.	MATX	1.61%	n/a	3.231	--	--	--	--
779	Maxar Technologies Inc.	MAXR	0.12%	n/a	2.335	--	--	--	--
780	Maximus, Inc.	MMS	1.37%	n/a	5.014	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
781	McCormick & Co., Inc.	MKC	1.59%	6.50%	22.846	22.85	0.0013	0.000020	0.000082
782	McDonalds Corp.	MCD	2.19%	20.43%	175.908	--	--	--	--
783	McKesson Corp.	MCK	0.85%	10.06%	30.519	30.52	0.0017	0.000014	0.000169
784	MDU Resources Group, Inc.	MDU	2.56%	7.20%	6.721	6.72	0.0004	0.000009	0.000027
785	Medical Properties Trust, Inc.	MPW	5.58%	n/a	11.962	--	--	--	--
786	MEDIFAST INC	MED	2.38%	n/a	2.804	--	--	--	--
787	Medtronic PLC	MDT	2.00%	10.94%	169.386	169.39	0.0093	0.000186	0.001019
788	Merck & Co., Inc.	MRK	3.46%	10.83%	190.385	190.38	0.0105	0.000362	0.001133
789	Mercury General Corp.	MCY	4.20%	n/a	3.339	--	--	--	--
790	Mesa Royalty Trust	MTR	0.85%	n/a	0.010	--	--	--	--
791	Mesabi Trust	MSB	1.05%	n/a	0.451	--	--	--	--
792	Methode Electronics, Inc.	MEI	1.14%	n/a	1.881	--	--	--	--
793	MetLife, Inc.	MET	3.07%	4.83%	53.642	53.64	0.0029	0.000091	0.000143
794	Mexico Fund, Inc. The	MXF	1.15%	n/a	0.235	--	--	--	--
795	MFA Financial, Inc.	MFA	8.57%	n/a	2.059	--	--	--	--
796	MFS GOVT MKTS	MGF	7.67%	n/a	0.144	--	--	--	--
797	MFS HI YLD INC	CMU	4.55%	n/a	0.135	--	--	--	--
798	MFS High Income Muni. Trust	CXE	4.67%	n/a	0.170	--	--	--	--
799	MFS Intermediate High Income Fund	CIF	7.25%	n/a	0.062	--	--	--	--
800	MFS Intermediate Income Trust	MIN	8.91%	n/a	0.432	--	--	--	--
801	MFS Investment Grade Muni. Trust	CXH	4.49%	n/a	0.096	--	--	--	--
802	MFS Multimarket Income Trust	MMT	7.87%	n/a	0.393	--	--	--	--
803	MFS MUNI INC TR	MFM	4.32%	n/a	0.299	--	--	--	--
804	MFS SPL VALUE T	MFV	8.00%	n/a	0.049	--	--	--	--
805	MGIC Investment Corp.	MTG	2.17%	10.79%	5.008	5.01	0.0003	0.000006	0.000030
806	MGM Growth Properties LLC	MGP	5.09%	42.80%	6.337	--	--	--	--
807	MGM Resorts Int.	MGM	0.02%	-175.00%	19.545	--	--	--	--
808	Micro Focus Int. PLC Sponsored ADR	MFGP	2.35%	n/a	1.940	--	--	--	--
809	MidAmerica Apartment Communities, Inc.	MAA	2.20%	n/a	21.392	--	--	--	--
810	Miller Industries, Inc.	MLR	1.84%	n/a	0.445	--	--	--	--
811	Minerals Technologies Inc.	MTX	0.25%	n/a	2.731	--	--	--	--
812	Mitsubishi UFJ Financial Group, Inc.	MUFG	3.28%	n/a	72.444	--	--	--	--
813	MiX Telematics Limited	MIXT	1.47%	n/a	0.347	--	--	--	--
814	Mizuho Financial Group, Inc.	MFG	3.52%	n/a	37.533	--	--	--	--
815	Mobile TeleSystems PJSC	MBT	8.96%	6.10%	8.613	8.61	0.0005	0.000042	0.000029
816	Moelis & Co.	MC	3.55%	n/a	4.087	--	--	--	--
817	Monmouth Real Estate Investment Corp.	MNR	3.77%	n/a	1.877	--	--	--	--
818	Moodys Corp.	MCO	0.65%	9.80%	70.756	70.76	0.0039	0.000025	0.000381
819	Moog Inc.	MOG.A	1.29%	n/a	2.490	--	--	--	--
820	Moog Inc.	MOG.B	1.27%	n/a	2.531	--	--	--	--
821	Morgan Stanley	MS	2.70%	6.07%	189.535	189.54	0.0104	0.000281	0.000632
822	Morgan Stanley Emerg. Mkts Debt Fund	MSD	4.51%	n/a	0.194	--	--	--	--
823	Morgan Stanley India Investment Fund, Inc.	IIF	0.01%	n/a	0.293	--	--	--	--
824	Motorola Solutions, Inc.	MSI	1.25%	12.80%	38.462	38.46	0.0021	0.000026	0.000271
825	Movado Group Inc.	MOV	2.46%	n/a	0.760	--	--	--	--
826	MPLX LP	MPLX	9.68%	n/a	29.249	--	--	--	--
827	MSA Safety Incorporporated	MSA	1.09%	n/a	6.322	--	--	--	--
828	MSC Industrial Direct Co., Inc.	MSM	3.46%	9.12%	4.818	4.82	0.0003	0.000009	0.000024
829	MSCI Inc	MSCI	0.50%	15.31%	51.521	51.52	0.0028	0.000014	0.000434
830	Mueller Industries, Inc.	MLI	1.18%	n/a	2.510	--	--	--	--
831	MUELLER WATER PRODUCTS	MWA	1.42%	n/a	2.462	--	--	--	--
832	Murphy Oil Corp.	MUR	2.21%	13.98%	3.492	3.49	0.0002	0.000004	0.000027
833	Murphy USA Inc.	MUSA	0.66%	n/a	3.896	--	--	--	--
834	MV Oil Trust	MVO	18.48%	n/a	0.075	--	--	--	--
835	Myers Industries, Inc.	MYE	2.47%	n/a	0.789	--	--	--	--
836	NACCO Industries, Inc.	NC	2.82%	n/a	0.200	--	--	--	--
837	National Bank Holdings Corp.	NBHC	2.35%	n/a	1.151	--	--	--	--
838	National Fuel Gas Co.	NFG	3.40%	n/a	4.878	--	--	--	--
839	National Grid Transco, PLC	NGG	6.88%	n/a	46.686	--	--	--	--
840	National Health Investors, Inc.	NHI	5.83%	n/a	2.833	--	--	--	--
841	National Presto Industries, Inc.	NPK	1.09%	n/a	0.649	--	--	--	--
842	National Retail Properties	NNN	4.46%	n/a	8.339	--	--	--	--
843	National Steel Co.	SID	5.44%	n/a	11.675	--	--	--	--
844	National Storage Affiliates Trust	NSA	2.77%	n/a	4.860	--	--	--	--
845	Natural Grocers by Vitamin Cottage, Inc.	NGVC	2.35%	n/a	0.269	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
846	Natural Resource Partners LP	NRP	8.13%	n/a	0.272	--	--	--	--
847	NatWest Group plc	NWG	1.32%	n/a	36.155	--	--	--	--
848	Navios Maritime Acquisition Corp.	NNA	15.56%	n/a	0.037	--	--	--	--
849	Navios Maritime Partners LP	NMM	0.83%	n/a	0.479	--	--	--	--
850	Neenah, Inc.	NP	3.78%	n/a	0.839	--	--	--	--
851	Nelnet, Inc.	NNI	1.13%	n/a	3.003	--	--	--	--
852	NETSTREIT Corp.	NTST	3.13%	n/a	1.010	--	--	--	--
853	New America High Income Fund, Inc.	HYB	5.92%	n/a	0.217	--	--	--	--
854	NEW IRELAND FD	IRL	2.39%	n/a	0.062	--	--	--	--
855	New Residential Investment Corp.	NRZ	8.01%	-5.46%	4.661	--	--	--	--
856	New Senior Investment Group Inc.	SNR	2.95%	n/a	0.741	--	--	--	--
857	New York City REIT, Inc.	NYC	3.76%	n/a	0.136	--	--	--	--
858	New York Community Bancorp, Inc.	NYCB	5.41%	n/a	5.845	--	--	--	--
859	NewJersey Resources Corp.	NJR	3.43%	6.00%	3.745	3.74	0.0002	0.000007	0.000012
860	NewMarket Corp.	NEU	2.23%	n/a	3.719	--	--	--	--
861	Newmont Corp.	NEM	3.71%	3.72%	47.356	47.36	0.0026	0.000097	0.000097
862	Nexa Resources S.A.	NEXA	3.29%	n/a	1.063	--	--	--	--
863	NexPoint Real Estate Finance, Inc.	NREF	8.29%	n/a	0.126	--	--	--	--
864	NexPoint Residential Trust, Inc.	NXRT	2.28%	n/a	1.504	--	--	--	--
865	NextEra Energy Partners, LP	NEP	3.34%	27.90%	6.071	--	--	--	--
866	NextEra Energy, Inc.	NEE	1.87%	8.01%	161.564	161.56	0.0089	0.000166	0.000711
867	Nielsen Holdings Plc	NLSN	1.02%	n/a	8.407	--	--	--	--
868	NIKE, Inc.	NKE	0.64%	17.00%	270.915	270.92	0.0149	0.000095	0.002532
869	NiSource, Inc	NI	3.47%	3.52%	9.952	9.95	0.0005	0.000019	0.000019
870	NL Industries, Inc.	NL	3.85%	n/a	0.305	--	--	--	--
871	Nomura Holdings Inc ADR	NMR	4.72%	n/a	15.044	--	--	--	--
872	Nordic American Tankers Limited	NAT	3.40%	n/a	0.356	--	--	--	--
873	Norfolk Southern Corp.	NSC	1.64%	15.41%	65.623	65.62	0.0036	0.000059	0.000556
874	North American Construction Group Ltd.	NOA	0.42%	n/a	0.427	--	--	--	--
875	North European Oil Royality Trust	NRT	7.70%	n/a	0.067	--	--	--	--
876	Northrop Grumman Corp.	NOC	1.72%	5.77%	58.616	58.62	0.0032	0.000055	0.000186
877	Northwest Natural Gas Co.	NWN	3.61%	3.80%	1.634	1.63	0.0001	0.000003	0.000003
878	Novartis AG	NVS	2.25%	7.89%	206.876	206.88	0.0114	0.000256	0.000898
879	Novo Nordisk AS	NVO	1.32%	8.35%	237.199	237.20	0.0130	0.000172	0.001089
880	NRG Energy, Inc.	NRG	3.01%	42.60%	10.569	--	--	--	--
881	Nu Skin Enterprises, Inc.	NUS	2.84%	6.81%	2.680	2.68	0.0001	0.000004	0.000010
882	Nucor Corp.	NUE	1.32%	26.90%	36.723	--	--	--	--
883	NuStar Energy L.P.	NS	10.22%	n/a	1.714	--	--	--	--
884	Nutrien Ltd.	NTR	1.41%	n/a	36.311	--	--	--	--
885	Nuveen Arizona Quality Muni. Income Fund	NAZ	3.70%	n/a	0.186	--	--	--	--
886	Nuveen CA Select TaxFree Inc. Portfolio	NXC	3.06%	n/a	0.106	--	--	--	--
887	Nuveen California Muni. Va	NCA	2.91%	n/a	0.305	--	--	--	--
888	Nuveen MA Quality Muni. Income Fund	NMT	3.60%	n/a	0.142	--	--	--	--
889	Nuveen MO Quality Muni Income Fund	NOM	3.33%	n/a	0.037	--	--	--	--
890	Nuveen MultiMarket Income Fund	JMM	4.32%	n/a	0.071	--	--	--	--
891	Nuveen Muni. Income Fund, Inc.	NMI	3.28%	n/a	0.110	--	--	--	--
892	Nuveen Muni. Value Fund, Inc.	NUV	3.10%	n/a	2.465	--	--	--	--
893	Nuveen New York Muni. Valu	NNY	3.01%	n/a	0.156	--	--	--	--
894	Nuveen NY Select TaxFree Inc. Portfolio	NXN	3.13%	n/a	0.056	--	--	--	--
895	Nuveen OH Quality Muni. Income Fund	NUO	3.66%	n/a	0.304	--	--	--	--
896	Nuveen PA Quality Muni. Income Fund	NQP	4.71%	n/a	0.574	--	--	--	--
897	Nuveen Select Maturities Muni. Fund	NIM	3.26%	n/a	0.136	--	--	--	--
898	Nuveen Select Tax Free Income Portfolio III	NXR	3.00%	n/a	0.232	--	--	--	--
899	NUVEEN SL TFIP	NXP	3.12%	n/a	0.290	--	--	--	--
900	NUVEEN SL TFIP2	NXQ	3.11%	n/a	0.287	--	--	--	--
901	Nuveen VA Quality Muni. Income Fund	NPV	3.41%	n/a	0.304	--	--	--	--
902	nVent Electric PLC	NVT	2.07%	11.20%	5.677	5.68	0.0003	0.000006	0.000035
903	Occidental Petroleum Corp.	OXY	0.15%	-5.15%	25.061	--	--	--	--
904	OchZiff Capital Mgmt. Group LLC	SCU	4.34%	-5.42%	1.597	--	--	--	--
905	OFG Bancorp	OFG	1.31%	n/a	1.261	--	--	--	--
906	OGE Energy Corp.	OGE	4.52%	3.80%	7.134	7.13	0.0004	0.000018	0.000015
907	OilDri Corp. Of America	ODC	2.93%	n/a	0.263	--	--	--	--
908	Old Republic Int. Corp.	ORI	3.43%	n/a	7.839	--	--	--	--
909	Olin Corp.	OLN	1.66%	n/a	7.729	--	--	--	--
910	Omega Healthcare Investors, Inc.	OHI	7.63%	n/a	8.392	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
911	Omnicom Group Inc.	OMC	3.67%	9.50%	16.349	16.35	0.0009	0.000033	0.000085
912	ONE Gas, Inc.	OGS	3.13%	5.00%	3.969	3.97	0.0002	0.000007	0.000011
913	One Liberty Properties, Inc.	OLP	5.89%	n/a	0.637	--	--	--	--
914	OneMain Holdings, Inc.	OMF	4.69%	4.86%	7.988	7.99	0.0004	0.000021	0.000021
915	ONEOK, Inc.	OKE	7.08%	9.17%	23.544	23.54	0.0013	0.000092	0.000119
916	Oppenheimer Holdings, Inc.	OPY	1.32%	n/a	0.579	--	--	--	--
917	Oracle Corp.	ORCL	1.43%	10.60%	250.247	250.25	0.0138	0.000197	0.001458
918	Orange	ORAN	8.54%	n/a	30.012	--	--	--	--
919	Orchid Island Capital, Inc.	ORC	15.51%	n/a	0.619	--	--	--	--
920	Orix Corp Ads	IX	3.55%	n/a	22.939	--	--	--	--
921	Ormat Technologies, Inc.	ORA	0.70%	10.00%	3.859	3.86	0.0002	0.000001	0.000021
922	Oshkosh Corp.	OSK	1.08%	24.09%	8.384	--	--	--	--
923	Osisko Gold Royalties Ltd	OR	0.63%	n/a	2.062	--	--	--	--
924	Otis Worldwide Corp.	OTIS	1.06%	11.02%	38.594	38.59	0.0021	0.000022	0.000234
925	Ovintiv Inc.	OVV	1.47%	61.37%	6.663	--	--	--	--
926	Owens & Minor, Inc.	OMI	0.03%	21.02%	2.932	--	--	--	--
927	Owens Corning Inc	OC	1.05%	n/a	10.214	--	--	--	--
928	Owl Rock Capital Corp.	ORCC	8.52%	n/a	5.707	--	--	--	--
929	Oxford Industries, Inc.	OXM	1.79%	n/a	1.588	--	--	--	--
930	Packaging Corp. of America	PKG	2.75%	19.95%	13.832	13.83	0.0008	0.000021	0.000152
931	Paramount Group, Inc.	PGRE	3.06%	n/a	2.001	--	--	--	--
932	Park Aerospace Corp.	PKE	2.63%	n/a	0.310	--	--	--	--
933	ParkerHannifin Corp.	PH	1.39%	15.22%	38.201	38.20	0.0021	0.000029	0.000320
934	PBF Logistics LP	PBFX	9.52%	n/a	0.788	--	--	--	--
935	PCM FUND INC	PCM	8.74%	n/a	0.138	--	--	--	--
936	Pearson, PLC	PSO	3.39%	n/a	8.387	--	--	--	--
937	Pebblebrook Hotel Trust	PEB	0.18%	n/a	2.880	--	--	--	--
938	Pembina Pipeline Corp.	PBA	2.95%	n/a	17.854	--	--	--	--
939	PennyMac Financial Services, Inc.	PFSI	1.19%	n/a	4.503	--	--	--	--
940	PennyMac Mortgage Investment Trust	PMT	9.97%	n/a	1.845	--	--	--	--
941	Penske Automotive Group, Inc.	PAG	2.00%	9.50%	7.226	7.23	0.0004	0.000008	0.000038
942	Pentair plc	PNR	1.01%	14.70%	13.146	13.15	0.0007	0.000007	0.000106
943	PerkinElmer, Inc.	PKI	0.16%	37.90%	20.094	--	--	--	--
944	Permian Basin Royalty Trust	PBT	4.75%	n/a	0.252	--	--	--	--
945	PermRock Royalty Trust	PRT	11.17%	n/a	0.079	--	--	--	--
946	Perrigo Co. plc	PRGO	2.23%	n/a	5.741	--	--	--	--
947	PetroChina Co. Limited	PTR	5.63%	n/a	78.516	--	--	--	--
948	Petroleo Brasileiro S.A. Petrobras	PBR	2.52%	-17.55%	73.569	--	--	--	--
949	Petroleo Brasileiro S.A. Petrobras	PBR.A	2.59%	n/a	71.547	--	--	--	--
950	Pfizer Inc.	PFE	3.37%	11.53%	259.229	259.23	0.0143	0.000480	0.001642
951	Philip Morris Int. Inc.	PM	4.81%	13.30%	155.480	155.48	0.0085	0.000411	0.001137
952	Phillips 66	PSX	4.84%	-11.16%	32.591	--	--	--	--
953	Phillips 66 Partners LP	PSXP	9.60%	17.25%	8.323	8.32	0.0005	0.000044	0.000079
954	PHX Minerals Inc.	PHX	1.36%	n/a	0.090	--	--	--	--
955	Physicians Realty Trust	DOC	5.00%	n/a	4.000	--	--	--	--
956	Piedmont Office Realty Trust, Inc.	PDM	4.49%	n/a	2.321	--	--	--	--
957	PIMCO 15 Year U.S. TIPS Index ETF	LTPZ	3.11%	n/a	0.685	--	--	--	--
958	PIMCO 15 Year U.S. TIPS Index ETF	STPZ	3.61%	n/a	1.009	--	--	--	--
959	Pimco Corporate & Income Opp. Fund	PTY	7.80%	n/a	2.300	--	--	--	--
960	PIMCO High Income Fund	PHK	8.95%	n/a	0.921	--	--	--	--
961	PIMCO Strategic Income Fund, Inc.	RCS	8.23%	n/a	0.353	--	--	--	--
962	Pinnacle West Capital Corp.	PNW	4.13%	3.40%	9.068	9.07	0.0005	0.000021	0.000017
963	Pioneer Natural Resources Co.	PXD	1.45%	77.78%	37.570	--	--	--	--
964	Piper Sandler Companies	PIPR	1.26%	n/a	2.587	--	--	--	--
965	Pitney Bowes Inc.	PBI	2.40%	n/a	1.467	--	--	--	--
966	PJT Partners Inc.	PJT	0.25%	n/a	1.922	--	--	--	--
967	PLDT Inc.	PHI	4.57%	n/a	5.250	--	--	--	--
968	Plymouth Industrial REIT, Inc.	PLYM	3.78%	n/a	0.682	--	--	--	--
969	PNM Resources, Inc.	PNM	2.74%	4.90%	4.102	4.10	0.0002	0.000006	0.000011
970	Polaris Inc.	PII	1.86%	n/a	8.198	--	--	--	--
971	Portland General Electric Co.	POR	3.42%	7.10%	4.500	4.50	0.0002	0.000008	0.000018
972	POSCO	PKX	2.95%	n/a	26.351	--	--	--	--
973	Postal Realty Trust, Inc.	PSTL	4.35%	n/a	0.270	--	--	--	--
974	PPDAI Group Inc. Sponsored ADR	FINV	2.35%	16.04%	1.793	1.79	0.0001	0.000002	0.000016
975	PPG Industries, Inc.	PPG	1.39%	n/a	40.396	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
976	PPL Corp.	PPL	5.68%	n/a	22.480	--	--	--	--
977	Preferred Apartment Communities, Inc.	APTS	5.94%	n/a	0.617	--	--	--	--
978	Primerica, Inc.	PRI	1.24%	n/a	6.003	--	--	--	--
979	Primo Water Corp.	PRMW	0.69%	n/a	2.805	--	--	--	--
980	ProAssurance Corp.	PRA	0.81%	n/a	1.332	--	--	--	--
981	Procter & Gamble Co. The	PG	2.44%	8.43%	349.167	349.17	0.0192	0.000468	0.001618
982	Prologis, Inc.	PLD	1.96%	n/a	95.289	--	--	--	--
983	Prosperity Bancshares, Inc.	PB	2.76%	n/a	6.590	--	--	--	--
984	Provident Financial Services, Inc	PFS	4.02%	n/a	1.785	--	--	--	--
985	Prudential Financial, Inc.	PRU	4.28%	10.85%	41.510	41.51	0.0023	0.000098	0.000248
986	Prudential Public Limited Co.	PUK	1.04%	9.00%	54.003	54.00	0.0030	0.000031	0.000267
987	PS Business Parks, Inc.	PSB	2.78%	n/a	4.164	--	--	--	--
988	PT Telekomunikasi Indonesia, Tbk	TLK	2.94%	n/a	20.597	--	--	--	--
989	Public Service Enterprise Group Inc.	PEG	3.21%	2.70%	32.119	32.12	0.0018	0.000057	0.000048
990	Public Storage	PSA	2.56%	n/a	54.593	--	--	--	--
991	PulteGroup, Inc.	PHM	1.01%	n/a	14.370	--	--	--	--
992	PUTNAM MANAGED	PMM	4.47%	n/a	0.420	--	--	--	--
993	PUTNAM MAST INT	PIM	7.13%	n/a	0.212	--	--	--	--
994	PUTNAM MUN OPPO	PMO	4.39%	n/a	0.495	--	--	--	--
995	Putnam Premier Income Trust	PPT	7.49%	n/a	0.476	--	--	--	--
996	Pzena Investment Management Inc	PZN	1.09%	n/a	0.795	--	--	--	--
997	QTS Realty Trust, Inc.	QTS	2.58%	n/a	5.972	--	--	--	--
998	Quaker Chemical Corp.	KWR	0.62%	26.27%	4.547	--	--	--	--
999	Quanex Building Products Corp.	NX	1.28%	n/a	0.842	--	--	--	--
1000	Quanta Services, Inc.	PWR	0.25%	14.91%	13.536	13.54	0.0007	0.000002	0.000111
1001	Quest Diagnostics Inc.	DGX	1.67%	-8.67%	18.150	--	--	--	--
1002	Radian Group Inc.	RDN	2.37%	19.80%	4.381	4.38	0.0002	0.000006	0.000048
1003	Ralph Lauren Corp.	RL	2.24%	47.28%	8.978	--	--	--	--
1004	Raymond James Financial, Inc.	RJF	1.13%	19.42%	18.998	19.00	0.0010	0.000012	0.000203
1005	Rayonier Inc.	RYN	2.88%	n/a	5.295	--	--	--	--
1006	Raytheon Technologies Corp.	RTX	2.30%	23.36%	133.628	--	--	--	--
1007	Ready Capital Corp	RC	11.22%	n/a	1.066	--	--	--	--
1008	Realty Income Corp.	O	3.99%	n/a	27.612	--	--	--	--
1009	Redwood Trust, Inc.	RWT	5.86%	n/a	1.388	--	--	--	--
1010	Regal Beloit Corp.	RBC	0.87%	n/a	6.166	--	--	--	--
1011	Regional Management Corp.	RM	1.75%	n/a	0.588	--	--	--	--
1012	Regions Financial Corp.	RF	3.01%	n/a	19.683	--	--	--	--
1013	Reinsurance Group of America, Inc.	RGA	2.31%	0.70%	8.251	8.25	0.0005	0.000010	0.000003
1014	Reliance Steel & Aluminum Co.	RS	1.72%	11.37%	10.157	10.16	0.0006	0.000010	0.000063
1015	RELX PLC	RELX	1.32%	n/a	58.342	--	--	--	--
1016	REMAX Holdings, Inc.	RMAX	2.63%	n/a	0.651	--	--	--	--
1017	RenaissanceRe Holdings Ltd.	RNR	0.91%	n/a	7.454	--	--	--	--
1018	Republic Services, Inc.	RSG	1.42%	8.30%	38.099	38.10	0.0021	0.000030	0.000174
1019	ResMed Inc.	RMD	0.57%	20.80%	39.655	--	--	--	--
1020	Restaurant Brands Int. Inc.	QSR	3.27%	19.74%	20.018	20.02	0.0011	0.000036	0.000217
1021	Retail Properties of America, Inc.	RPAI	2.37%	n/a	2.719	--	--	--	--
1022	Retail Value Inc.	RVI	4.71%	n/a	0.520	--	--	--	--
1023	REV Group, Inc.	REVG	1.22%	114.00%	1.066	--	--	--	--
1024	Rexford Industrial Realty, Inc.	REXR	1.58%	n/a	8.380	--	--	--	--
1025	Rexnord Corp.	RXN	0.60%	12.96%	7.257	7.26	0.0004	0.000002	0.000052
1026	Rio Tinto PLC	RIO	7.18%	4.30%	107.434	107.43	0.0059	0.000424	0.000254
1027	Ritchie Bros. Auctioneers Inc.	RBA	0.73%	7.00%	6.668	6.67	0.0004	0.000003	0.000026
1028	RLI Corp.	RLI	0.92%	n/a	4.915	--	--	--	--
1029	RLJ Lodging Trust	RLJ	0.27%	n/a	2.405	--	--	--	--
1030	Robert Half Int. Inc.	RHI	1.50%	27.30%	11.365	--	--	--	--
1031	Rockwell Automation, Inc.	ROK	1.35%	11.62%	36.713	36.71	0.0020	0.000027	0.000235
1032	Rogers Communication, Inc.	RCI	1.50%	11.00%	25.817	25.82	0.0014	0.000021	0.000156
1033	Rollins, Inc.	ROL	0.86%	n/a	18.399	--	--	--	--
1034	Roper Technologies, Inc.	ROP	0.47%	11.10%	50.654	50.65	0.0028	0.000013	0.000309
1035	Royal Bank Of Canada	RY	1.58%	13.10%	149.280	149.28	0.0082	0.000130	0.001075
1036	Royal Dutch Shell PLC	RDS.A	3.32%	n/a	163.409	--	--	--	--
1037	Royal Dutch Shell PLC	RDS.B	3.37%	n/a	160.950	--	--	--	--
1038	ROYCE OTC MICRO	RMT	5.38%	n/a	0.521	--	--	--	--
1039	Royce Value Trust, Inc.	RVT	5.61%	n/a	1.899	--	--	--	--
1040	RPM Int. Inc.	RPM	1.75%	15.85%	11.275	11.27	0.0006	0.000011	0.000098

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
1041	RPT Realty	RPT	2.30%	n/a	1.059	--	--	--	--
1042	Ryder System, Inc.	R	2.82%	n/a	4.267	--	--	--	--
1043	S&P Global Inc.	SPGI	0.71%	10.50%	104.498	104.50	0.0057	0.000041	0.000603
1044	Sabine Royalty Trust	SBR	8.32%	n/a	0.585	--	--	--	--
1045	Safehold Inc.	SAFE	0.75%	n/a	4.832	--	--	--	--
1046	San Juan Basin Royalty Trust	SJT	19.86%	n/a	0.239	--	--	--	--
1047	Santander Consumer USA Holdings Inc.	SC	2.09%	13.52%	12.874	12.87	0.0007	0.000015	0.000096
1048	SAP SE	SAP	1.12%	6.85%	178.428	178.43	0.0098	0.000110	0.000672
1049	Saratoga Investment Corp	SAR	6.62%	n/a	0.297	--	--	--	--
1050	Saul Centers, Inc.	BFS	4.72%	n/a	1.101	--	--	--	--
1051	Schlumberger Limited	SLB	1.73%	50.40%	40.527	--	--	--	--
1052	Schneider National, Inc.	SNDR	1.27%	15.43%	3.903	3.90	0.0002	0.000003	0.000033
1053	SchweitzerMauduit Int., Inc.	SWM	4.54%	n/a	1.220	--	--	--	--
1054	Science Applications Int. Corp.	SAIC	1.78%	n/a	4.820	--	--	--	--
1055	Scorpio Tankers Inc.	STNG	2.56%	n/a	0.907	--	--	--	--
1056	Sealed Air Corp.	SEE	1.32%	8.90%	9.091	9.09	0.0005	0.000007	0.000044
1057	Select Medical Holdings Corp.	SEM	1.40%	19.26%	4.823	4.82	0.0003	0.000004	0.000051
1058	Sempra Energy	SRE	3.33%	4.30%	42.151	42.15	0.0023	0.000077	0.000100
1059	Sendas Distribuidora S.A.	ASAI	0.36%	n/a	4.629	--	--	--	--
1060	Sensient Technologies Corp.	SXT	1.77%	n/a	3.724	--	--	--	--
1061	Service Corp. Int.	SCI	1.30%	4.11%	10.832	10.83	0.0006	0.000008	0.000024
1062	ServisFirst Bancshares, Inc.	SFBS	1.08%	n/a	4.023	--	--	--	--
1063	SFL Corp. Ltd.	SFL	8.25%	n/a	0.931	--	--	--	--
1064	Shaw Communications Inc.	SJR	1.55%	n/a	13.879	--	--	--	--
1065	Shell Midstream Partners, L.P.	SHLX	9.64%	11.75%	4.896	4.90	0.0003	0.000026	0.000032
1066	Shinhan Financial Group Co Ltd	SHG	2.98%	n/a	17.632	--	--	--	--
1067	Shutterstock, Inc.	SSTK	0.82%	13.00%	3.753	3.75	0.0002	0.000002	0.000027
1068	Sibanye Gold Limited	SBSW	8.21%	n/a	12.313	--	--	--	--
1069	Signet Jewelers Limited	SIG	1.05%	n/a	3.616	--	--	--	--
1070	Simon Property Group, Inc.	SPG	4.19%	n/a	43.863	--	--	--	--
1071	Simpson Manufacturing Co., Inc.	SSD	0.87%	n/a	4.972	--	--	--	--
1072	SINOPEC Shangai Petrochemical Co., Ltd.	SHI	6.26%	n/a	2.337	--	--	--	--
1073	SITE CENTERS CORP.	SITC	3.00%	n/a	3.377	--	--	--	--
1074	Sixth Street Specialty Lending, Inc.	TSLX	6.98%	n/a	1.711	--	--	--	--
1075	SJW Group	SJW	2.00%	n/a	2.029	--	--	--	--
1076	SK Telecom Co., Ltd.	SKM	5.09%	n/a	20.968	--	--	--	--
1077	SL Green Realty Corp.	SLG	4.96%	n/a	5.086	--	--	--	--
1078	SM Energy Co.	SM	0.11%	n/a	2.303	--	--	--	--
1079	Smith & Nephew SNATS, Inc.	SNN	2.36%	4.60%	16.809	16.81	0.0009	0.000022	0.000043
1080	SnapOn Inc.	SNA	2.14%	9.70%	12.405	12.40	0.0007	0.000015	0.000066
1081	Sociedad Quimica y Minera S.A.	SQM	1.18%	n/a	13.957	--	--	--	--
1082	Solaris Oilfield Infrastructure, Inc.	SOI	5.10%	n/a	0.376	--	--	--	--
1083	Sonic Automotive, Inc.	SAH	0.91%	n/a	2.197	--	--	--	--
1084	Sonoco Products Co.	SON	2.81%	4.81%	6.302	6.30	0.0003	0.000010	0.000017
1085	Sony Corp.	SONY	0.41%	11.60%	124.163	124.16	0.0068	0.000028	0.000792
1086	Source Capital, Inc.	SOR	3.45%	n/a	0.387	--	--	--	--
1087	South Jersey Industries, Inc.	SJI	4.73%	4.80%	2.874	2.87	0.0002	0.000007	0.000008
1088	Southern Co. The	SO	4.02%	6.50%	69.491	69.49	0.0038	0.000154	0.000248
1089	Southern Copper Corp.	SCCO	5.41%	12.06%	51.441	51.44	0.0028	0.000153	0.000341
1090	Southwest Gas Corp.	SWX	3.31%	4.00%	4.245	4.24	0.0002	0.000008	0.000009
1091	SPDR Bloomberg Barclays Int. T-Bond ETF	BWX	0.90%	n/a	1.008	--	--	--	--
1092	SPDR Bloomberg Brclys High Yld Bond	JNK	4.51%	n/a	8.975	--	--	--	--
1093	SPDR Dow Jones Industrial Avg ETF	DIA	1.56%	n/a	31.018	--	--	--	--
1094	SPDR Dow Jones Int. Real Estate ETF	RWX	2.47%	n/a	0.905	--	--	--	--
1095	SPDR Nuveen Blmberg Brclys Sht Trm Muni.	SHM	1.00%	n/a	4.905	--	--	--	--
1096	SPDR Nuveen Blmbrg Brclys Muni. Bond	TFI	1.94%	n/a	3.733	--	--	--	--
1097	SPDR S&P 500 ETF	SPY	1.26%	n/a	386.080	--	--	--	--
1098	SPDR S&P Biotech ETF	XBI	0.24%	n/a	7.006	--	--	--	--
1099	SPDR S&P Dividend ETF	SDY	2.59%	n/a	19.960	--	--	--	--
1100	SPDR S&P Emerging Asia Pacific ETF	GMF	1.33%	n/a	0.686	--	--	--	--
1101	SPDR S&P Metals & Mining ETF	XME	0.69%	n/a	2.020	--	--	--	--
1102	Special Opportunities Fund, Inc.	SPE	7.24%	n/a	0.134	--	--	--	--
1103	Spectrum Brands Holdings Inc.	SPB	2.06%	n/a	3.476	--	--	--	--
1104	Spire Inc.	SR	3.60%	7.31%	3.732	3.73	0.0002	0.000007	0.000015
1105	Spirit Aerosystems Holdings, Inc.	SPR	0.09%	-60.47%	4.623	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
1106	Spirit Realty Capital, Inc.	SRC	4.93%	n/a	6.037	--	--	--	--
1107	Sprague Resources LP	SRLP	15.07%	n/a	0.465	--	--	--	--
1108	Sprott Inc.	SII	2.58%	n/a	0.940	--	--	--	--
1109	SPX FLOW, Inc.	FLOW	0.45%	32.55%	3.315	--	--	--	--
1110	St. Joe Co. The	JOE	0.68%	n/a	2.756	--	--	--	--
1111	Stag Industrial, Inc.	STAG	3.52%	n/a	6.682	--	--	--	--
1112	Standard Motor Products, Inc.	SMP	2.24%	n/a	0.991	--	--	--	--
1113	Standex Int. Corp.	SXI	1.01%	n/a	1.163	--	--	--	--
1114	Stanley Black & Decker, Inc.	SWK	1.38%	13.11%	32.951	32.95	0.0018	0.000025	0.000237
1115	Stantec Inc.	STN	0.50%	n/a	5.242	--	--	--	--
1116	Star Gas Partners, L.P.	SGU	5.26%	n/a	0.435	--	--	--	--
1117	STARWOOD PROP TRUST, INC.	STWD	7.38%	4.99%	7.495	7.50	0.0004	0.000030	0.000021
1118	State Street Corp.	STT	2.26%	12.86%	31.606	31.61	0.0017	0.000039	0.000223
1119	Steelcase Inc.	SCS	4.10%	n/a	1.635	--	--	--	--
1120	Stellus Capital Investment Corp.	SCM	8.18%	n/a	0.257	--	--	--	--
1121	Stepan Co.	SCL	1.05%	n/a	2.611	--	--	--	--
1122	STERIS plc	STE	0.74%	n/a	21.706	--	--	--	--
1123	Sterling Bancorp	STL	1.20%	n/a	4.515	--	--	--	--
1124	Stewart Information Services Corp.	STC	2.21%	n/a	1.601	--	--	--	--
1125	Stifel Financial Corp.	SF	0.87%	14.18%	7.220	7.22	0.0004	0.000003	0.000056
1126	STMicroelectronics N.V.	STM	0.48%	5.00%	38.928	38.93	0.0021	0.000010	0.000107
1127	STORE Capital Corp.	STOR	4.01%	n/a	9.719	--	--	--	--
1128	Stryker Corp.	SYK	0.98%	13.02%	97.110	97.11	0.0053	0.000052	0.000695
1129	Sturm, Ruger & Co., Inc.	RGR	4.15%	n/a	1.457	--	--	--	--
1130	Suburban Propane Partners, L.P.	SPH	8.15%	n/a	0.998	--	--	--	--
1131	Sumitomo Mitsui Financial Group Inc	SMFG	4.00%	n/a	48.790	--	--	--	--
1132	Sun Communities, Inc.	SUI	1.71%	n/a	22.528	--	--	--	--
1133	Sun Life Financial Inc.	SLF	1.55%	n/a	31.116	--	--	--	--
1134	SunCoke Energy, Inc.	SXC	3.15%	n/a	0.634	--	--	--	--
1135	Suncor Energy Inc.	SU	1.63%	n/a	29.446	--	--	--	--
1136	Sunoco LP	SUN	8.91%	2.60%	3.695	3.70	0.0002	0.000018	0.000005
1137	Swiss Helvetia Fund, Inc. The	SWZ	5.62%	n/a	0.131	--	--	--	--
1138	Switch, Inc.	SWCH	0.82%	n/a	5.872	--	--	--	--
1139	Synchrony Financial	SYF	1.72%	n/a	29.174	--	--	--	--
1140	SYNNEX Corp.	SNX	0.63%	10.57%	6.599	6.60	0.0004	0.000002	0.000038
1141	Synovus Financial Corp.	SNV	2.97%	8.00%	6.502	6.50	0.0004	0.000011	0.000029
1142	Sysco Corp.	SYY	2.41%	28.37%	39.985	--	--	--	--
1143	Taiwan Fund, Inc. The	TWN	9.36%	n/a	0.264	--	--	--	--
1144	Taiwan Semiconductor Man. Co. Ltd.	TSM	1.21%	16.10%	601.533	601.53	0.0331	0.000400	0.005324
1145	Takeda Pharmaceutical Co.	TAK	4.12%	n/a	52.214	--	--	--	--
1146	Tanger Factory Outlet Centers, Inc.	SKT	3.99%	n/a	1.849	--	--	--	--
1147	Targa Resources, Inc.	TRGP	0.91%	n/a	10.104	--	--	--	--
1148	Target Corp.	TGT	1.03%	9.91%	130.117	130.12	0.0072	0.000074	0.000709
1149	TC Energy Corp.	TRP	2.55%	3.72%	47.756	47.76	0.0026	0.000067	0.000098
1150	TCW Strategic Income Fund, Inc.	TSI	3.60%	n/a	0.283	--	--	--	--
1151	TE Connectivity Ltd.	TEL	1.32%	11.00%	49.708	49.71	0.0027	0.000036	0.000301
1152	Teck Resources Ltd	TECK	0.33%	n/a	12.066	--	--	--	--
1153	Teekay LNG Partners L.P.	TGP	8.23%	n/a	1.215	--	--	--	--
1154	TEGNA Inc.	TGNA	2.13%	n/a	3.953	--	--	--	--
1155	Tekla Healthcare Investors	HQH	7.46%	n/a	1.185	--	--	--	--
1156	Tekla Life Sciences Investors	HQL	7.64%	n/a	0.525	--	--	--	--
1157	Telecom Argentina Stet France Telecom S.A.	TEO	6.84%	n/a	2.175	--	--	--	--
1158	Teleflex Inc.	TFX	0.37%	11.00%	17.038	17.04	0.0009	0.000003	0.000103
1159	Telefonica Brasil S.A.	VIV	3.83%	-9.00%	13.520	--	--	--	--
1160	Telefonica SA	TEF	6.63%	10.60%	28.190	28.19	0.0015	0.000103	0.000164
1161	Telephone and Data Systems, Inc.	TDS	3.43%	n/a	2.335	--	--	--	--
1162	TELUS Corp.	TU	2.04%	12.00%	30.704	30.70	0.0017	0.000034	0.000203
1163	Templeton Dragon Fund, Inc.	TDF	27.17%	n/a	0.718	--	--	--	--
1164	Templeton Emerging Markets Fund	EMF	3.60%	n/a	0.295	--	--	--	--
1165	Templeton Global Income Fund, Inc.	GIM	4.95%	n/a	0.736	--	--	--	--
1166	Tempur Sealy Int., Inc.	TPX	0.82%	n/a	8.595	--	--	--	--
1167	Tenaris S.A.	TS	2.67%	n/a	12.384	--	--	--	--
1168	Tennant Co.	TNC	1.23%	n/a	1.397	--	--	--	--
1169	Terex Corp.	TEX	0.90%	216.40%	3.702	--	--	--	--
1170	Ternium S.A.	TX	3.74%	n/a	11.265	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
1171	Terreno Realty Corp.	TRNO	1.73%	n/a	4.738	--	--	--	--
1172	Texas Pacific Land Corp.	TPL	0.74%	n/a	11.562	--	--	--	--
1173	Textron Inc.	TXT	0.11%	25.69%	16.689	--	--	--	--
1174	TFI Int. Inc.	TFII	0.82%	21.31%	10.480	--	--	--	--
1175	The Aarons Co., Inc.	AAN	1.40%	n/a	0.937	--	--	--	--
1176	The AES Corp.	AES	2.42%	8.15%	16.586	16.59	0.0009	0.000022	0.000074
1177	The Allstate Corp.	ALL	2.39%	0.69%	40.097	40.10	0.0022	0.000053	0.000015
1178	The Bank of New York Mellon Corp.	BK	2.48%	11.32%	47.276	47.28	0.0026	0.000064	0.000294
1179	The Central and Eastern Europe Fund	CEE	3.29%	n/a	0.181	--	--	--	--
1180	The Charles Schwab Corp.	SCHW	0.96%	21.15%	135.186	--	--	--	--
1181	The Chemours Co.	CC	2.87%	27.50%	5.748	--	--	--	--
1182	The Clorox Co.	CLX	2.79%	3.25%	20.451	20.45	0.0011	0.000031	0.000036
1183	The Cooper Companies, Inc.	COO	0.01%	n/a	20.103	--	--	--	--
1184	The Estee Lauder Companies Inc.	EL	0.65%	26.73%	118.755	--	--	--	--
1185	The European Equity Fund, Inc.	EEA	0.87%	n/a	0.083	--	--	--	--
1186	The Gap, Inc.	GPS	1.58%	n/a	11.472	--	--	--	--
1187	The Goldman Sachs Group, Inc.	GS	1.21%	20.60%	139.521	--	--	--	--
1188	The Hanover Insurance Group, Inc.	THG	1.98%	4.90%	5.053	5.05	0.0003	0.000005	0.000014
1189	The Hartford Fin. Srvcs Group, Inc.	HIG	2.07%	6.60%	23.445	23.45	0.0013	0.000027	0.000085
1190	The Home Depot, Inc.	HD	1.96%	10.57%	358.318	358.32	0.0197	0.000386	0.002082
1191	The India Fund, Inc.	IFN	9.46%	n/a	0.603	--	--	--	--
1192	The J. M. Smucker Co.	SJM	2.74%	2.50%	14.224	14.22	0.0008	0.000021	0.000020
1193	The Korea Fund, Inc.	KF	1.17%	n/a	0.225	--	--	--	--
1194	The Kroger Co.	KR	1.67%	9.75%	32.131	32.13	0.0018	0.000029	0.000172
1195	The Mosaic Co.	MOS	0.88%	n/a	12.962	--	--	--	--
1196	The New York Times Co.	NYT	0.59%	3.30%	7.923	7.92	0.0004	0.000003	0.000014
1197	The PNC Financial Services Group, Inc	PNC	2.58%	n/a	82.380	--	--	--	--
1198	The Progressive Corp.	PGR	0.41%	-9.99%	56.814	--	--	--	--
1199	The Scotts MiracleGro Co.	SMG	1.53%	n/a	9.002	--	--	--	--
1200	The SherwinWilliams Co.	SHW	0.73%	11.50%	79.604	79.60	0.0044	0.000032	0.000503
1201	The TJX Companies, Inc.	TJX	1.45%	126.20%	86.517	--	--	--	--
1202	The Travelers Companies, Inc.	TRV	2.25%	7.38%	38.973	38.97	0.0021	0.000048	0.000158
1203	The Western Union Co.	WU	4.15%	9.19%	9.204	9.20	0.0005	0.000021	0.000047
1204	Thermo Fisher Scientific Inc.	TMO	0.19%	5.06%	211.368	211.37	0.0116	0.000022	0.000588
1205	Thomson Reuters Corp	TRI	0.67%	18.60%	56.586	56.59	0.0031	0.000021	0.000579
1206	Thor Industries, Inc.	THO	1.33%	n/a	6.813	--	--	--	--
1207	TIM S.A. Sponsored ADR	TIMB	3.77%	n/a	5.316	--	--	--	--
1208	Timken Co. The	TKR	1.51%	13.00%	6.041	6.04	0.0003	0.000005	0.000043
1209	Toll Brothers Inc.	TOL	1.12%	n/a	7.469	--	--	--	--
1210	Tootsie Roll Industries, Inc.	TR	1.04%	n/a	2.351	--	--	--	--
1211	Toro Co. The	TTC	0.92%	n/a	12.259	--	--	--	--
1212	Toronto Dominion Bank The	TD	1.75%	16.30%	126.053	126.05	0.0069	0.000121	0.001130
1213	Tortoise Energy Infrastructure Corp.	TYG	3.48%	n/a	0.336	--	--	--	--
1214	TotalEnergies SE Sponsored ADR	TTE	5.03%	34.00%	118.913	--	--	--	--
1215	Toyota Motor Corp.	TM	2.40%	15.20%	253.566	253.57	0.0139	0.000335	0.002119
1216	TPG RE Finance Trust, Inc.	TRTX	6.14%	n/a	1.004	--	--	--	--
1217	Trane Technologies plc	TT	1.22%	18.56%	45.937	45.94	0.0025	0.000031	0.000469
1218	TransAlta Corp.	TAC	1.33%	n/a	2.713	--	--	--	--
1219	TransUnion	TRU	0.32%	15.21%	22.875	22.87	0.0013	0.000004	0.000191
1220	Travel Leisure Co.	TNL	2.27%	35.04%	4.566	--	--	--	--
1221	Tredegar Corp.	TG	3.67%	n/a	0.441	--	--	--	--
1222	Tri Continental Corp.	TY	4.82%	n/a	1.847	--	--	--	--
1223	Trinity Industries, Inc.	TRN	2.84%	n/a	2.937	--	--	--	--
1224	Trinseo S.A.	TSE	0.60%	n/a	2.068	--	--	--	--
1225	TriplePoint Venture Growth BDC Corp.	TPVG	9.18%	n/a	0.486	--	--	--	--
1226	Triton Int. Limited	TRTN	4.11%	n/a	3.734	--	--	--	--
1227	Tronox Holdings PLC	TROX	2.15%	n/a	2.855	--	--	--	--
1228	Truist Financial Corp.	TFC	3.06%	n/a	79.158	--	--	--	--
1229	Tsakos Energy Navigation Ltd	TNP	2.90%	n/a	0.141	--	--	--	--
1230	Turkcell Iletisim Hizmetleri AS	TKC	1.77%	33.80%	3.907	--	--	--	--
1231	Turning Point Brands, Inc.	TPB	0.45%	15.50%	0.925	0.93	0.0001	0.000000	0.000008
1232	Two Harbors Investments Corp	TWO	10.44%	n/a	2.043	--	--	--	--
1233	Tyson Foods, Inc.	TSN	2.22%	3.80%	29.248	29.25	0.0016	0.000036	0.000061
1234	U.S. Bancorp	USB	2.86%	6.00%	87.163	87.16	0.0048	0.000137	0.000288
1235	U.S. Physical Therapy, Inc.	USPH	1.24%	n/a	1.454	--	--	--	--

NYSE / IBES

	(a)		(b)	(b)	(b)				
				IBES	Market			Weighted	
			Dividend	Refinitiv	Cap			Dividend	Growth
	Company	Ticker	Yield	Growth	($billions)	Mkt. Cap.	Weight	Yield	Rate
1236	Ubiquiti Inc.	UI	0.52%	23.90%	19.425	--	--	--	--
1237	UBS Group AG	UBS	0.70%	3.40%	59.404	59.40	0.0033	0.000023	0.000111
1238	UGI Corp.	UGI	2.91%	7.65%	9.926	9.93	0.0005	0.000016	0.000042
1239	Ultrapar Participacoes S.A.	UGP	2.13%	n/a	4.476	--	--	--	--
1240	UMH Properties, Inc.	UMH	3.24%	n/a	1.114	--	--	--	--
1241	UNI. INSURANCE HOLDINGS INC	UVE	4.39%	n/a	0.456	--	--	--	--
1242	Unifirst Corp.	UNF	0.45%	n/a	4.171	--	--	--	--
1243	Unilever PLC	UL	3.47%	n/a	150.761	--	--	--	--
1244	Union Pacific Corp.	UNP	1.89%	13.45%	147.634	147.63	0.0081	0.000153	0.001091
1245	United Dominion Realty Trust, Inc.	UDR	2.72%	n/a	15.822	--	--	--	--
1246	United Microelectronics Corp.	UMC	1.99%	19.50%	26.883	26.88	0.0015	0.000029	0.000288
1247	United Parcel Service, Inc.	UPS	2.12%	16.13%	167.490	167.49	0.0092	0.000195	0.001485
1248	United States Steel Corp.	X	0.14%	n/a	7.658	--	--	--	--
1249	UnitedHealth Group Inc.	UNH	1.42%	12.93%	384.465	384.47	0.0211	0.000300	0.002734
1250	Unitil Corp.	UTL	3.02%	3.80%	0.756	0.76	0.0000	0.000001	0.000002
1251	Universal Corp.	UVV	6.16%	n/a	1.245	--	--	--	--
1252	Universal Health Realty Income Trust	UHT	4.76%	n/a	0.811	--	--	--	--
1253	Universal Health Services, Inc.	UHS	0.54%	7.61%	12.645	12.64	0.0007	0.000004	0.000053
1254	Unum Group	UNM	4.38%	3.95%	5.596	5.60	0.0003	0.000013	0.000012
1255	Urban Edge Properties	UE	3.14%	n/a	2.240	--	--	--	--
1256	Urstadt Biddle Properties Inc.	UBA	4.72%	n/a	0.785	--	--	--	--
1257	Urstadt Biddle Properties Inc.	UBP	5.20%	n/a	0.642	--	--	--	--
1258	USA Compression Partners, LP	USAC	13.40%	n/a	1.521	--	--	--	--
1259	USD Partners LP	USDP	6.70%	n/a	0.188	--	--	--	--
1260	Utilities Select Sector SPDR ETF	XLU	2.90%	n/a	13.634	--	--	--	--
1261	Utz Brands, Inc.	UTZ	0.96%	26.81%	2.851	--	--	--	--
1262	UWM Holdings Corp.	UWMC	5.28%	n/a	0.782	--	--	--	--
1263	V.F. Corp.	VFC	2.41%	22.40%	31.910	--	--	--	--
1264	VALE S.A.	VALE	6.16%	n/a	107.848	--	--	--	--
1265	Valero Energy Corp.	VLO	5.86%	n/a	27.326	--	--	--	--
1266	Valhi, Inc.	VHI	1.38%	n/a	0.656	--	--	--	--
1267	Valmont Industries, Inc.	VMI	0.81%	n/a	5.228	--	--	--	--
1268	Valvoline Inc.	VVV	1.60%	n/a	5.640	--	--	--	--
1269	VanEck Vectors Oil Services ETF	OIH	0.99%	n/a	2.344	--	--	--	--
1270	Vanguard Financials ETF	VFH	1.66%	n/a	11.375	--	--	--	--
1271	Vanguard FTSE Emerging Markets ETF	VWO	2.07%	n/a	80.357	--	--	--	--
1272	Vanguard Real Estate ETF	VNQ	3.00%	n/a	43.343	--	--	--	--
1273	Vanguard Total Stock Market ETF	VTI	1.22%	n/a	260.012	--	--	--	--
1274	Vector Group Ltd.	VGR	5.43%	13.10%	2.270	2.27	0.0001	0.000007	0.000016
1275	Vedanta Limited	VEDL	2.45%	n/a	16.411	--	--	--	--
1276	Ventas, Inc.	VTR	3.16%	n/a	21.645	--	--	--	--
1277	VEREIT Inc.	VER	3.74%	n/a	11.320	--	--	--	--
1278	Verizon Communications Inc.	VZ	4.52%	3.29%	230.066	230.07	0.0126	0.000572	0.000416
1279	Verso Corp.	VRS	2.02%	n/a	0.648	--	--	--	--
1280	Vertiv Holdings Co.	VRT	0.04%	19.50%	9.523	9.52	0.0005	0.000000	0.000102
1281	VICI Properties Inc.	VICI	4.35%	7.40%	16.294	16.29	0.0009	0.000039	0.000066
1282	Virtus Total Return Fund Inc.	ZTR	10.61%	n/a	0.465	--	--	--	--
1283	Visa Inc.	V	0.54%	18.84%	457.888	457.89	0.0252	0.000136	0.004742
1284	Vishay Intertechnology, Inc.	VSH	1.66%	21.00%	3.313	--	--	--	--
1285	Vistra Corp.	VST	3.27%	19.30%	8.854	8.85	0.0005	0.000016	0.000094
1286	VOC Energy Trust	VOC	15.09%	n/a	0.072	--	--	--	--
1287	Vontier Corp.	VNT	0.29%	5.40%	5.818	5.82	0.0003	0.000001	0.000017
1288	Vornado Realty Trust	VNO	4.92%	n/a	8.251	--	--	--	--
1289	Voya Financial, Inc.	VOYA	0.98%	28.14%	7.623	--	--	--	--
1290	Vulcan Materials Co.	VMC	0.77%	15.25%	25.661	25.66	0.0014	0.000011	0.000215
1291	W.P. Carey Inc.	WPC	5.38%	n/a	14.382	--	--	--	--
1292	W.R. Berkley Corp.	WRB	0.70%	26.10%	13.143	--	--	--	--
1293	W.R. Grace & Co.	GRA	1.34%	21.80%	4.604	--	--	--	--
1294	W.W. Grainger, Inc.	GWW	1.45%	15.49%	23.193	23.19	0.0013	0.000018	0.000197
1295	Wabash National Corp.	WNC	2.06%	n/a	0.778	--	--	--	--
1296	Walker & Dunlop, Inc.	WD	1.95%	n/a	3.264	--	--	--	--
1297	Walmart Inc.	WMT	1.47%	7.53%	420.350	420.35	0.0231	0.000340	0.001739
1298	WARRIOR MET COA	HCC	1.06%	n/a	0.970	--	--	--	--
1299	Washington Real Estate Investment Trust	WRE	4.97%	n/a	2.043	--	--	--	--
1300	Waste Connections, Inc.	WCN	0.12%	12.42%	32.896	32.90	0.0018	0.000002	0.000225

NYSE / IBES

	Company (a)	Ticker	Dividend Yield (b)	IBES Refinitiv Growth (b)	Market Cap ($billions) (b)	Mkt. Cap.	Weight	Weighted Dividend Yield	Weighted Growth Rate
1301	Waste Management, Inc.	WM	1.54%	12.96%	62.798	62.80	0.0035	0.000053	0.000447
1302	Watsco, Inc.	WSO	2.81%	n/a	10.727	--	--	--	--
1303	Watsco, Inc.	WSO.B	2.83%	n/a	10.643	--	--	--	--
1304	Watts Water Technologies, Inc.	WTS	0.63%	8.00%	5.530	5.53	0.0003	0.000002	0.000024
1305	Webster Financial Corp.	WBS	3.08%	n/a	4.701	--	--	--	--
1306	WEC Energy Group, Inc.	WEC	2.81%	6.00%	30.411	30.41	0.0017	0.000047	0.000100
1307	Weis Markets, Inc.	WMK	2.20%	n/a	1.519	--	--	--	--
1308	Wells Fargo & Co.	WFC	1.58%	117.39%	208.031	--	--	--	--
1309	Welltower Inc.	WELL	2.91%	n/a	35.474	--	--	--	--
1310	West Pharmaceutical Services, Inc.	WST	0.16%	25.80%	31.279	--	--	--	--
1311	Western Alliance BanCorp.	WAL	0.98%	n/a	10.684	--	--	--	--
1312	Western Asset Invest. Grade Inc. Fund Inc.	PAI	3.59%	n/a	0.150	--	--	--	--
1313	Western Asset Managed Muni. Fund, Inc.	MMU	3.89%	n/a	0.588	--	--	--	--
1314	Western Asset Mortgage Capital Corp.	WMC	8.39%	n/a	0.174	--	--	--	--
1315	Western Asset Muni. High Income Fund Inc.	MHF	3.28%	n/a	0.174	--	--	--	--
1316	Western Asset Muni. Partners Fund Inc.	MNP	3.43%	n/a	0.161	--	--	--	--
1317	Western Midstream Partners, LP	WES	6.56%	n/a	8.034	--	--	--	--
1318	Westinghouse Air Brake Tech. Corp.	WAB	0.54%	n/a	16.917	--	--	--	--
1319	Westlake Chemical Corp.	WLK	1.26%	46.75%	11.021	--	--	--	--
1320	Westlake Chemical Partners LP	WLKP	6.99%	9.95%	0.949	0.95	0.0001	0.000004	0.000005
1321	Westpac Banking Corp.	WBK	4.62%	n/a	69.850	--	--	--	--
1322	WestRock Co.	WRK	1.84%	28.98%	13.922	--	--	--	--
1323	Westwood Holdings Group Inc	WHG	1.76%	n/a	0.189	--	--	--	--
1324	Weyerhaeuser Co.	WY	1.92%	n/a	26.490	--	--	--	--
1325	Wheaton Precious Metals Corp.	WPM	0.51%	18.76%	19.533	19.53	0.0011	0.000005	0.000201
1326	Whirlpool Corp.	WHR	2.44%	7.70%	14.393	14.39	0.0008	0.000019	0.000061
1327	White Mountains Insurance Group, Ltd.	WTM	0.09%	n/a	3.537	--	--	--	--
1328	Whitestone REIT	WSR	4.68%	n/a	0.393	--	--	--	--
1329	Williams Companies, Inc. The	WMB	6.57%	n/a	30.350	--	--	--	--
1330	WilliamsSonoma, Inc.	WSM	1.44%	10.73%	12.289	12.29	0.0007	0.000010	0.000072
1331	Winnebago Industries, Inc.	WGO	0.64%	n/a	2.521	--	--	--	--
1332	Wipro Limited	WIT	0.14%	9.00%	48.562	48.56	0.0027	0.000004	0.000240
1333	WisdomTree Emerg. Mrkts High Div. ETF	DEM	4.54%	n/a	1.985	--	--	--	--
1334	WisdomTree Int. Equity ETF	DWM	3.06%	n/a	0.637	--	--	--	--
1335	Wolseley PLC	FERG	1.04%	n/a	31.675	--	--	--	--
1336	Wolverine World Wide, Inc.	WWW	1.08%	n/a	3.058	--	--	--	--
1337	Woori Bank	WF	2.67%	-3.80%	7.110	--	--	--	--
1338	World Fuel Services Corp.	INT	1.38%	5.00%	2.201	2.20	0.0001	0.000002	0.000006
1339	World Wrestling Entertainment, Inc.	WWE	0.95%	15.75%	3.864	3.86	0.0002	0.000002	0.000033
1340	Worthington Industries, Inc.	WOR	1.77%	n/a	3.273	--	--	--	--
1341	WPP PLC	WPP	2.81%	n/a	16.657	--	--	--	--
1342	Wyndham Hotels & Resorts Inc.	WH	0.89%	n/a	6.759	--	--	--	--
1343	Xerox Holdings Corp.	XRX	4.11%	-18.00%	4.343	--	--	--	--
1344	Xinyuan Real Estate Co Ltd	XIN	2.27%	n/a	0.107	--	--	--	--
1345	Xylem Inc.	XYL	0.86%	20.49%	23.461	--	--	--	--
1346	Yamana Gold Inc.	AUY	1.62%	-16.50%	4.146	--	--	--	--
1347	Yum Brands, Inc.	YUM	1.49%	14.15%	39.631	39.63	0.0022	0.000032	0.000308
1348	Yum China Holdings Inc.	YUMC	0.78%	14.74%	25.792	25.79	0.0014	0.000011	0.000209
1349	Zimmer Biomet Holdings, Inc.	ZBH	0.66%	11.29%	30.428	30.43	0.0017	0.000011	0.000189
1350	Zoetis Inc.	ZTS	0.51%	12.53%	93.561	93.56	0.0051	0.000026	0.000644
						18,190.51	1.0000		
	Weighted Average							**2.20%**	**10.39%**

n/a Not Available

(a) www.zacks.com (retrieved Aug. 12, 2021).

(b) IBES growth rates from Refinitiv, as provided by www.fidelity.com (retrieved Aug. 12, 2021). Eliminated growth rates greater than 20%, as well as all negative values.

HISTORICAL BOND YIELDS

Current Equity Risk Premium	
(a) Average Yield Over Study Period	5.49%
(b) Baa Utility Bond Yield	3.45%
Change in Bond Yield	-2.04%
(c) Risk Premium/Interest Rate Relationship	-0.6576
Adjustment to Average Risk Premium	1.34%
(a) Average Risk Premium over Study Period	4.78%
Adjusted Risk Premium	**6.13%**

Implied Cost of Equity	
(b) Baa Utility Bond Yield	3.45%
Adjusted Equity Risk Premium	6.13%
Risk Premium Cost of Equity	**9.58%**

(a) See Exhibit No. EPE-0023, pp. 2-4.
(b) Six-month average yield for Mar. 2021 to Aug. 2021 based on data from Moody's Investors Service, www.moodys.credittrends.com.
(c) See Exhibit No. EPE-0023, p. 5.

ALLOWED ROE

Date	Docket No.	Utility	Base ROE	Baa Bond Yield	Implied Risk Premium
Feb-06	ER05-515	Baltimore Gas & Elec.	10.80%	6.07%	4.73%
Feb-06	ER05-515	Baltimore Gas & Elec.	11.30%	6.07%	5.23%
Jun-06	ER05-925	Westar Energy Inc.	10.80%	6.36%	4.44%
Feb-07	ER07-284	San Diego Gas & Elec.	11.35%	6.14%	5.21%
May-07	ER06-787	Idaho Power Co.	10.70%	6.15%	4.55%
May-07	ER06-1320	Wisconsin Elec. Pwr. Co.	11.00%	6.15%	4.85%
Sep-07	EL06-109	Duquesne Light Co.	10.90%	6.41%	4.49%
Sep-07	ER07-583	Commonwealth Edison Co.	11.00%	6.41%	4.59%
Oct-07	ER08-92	Virginia Elec. & Power Co.	10.90%	6.43%	4.47%
Nov-07	ER08-374	Atlantic Path 15	10.65%	6.44%	4.21%
Nov-07	ER08-396	Westar Energy Inc.	10.80%	6.44%	4.36%
Nov-07	ER08-413	Startrans IO, LLC	10.65%	6.44%	4.21%
Nov-07	ER08-375	So. Cal Edison	10.55%	6.44%	4.11%
Jan-08	ER08-686	Pepco Holdings, Inc.	11.30%	6.41%	4.89%
Feb-08	ER07-562	Trans-Allegheny	11.20%	6.42%	4.78%
Apr-08	ER07-1142	Arizona Public Service Co.	10.75%	6.54%	4.21%
May-08	ER08-1207	Virginia Elec. & Power Co.	10.90%	6.62%	4.28%
May-08	ER08-1233	Public Service Elec. & Gas	11.18%	6.62%	4.56%
Jun-08	ER08-1402	Duquesne Light Co.	10.90%	6.69%	4.21%
Jun-08	ER08-1423	Pepco Holdings, Inc.	10.80%	6.69%	4.11%
Jul-08	ER09-35/36	Tallgrass / Prairie Wind	10.80%	6.80%	4.00%
Sep-08	ER09-249	Public Service Elec. & Gas	11.18%	6.94%	4.24%
Sep-08	ER09-187	So. Cal Edison	10.53%	6.94%	3.59%
Sep-08	ER09-548	ITC Great Plains	10.66%	6.94%	3.72%
Sep-08	ER09-75	Pioneer Transmission	10.54%	6.94%	3.60%
Nov-08	ER08-1584	Black Hills Power Co.	10.80%	7.60%	3.20%
Dec-08	ER09-745	Baltimore Gas & Elec.	10.80%	7.80%	3.00%
Jan-09	ER07-1069	AEP - SPP Zone	10.70%	7.95%	2.75%
Jan-09	ER09-681	Green Power Express	10.78%	7.95%	2.83%
Mar-09	ER08-281	Oklahoma Gas & Elec.	10.60%	8.22%	2.38%
Apr-09	ER08-1457	PPL Elec. Utilities Corp.	11.10%	8.13%	2.97%
Apr-09	ER08-1457	PPL Elec. Utilities Corp.	11.14%	8.13%	3.01%
Apr-09	ER08-1457	PPL Elec. Utilities Corp.	11.18%	8.13%	3.05%
Apr-09	ER08-1588	Kentucky Utilities Co.	11.00%	8.13%	2.87%
Jul-09	ER08-552	Niagara Mohawk Pwr. Co.	11.00%	7.62%	3.38%
Aug-09	ER08-313	Southwestern Public Service Co.	10.77%	7.39%	3.38%
Aug-09	ER09-628	National Grid Generation LLC	10.75%	7.08%	3.67%
Sep-09	ER10-160	So. Cal Edison	10.33%	7.08%	3.25%
Mar-10	ER08-1329	AEP - PJM Zone	10.99%	6.20%	4.79%
Aug-10	ER10-230	Kansas City Power & Light Co.	10.60%	6.05%	4.55%
Aug-10	ER10-355	AEP Transcos - PJM	10.99%	6.05%	4.94%
Aug-10	ER10-355	AEP Transcos - SPP	10.70%	6.05%	4.65%
Sep-10	ER11-1952	So. Cal Edison	10.30%	5.93%	4.37%

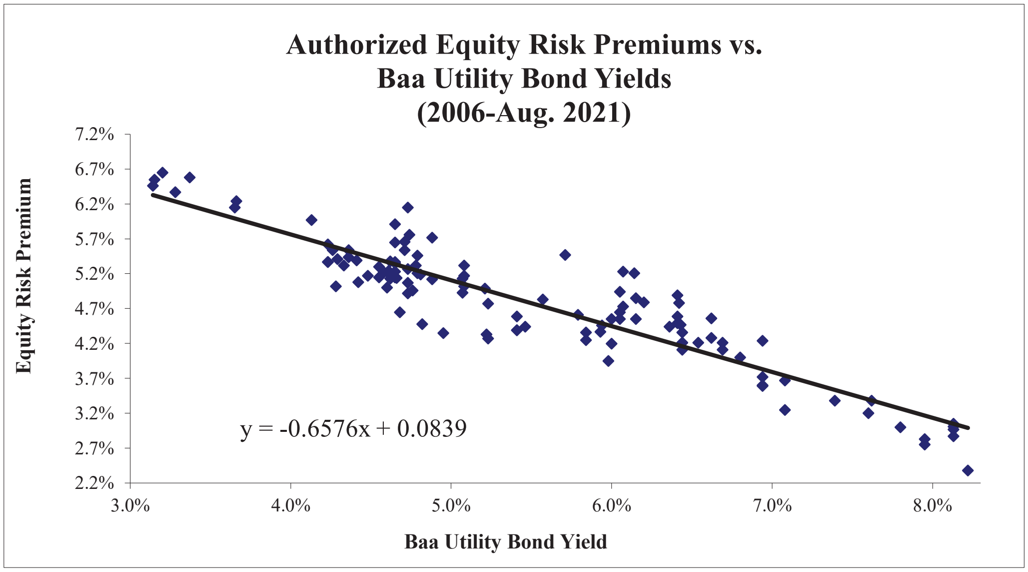
ALLOWED ROE

Date	Docket No.	Utility	Base ROE	Baa Bond Yield	Implied Risk Premium
Oct-10	EL11-13	Atlantic Grid Operations	10.09%	5.84%	4.25%
Oct-10	ER11-2895	Duke Energy Carolinas	10.20%	5.84%	4.36%
Nov-10	ER11-2377	Northern Pass Transmission	10.40%	5.79%	4.61%
Mar-11	ER10-1377	Northern States Power Co. (MN)	10.40%	5.94%	4.46%
Apr-11	ER10-516	South Carolina Elec. & Gas	10.55%	6.00%	4.55%
Apr-11	ER10-992	Northern States Power Co.	10.20%	6.00%	4.20%
May-11	ER11-4069	RITELine	9.93%	5.98%	3.95%
Aug-11	ER12-296	PJM & PSE&G	11.18%	5.71%	5.47%
Sep-11	ER08-386	PATH	10.40%	5.57%	4.83%
Dec-11	ER11-2560	Entergy Arkansas	10.20%	5.21%	4.99%
Mar-12	ER12-2300	Public Service Co. of Colorado	10.25%	5.08%	5.17%
Mar-12	ER11-2853	Public Service Co. of Colorado	10.10%	5.08%	5.02%
Mar-12	ER11-2853	Public Service Co. of Colorado	10.40%	5.08%	5.32%
Nov-12	ER12-1378	Cleco Power LLC	10.50%	4.74%	5.76%
Jan-13	ER12-778	Puget Sound Energy	9.80%	4.65%	5.15%
Jan-13	ER12-778	Puget Sound Energy - PSANI	10.30%	4.65%	5.65%
Jan-13	ER12-2554	Transource Missouri	9.80%	4.65%	5.15%
Feb-13	ER11-3643	PacifiCorp	9.80%	4.62%	5.18%
Feb-13	ER12-1650	Maine Public Service Co.	9.75%	4.62%	5.13%
Jul-13	ER11-3697	So. Cal Edison	9.30%	4.82%	4.48%
Jan-14	ER13-941	San Diego Gas & Electric	9.55%	5.22%	4.33%
Aug-14	ER12-1589	Public Service Co. of Colorado	9.72%	4.76%	4.96%
Sep-14	ER12-91	Duke Energy Ohio	10.88%	4.73%	6.15%
Nov-14	ER13-1508	Entergy Arkansas	10.37%	4.71%	5.66%
Jan-15	EL12-101	Niagara Mohawk Power Corp.	9.80%	4.66%	5.14%
Feb-15	ER13-685	Public Service Company of New Mexico	10.00%	4.62%	5.38%
Mar-15	ER14-1661	MidAmerican Central Calif. Transco	9.80%	4.58%	5.22%
May-15	EL14-93	Westar Energy	9.80%	4.58%	5.22%
Jun-15	ER15-303	American Transmission Systems, Inc.	9.88%	4.65%	5.23%
Jun-15	EL12-39	Duke Energy Florida	10.00%	4.65%	5.35%
Jun-15	ER15-303	American Transmission Systems, Inc.	10.56%	4.65%	5.91%
Jun-15	EL14-12	MISO Complaint I	10.02%	4.65%	5.37%
Jul-15	ER14-192	Southwestern Public Service Co.	10.00%	4.79%	5.21%
Jul-15	ER13-2428	Kentucky Utilities Co.	10.25%	4.79%	5.46%
Sep-15	ER14-2751	Xcel Energy Southwest Trans. Co. (Gen)	10.20%	5.07%	5.13%
Sep-15	ER14-2751	Xcel Energy Southwest Trans. Co. (Zn 11)	10.00%	5.07%	4.93%
Oct-15	EL15-27	Baltimore G&E / Pepco Holdings, Inc.	10.00%	5.23%	4.77%
Oct-15	ER15-572	New York Transco LLC	9.50%	5.23%	4.27%
Dec-15	ER15-2237	Kanstar Transmission, LLC	9.80%	5.41%	4.39%
Dec-15	ER15-2114	Transource West Virginia, LLC	10.00%	5.41%	4.59%
Jan-16	ER15-1809	ATX Southwest, LLC	9.90%	5.46%	4.44%
Mar-16	ER15-958	Transource Kansas, LLC	9.80%	5.41%	4.39%
Jun-16	ER19-605	Republic Transmission, LLC	9.30%	4.95%	4.35%

ALLOWED ROE

Date	Docket No.	Utility	Base ROE	Baa Bond Yield	Implied Risk Premium
Jul-16	EL16-30	Duke Energy Carolinas	10.00%	4.73%	5.27%
Jul-16	ER15-1682	TransCanyon DCR, LLC	9.80%	4.73%	5.07%
Jul-16	ER15-2069	NorthWestern Corp.	9.65%	4.73%	4.92%
Aug-16	ER15-2239	NextEra Energy Transmission West	9.70%	4.55%	5.15%
Aug-16	ER16-453	Northeast Transmission Development	9.85%	4.55%	5.30%
Sep-16	ER15-2594	South Central MCN LLC	9.80%	4.41%	5.39%
May-17	ER15-1429	Emera Maine	9.60%	4.60%	5.00%
Jul-17	ER15-572	New York Transco, LLC	9.65%	4.48%	5.17%
Aug-17	ER17-856	Rockland Electric Co.	9.50%	4.42%	5.08%
Sep-17	ER17-211	Mid-Atlantic Interstate Transmission	9.80%	4.36%	5.44%
Sep-17	ER17-419	Transource Pennsylvania/Maryland, LLC	9.90%	4.36%	5.54%
Nov-17	ER16-2720	NextEra Energy Trans. Southwest LLC	9.80%	4.26%	5.54%
Feb-18	ER16-2716	NextEra Energy Trans. MidAtlantic, LLC	9.60%	4.23%	5.37%
Feb-18	ER17-706	GridLiance West Transco LLC	9.60%	4.23%	5.37%
Feb-18	EL17-13	AEP East Cos.	9.85%	4.23%	5.62%
Mar-18	ER17-135	DesertLink, LLC	9.30%	4.28%	5.02%
Apr-18	ER16-2719	NextEra Energy Trans. New York LLC	9.65%	4.33%	5.32%
Sep-18	ER18-1639	Constellation Mystic Power, LLC	9.33%	4.68%	4.65%
Nov-18	ER18-1225	Southwestern Electric Power Co.	10.10%	4.78%	5.32%
Feb-19	ER19-1396	AEP West Cos.	10.00%	4.88%	5.12%
Feb-19	ER19-1427	Alabama Power Co.	10.60%	4.88%	5.72%
Apr-19	EL18-58	Oklahoma G&E	10.00%	4.81%	5.19%
May-19	ER18-1953	Gulf Power Co.	10.25%	4.71%	5.54%
Jun-19	ER17-1519	PECO	9.85%	4.61%	5.24%
Aug-19	ER18-169-002	Southern California Edison	9.70%	4.29%	5.41%
Sep-19	ER19-221	San Diego Gas & Electric Co.	10.10%	4.13%	5.97%
Feb-20	ER19-697-001	Cheyenne Light, Fuel and Power	9.90%	3.66%	6.24%
Jun-20	ER19-1553	Southern California Edison Co.	9.80%	3.65%	6.15%
Sep-20	ER19-13	Pacific Gas & Electric Co.	9.95%	3.37%	6.58%
Oct-20	ER19-1756	NorthWestern Corp.	9.65%	3.28%	6.37%
Nov-20	ER20-1150	Dayton Power and Light Co.	9.85%	3.20%	6.65%
Dec-20	ER21-2198	Avista Corp.	9.60%	3.14%	6.46%
Jan-21	ER20-227	Jersey Central Power & Light Co.	9.70%	3.15%	6.55%
		Average	**10.28%**	**5.49%**	**4.78%**

REGRESSION RESULTS



SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.918717119
R Square	0.844041145
Adjusted R Square	0.842708163
Standard Error	0.003447754
Observations	119

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	0.007526828	0.007526828	633.197865	4.94485E-49
Residual	117	0.00139078	1.1887E-05		
Total	118	0.008917608			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	0.083939538	0.001470167	57.09524188	2.78775E-87	0.081027949	0.086851126	0.081027949	0.086851126
X Variable 1	-0.65756225	0.026131669	-25.16342316	4.94485E-49	-0.709314649	-0.60580985	-0.709314649	-0.605809846

ADJUSTMENTS TO MYSTIC CASE SET

Date	Docket No.	Utility	Base ROE	Explanation
Cases Added to Mystic Case Set				
May-08	ER08-1233	Public Service Elec. & Gas	11.18%	Original formula rate order. Commission accepted 11.18% ROE based on applicant's DCF analysis using May 2008 study period. 124 FERC ¶ 61,303 at P 1 (2008).
Apr-09	ER08-1457	PPL Elec. Utilities Corp.	11.18%	Order authorized ROEs of 11.10%, 11.14%, and 11.18%. Opinion No. 569-B included 11.10% and 11.14% values. No basis to distinguish 11.18% or to exclude it because it applies to a future date.
Sep-15	ER14-2751	Xcel Energy Southwest Trans. Co. (Zn 11)	10.00%	Settlement specifies separate ROE for Zone 11 under SPP OATT. 153 FERC ¶ 63,019 (2015). Commission failed to include.
Jun-16	ER19-605	Republic Transmission, LLC	9.30%	Add observation corresponding to 167 FERC ¶ 61,215 (2019), based on cutoff date for original bid of 7/6/16.
Sep-18	ER18-1639	Constellation Mystic Power, LLC	9.33%	Add observation corresponding to 176 FERC ¶ 61,019 (2021).
Nov-18	ER18-1225	Southwestern Electric Power Co.	10.10%	Offer of Settlement dated 12/7/18. 168 FERC ¶ 61,179 (2019).
Feb-19	ER19-1396	AEP West Cos.	10.00%	Offer of Settlement dated 3/21/19. 167 FERC ¶ 61,271 (2019).
Feb-19	ER19-1427	Alabama Power Co.	10.60%	Offer of Settlement dated 3/25/19. 167 FERC ¶ 61,273 (2019).
Apr-19	EL18-58	Oklahoma G&E	10.00%	Offer of Settlement dated 5/21/19. 167 FERC ¶ 63,048 (2019).
May-19	ER18-1953	Gulf Power Co.	10.25%	Offer of Settlement dated 6/20/19. 169 FERC ¶ 61,023 (2019).
Jun-19	ER17-1519	PECO	9.85%	Offer of Settlement dated 7/22/19. 168 FERC ¶ 63,038 (2019).
Aug-19	ER18-169-002	Southern California Edison	9.70%	Offer of Settlement dated 9/19/19. 169 FERC ¶ 63,009 (2019).
Sep-19	ER19-221	San Diego Gas & Electric Co.	10.10%	Offer of Settlement dated 10/18/19. 170 FERC ¶ 63,010 (2020).
Feb-20	ER19-697-001	Cheyenne Light, Fuel and Power	9.90%	Offer of Settlement dated 3/20/20. 171 FERC ¶ 63,012 (2020).
Oct-20	ER19-1756	NorthWestern Corp.	9.65%	Offer of Settlement dated 11/16/20. 174 FERC ¶ 61,074 (2020).
Nov-20	ER20-1150	Dayton Power and Light Co.	9.85%	Offer of Settlement dated 12/10/20. 175 FERC ¶ 61,021 (2020).
Dec-20	ER21-2198	Avista Corp.	9.60%	Approved 9/30/21 based on study period ending Dec. 2020. 176 FERC ¶ 61,222 (2020).
Jan-21	ER20-227	Jersey Central Power & Light Co.	9.70%	Offer of Settlement dated 02/02/21. 175 FERC ¶ 61,023 (2020).
Cases Removed from Mystic Case Set				
Dec-15	ER15-45	MISO Complaint II	10.05%	Complaint II was dismissed. No ROE established or approved.
Jul-16	ER15-1976	East River	9.60%	Remove observation for publicly-owned entity.
Aug-16	ER16-835	NYPA	8.95%	Remove observation for publicly-owned entity.
Sep-16	ER15-1775	Basin Electric	9.60%	Remove observation for publicly-owned entity.
Jan-17	ER16-204	Tri-State	9.30%	Remove observation for publicly-owned entity.
Feb-17	ER16-209	Central Power	9.50%	Remove observation for publicly-owned entity.
Feb-17	ER16-1774	Western Farmers	8.77%	Remove observation for publicly-owned entity.
Feb-17	ER16-1546	Arkansas Electric	8.00%	Remove observation for publicly-owned entity.
Aug-17	ER17-426	Denison	9.60%	Remove observation for publicly-owned entity.
Nov-17	ER17-1610	Mountrail-Williams	9.60%	Remove observation for publicly-owned entity.
Nov-17	ER17-428	Vermillion	9.60%	Remove observation for publicly-owned entity.
Other Corrections to Mystic Case Set				
Sep-08	ER09-187	So. Cal Edison	10.53%	Remove post-record period adjustment from 10.04% authorized ROE to match ROE with study period interest rate. 139 FERC ¶ 61,042 at P 41 (2012) .

EXPECTED EARNINGS APPROACH **Exhibit No. EPE-0024**

ELECTRIC GROUP

		(a)	(b)	(c)	
	Company	**Expected Return on Common Equity**	**Adjustment Factor**	**Adjusted Return on Common Equity**	**Break (B Pts)**
1	Southern Company	14.00%	1.0251	14.35%	39
2	CMS Energy Corp.	13.50%	1.0342	13.96%	71
3	WEC Energy Group	13.00%	1.0196	13.25%	1
4	OGE Energy Corp.	13.00%	1.0181	13.24%	29
5	NextEra Energy, Inc.	12.50%	1.0357	12.95%	51
6	Dominion Energy	12.00%	1.0366	12.44%	10
7	Otter Tail Corp.	12.00%	1.0286	12.34%	54
8	Entergy Corp.	11.50%	1.0259	11.80%	1
9	Edison International	11.50%	1.0249	11.79%	30
10	Sempra Energy	11.00%	1.0446	11.49%	5
11	American Elec Pwr	11.00%	1.0403	11.44%	15
12	Xcel Energy Inc.	11.00%	1.0264	11.29%	4
13	Alliant Energy	11.00%	1.0229	11.25%	2
14	Pub Sv Enterprise Grp.	11.00%	1.0209	11.23%	2
15	Ameren Corp.	10.50%	1.0410	10.93%	30
16	Emera Inc.	9.50%	1.0298	9.78%	115
17	Eversource Energy	9.50%	1.0244	9.73%	5
18	IDACORP, Inc.	9.50%	1.0179	9.67%	6
19	Duke Energy Corp.	9.50%	1.0134	9.63%	4
20	Black Hills Corp.	9.00%	1.0327	9.29%	34
21	ALLETE	9.00%	1.0190	9.17%	12
22	Evergy Inc.	9.00%	1.0182	9.16%	1
23	Consolidated Edison	8.50%	1.0239	8.70%	46
24	NorthWestern Corp.	8.50%	1.0223	8.69%	1
25	Avista Corp.	8.50%	1.0214	8.68%	1
26	Fortis Inc.	7.50%	1.0247	7.69%	99
	Lower End (d)			**7.69%**	
	Upper End (d)			**14.35%**	
	Median (d)			**11.24%**	
	Midpoint			**11.02%**	
	Median - All Values			**11.24%**	
	Low-End Test (e)			**5.54%**	
	High-End Test (f)			**22.48%**	

(a) The Value Line Investment Survey (Jul. 23, Aug, 13 and Sep. 10, 2021).
(b) Computed using the formula 2*(1+5-Yr. Change in Equity)/(2+5 Yr. Change in Equity).
(c) (a) x (b).
(d) Excludes highlighted values.
(e) Average Baa utility bond yield for six-months ending Aug. 2021, plus 20% of CAPM market risk premium.
(f) 200% of Median - All Values.

IBES

		(a)	(b)	(c)	(d)	
	Company	**6-mo. Avg Dividend Yield**	**EPS Growth**	**Adjusted Dividend Yield**	**DCF Result**	**Break (b Pts)**
1	Otter Tail Corp.	3.25%	9.00%	3.39%	12.39%	147
2	Emera Inc.	4.51%	6.27%	4.65%	10.92%	15
3	Southern Company	4.14%	6.50%	4.27%	10.77%	31
4	Ameren Corp.	2.66%	7.70%	2.76%	10.46%	23
5	NextEra Energy, Inc.	2.02%	8.13%	2.10%	10.23%	10
6	Avista Corp.	3.81%	6.20%	3.93%	10.13%	6
7	Dominion Energy	3.31%	6.65%	3.42%	10.07%	44
8	Eversource Energy	2.85%	6.68%	2.95%	9.63%	5
9	American Elec Pwr	3.45%	6.03%	3.55%	9.58%	8
10	WEC Energy Group	2.91%	6.50%	3.00%	9.50%	7
11	Duke Energy Corp.	3.87%	5.45%	3.98%	9.43%	2
12	ALLETE	3.64%	5.67%	3.74%	9.41%	18
13	Evergy Inc.	3.43%	5.70%	3.53%	9.23%	13
14	CMS Energy Corp.	2.83%	6.18%	2.92%	9.10%	13
15	Xcel Energy Inc.	2.69%	6.30%	2.78%	9.08%	2
16	Fortis Inc.	3.66%	5.30%	3.75%	9.05%	3
17	OGE Energy Corp.	4.81%	3.90%	4.90%	8.80%	25
18	NorthWestern Corp.	3.89%	4.50%	3.98%	8.48%	32
19	Black Hills Corp.	3.36%	4.67%	3.44%	8.11%	37
20	Edison International	4.60%	3.40%	4.68%	8.08%	3
21	Alliant Energy	2.87%	5.10%	2.94%	8.04%	4
22	Sempra Energy	3.31%	4.30%	3.38%	7.68%	36
23	Entergy Corp.	3.69%	3.85%	3.76%	7.61%	7
24	Consolidated Edison	4.13%	2.00%	4.17%	6.17%	144
25	IDACORP, Inc.	2.82%	3.20%	2.87%	6.07%	10
26	Pub Sv Enterprise Grp.	3.33%	2.35%	3.37%	5.72%	35
	Lower End (e)				**5.72%**	
	Upper End (e)				**12.39%**	
	Median (e)				**9.17%**	
	Midpoint				**9.06%**	
	Median - All Values				**9.17%**	
	Low-End Test (f)				**5.54%**	
	High-End Test (g)				**18.34%**	

(a) Six-month average dividend yield for Mar. 2021 to Aug. 2021.
(b) www.finance.yahoo.com (retreived Sep. 8, 2021).
(c) Six-month average dividend yield x [1+ (EPS Growth Rate / 2)].
(d) (b) + (c)
(e) Excludes highlighted values.
(f) Average Baa utility bond yield for six-months ending Aug. 2021, plus 20% of CAPM market risk premium.
(g) 200% of Median - All Values.

NYSE / IBES

		(a)	(b)		(c)		(d)		(e)	(d)				(e)	(f)		
		Market Return (R_m)				Market											
		Div	Proj.	Cost of	Risk-Free	Risk	Unadjusted RP		Beta Adjusted RP			Total	Unadjusted	Market	Size	ECAPM	Break
	Company	Yield	Growth	Equity	Rate	Premium	Weight	*RP*[1]	Beta	Weight	*RP*[2]	RP	K_e	Cap	Adjustment	Result	(B Pts)
1	OGE Energy Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	1.05	75%	8.2%	10.8%	12.98%	$7,100	0.71%	13.69%	35
2	Black Hills Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	1.00	75%	7.8%	10.4%	12.59%	$4,200	0.75%	13.34%	5
3	Avista Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.95	75%	7.4%	10.0%	12.20%	$2,900	1.09%	13.29%	0
4	NorthWestern Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.95	75%	7.4%	10.0%	12.20%	$3,100	1.09%	13.29%	11
5	Otter Tail Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.90	75%	7.0%	9.6%	11.81%	$2,200	1.37%	13.18%	10
6	Edison International	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	1.00	75%	7.8%	10.4%	12.59%	$22,000	0.49%	13.08%	18
7	ALLETE	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.90	75%	7.0%	9.6%	11.81%	$3,500	1.09%	12.90%	21
8	Entergy Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.95	75%	7.4%	10.0%	12.20%	$22,000	0.49%	12.69%	0
9	Evergy Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.95	75%	7.4%	10.0%	12.20%	$16,000	0.49%	12.69%	32
10	Sempra Energy	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	1.00	75%	7.8%	10.4%	12.59%	$40,000	-0.22%	12.37%	20
11	IDACORP, Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.85	75%	6.6%	9.3%	11.42%	$5,000	0.75%	12.17%	19
12	NextEra Energy, Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.95	75%	7.4%	10.0%	12.20%	$155,000	-0.22%	11.98%	--
13	Pub Sv Enterprise Grp.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.95	75%	7.4%	10.0%	12.20%	$32,000	-0.22%	11.98%	--
14	Southern Company	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.95	75%	7.4%	10.0%	12.20%	$68,000	-0.22%	11.98%	--
15	Alliant Energy	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.85	75%	6.6%	9.3%	11.42%	$15,000	0.49%	11.91%	7
16	Ameren Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.85	75%	6.6%	9.3%	11.42%	$23,000	0.49%	11.91%	0
17	Duke Energy Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.90	75%	7.0%	9.6%	11.81%	$82,000	-0.22%	11.59%	32
18	Eversource Energy	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.90	75%	7.0%	9.6%	11.81%	$30,000	-0.22%	11.59%	0
19	CMS Energy Corp.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.80	75%	6.3%	8.9%	11.03%	$19,000	0.49%	11.52%	7
20	Emera Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.80	75%	6.3%	8.9%	11.03%	$14,300	0.49%	11.52%	0
21	Dominion Energy	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.85	75%	6.6%	9.3%	11.42%	$61,000	-0.22%	11.20%	32
22	Consolidated Edison	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.75	75%	5.9%	8.5%	10.63%	$26,000	0.49%	11.12%	8
23	Fortis Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.75	75%	5.9%	8.5%	10.63%	$27,000	0.49%	11.12%	0
24	WEC Energy Group	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.80	75%	6.3%	8.9%	11.03%	$30,000	-0.22%	10.81%	31
25	Xcel Energy Inc.	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.80	75%	6.3%	8.9%	11.03%	$37,000	-0.22%	10.81%	0
26	American Elec Pwr	2.20%	10.39%	12.59%	2.16%	10.43%	25%	2.61%	0.75	75%	5.9%	8.5%	10.63%	$45,000	-0.22%	10.41%	40
	Lower End (g)															**10.41%**	
	Upper End (g)															**13.69%**	
	Median (g)															**11.98%**	
	Midpoint															**12.05%**	
	Median - All Values															**11.98%**	
	Low-End Test (h)															**5.54%**	
	High-End Test (i)															**23.96%**	

(a) Weighted average for dividend-paying stocks in the NYSE based on data from www.zacks.com (retrieved Aug. 12, 2021).
(b) IBES growth rates from Refinitiv, as provided by www.fidelity.com (retrieved Aug. 12, 2021). Eliminated growth rates greater than 20%, as well as all negative values.
(c) Six-month average yield on 30-year Treasury bonds for Aug. 2021 from https://fred.stlouisfed.org/.
(d) Roger A. Morin, *New Regulatory Finance* , Pub. Util. Reports, Inc. (2006) at 190.
(e) The Value Line Investment Survey (Jul. 23, Aug, 13 and Sep. 10, 2021).
(f) Duff & Phelps, 2021 CRSP Deciles Size Study -- Supplementary Data Exhibits, Cost of Capital Navigator.
(g) Excludes highlighted values.
(h) Average Baa utility bond yield for six-months ending Aug. 2021, plus 20% of CAPM market risk premium.
(i) 200% of Median - All Values.

CAPITAL STRUCTURE **Exhibit No. EPE-0027**

ELECTRIC GROUP

		At December 31, 2020 (a)			Value Line Projected (d)		
	Company	**Long-Term Debt (b)**	**Preferred Stock**	**Common Equity (c)**	**Long-Term Debt**	**Preferred Stock**	**Common Equity**
1	ALLETE	39.1%	0.0%	60.9%	42.5%	0.0%	57.5%
2	Alliant Energy	53.5%	1.6%	44.9%	53.0%	1.5%	45.5%
3	Ameren Corp.	55.0%	0.0%	45.0%	50.0%	0.5%	49.5%
4	American Elec Pwr	59.9%	0.0%	40.1%	59.5%	0.0%	40.5%
5	Avista Corp.	49.7%	0.0%	50.3%	49.5%	0.0%	50.5%
6	Black Hills Corp.	57.0%	0.0%	43.0%	49.0%	0.0%	51.0%
7	CMS Energy Corp.	71.4%	0.0%	28.6%	65.5%	1.0%	33.5%
8	Consolidated Edison	54.0%	0.0%	46.0%	51.0%	0.0%	49.0%
9	Dominion Energy	57.6%	3.8%	38.6%	58.0%	1.0%	41.0%
10	Duke Energy Corp.	54.9%	0.0%	45.1%	54.5%	2.0%	43.5%
11	Edison International	56.4%	0.0%	43.6%	58.0%	6.0%	36.0%
12	Emera Inc.	59.8%	4.4%	35.9%	48.1%	0.0%	51.9%
13	Entergy Corp.	66.7%	0.7%	32.7%	67.0%	0.5%	32.5%
14	Evergy Inc.	52.5%	0.0%	47.5%	51.5%	0.0%	48.5%
15	Eversource Energy	54.0%	0.0%	46.0%	55.0%	0.5%	44.5%
16	Fortis Inc.	54.9%	3.6%	41.5%	54.0%	3.0%	43.0%
17	IDACORP, Inc.	43.8%	0.0%	56.2%	49.0%	0.0%	51.0%
18	NextEra Energy, Inc.	50.6%	0.0%	49.4%	54.0%	0.0%	46.0%
19	NorthWestern Corp.	52.9%	0.0%	47.1%	49.0%	0.0%	51.0%
20	OGE Energy Corp.	49.0%	0.0%	51.0%	47.5%	0.0%	52.5%
21	Otter Tail Corp.	46.7%	0.0%	53.3%	39.0%	0.0%	61.0%
22	Pub Sv Enterprise Grp.	50.3%	0.0%	49.7%	51.5%	0.0%	48.5%
23	Sempra Energy	48.3%	0.0%	51.6%	47.5%	1.5%	51.0%
24	Southern Company	60.1%	0.4%	39.5%	61.5%	0.0%	38.5%
25	WEC Energy Group	54.0%	0.1%	45.9%	53.0%	0.0%	47.0%
26	Xcel Energy Inc.	57.9%	0.0%	42.1%	58.0%	0.0%	42.0%
	Average			**45.2%**			**46.4%**
	High			**60.9%**			**61.0%**
	Low			**28.6%**			**32.5%**

(a) Data from SEC Form 10-K and Annual Reports.
(b) Includes current maturities.
(c) Includes non-controlling interests.
(d) The Value Line Investment Survey (Jul. 23, Aug, 13 and Sep. 10, 2021).

ELECTRIC GROUP OPERATING COS.

		At December 31, 2020		
	Operating Company	**Long-Term**	**Preferred Stock**	**Common Equity**
1	**ALLETE**			
	ALLETE, Inc. (Minnesota Power)	41.9%	0.0%	58.1%
2	**ALLIANT ENERGY CORP.**			
	Interstate Power & Light	45.8%	2.7%	51.5%
	Wisconsin Power & Light	46.2%	0.0%	53.8%
3	**AMEREN CORP.**			
	Ameren Illinois Co.	44.3%	0.7%	55.0%
	Union Electric Co.	49.5%	0.8%	49.7%
4	**AMERICAN ELEC PWR**			
	AEP Texas, Inc.	60.1%	0.0%	39.9%
	Appalachian Power Co.	52.7%	0.0%	47.3%
	Indiana Michigan Power Co.	52.4%	0.0%	47.6%
	Kentucky Power Co.	54.7%	0.0%	45.3%
	Kingsport Power Co.	46.6%	0.0%	53.4%
	Ohio Power Co.	47.4%	0.0%	52.6%
	Public Service Co. of Oklahoma	47.1%	0.0%	52.9%
	Southwestern Electric Pwr Co.	50.1%	0.0%	49.9%
	Wheeling Power Co.	45.9%	0.0%	54.1%
5	**AVISTA CORP.**			
	Avista Corp.	49.4%	0.0%	50.6%
	Alaska Electric Light & Power	39.8%	0.0%	60.2%
6	**BLACK HILLS CORP.**			
	Black Hills Power	41.8%	0.0%	58.2%
	Cheyenne Light Fuel & Power	45.6%	0.0%	54.4%
	Black Hills/Colorado Electric Utility Co	26.6%	0.0%	73.4%
7	**CMS ENERGY**			
	Consumers Energy Co.	48.9%	0.2%	50.9%
8	**CONSOLIDATED EDISON**			
	Consolidated Edison of NY	53.1%	0.0%	46.9%
	Orange & Rockland	52.7%	0.0%	47.3%
	Rockland Electric	0.0%	0.0%	100.0%
9	**DOMINION ENERGY**			
	Virginia Electric & Power	48.5%	0.0%	51.5%
	Dominion Energy South Carolina	44.6%	0.0%	55.4%

CAPITAL STRUCTURE

ELECTRIC GROUP OPERATING COS.

		At December 31, 2020		
	Operating Company	Long-Term	Preferred Stock	Common Equity
10	**DUKE ENERGY**			
	Duke Energy Carolinas	48.2%	0.0%	51.8%
	Duke Energy Florida	51.2%	0.0%	48.8%
	Duke Energy Indiana	46.1%	0.0%	53.9%
	Duke Energy Ohio	44.0%	0.0%	56.0%
	Duke Energy Progress	50.0%	0.0%	50.0%
	Progress Energy Inc.	54.3%	0.0%	45.7%
	Duke Energy Kentucky	50.5%	0.0%	49.5%
11	**EDISON INTERNATIONAL**			
	Southern California Edison Co.	47.3%	5.5%	47.2%
12	**EMERA INC.**			
	Tampa Electric Co.	41.9%	0.0%	58.1%
13	**ENTERGY CORP.**			
	Entergy Arkansas Inc.	54.8%	0.0%	45.2%
	Entergy Louisiana LLC	54.8%	0.0%	45.2%
	Entergy Mississippi Inc.	51.6%	0.0%	48.4%
	Entergy New Orleans Inc.	51.4%	0.0%	48.6%
	Entergy Texas Inc.	53.6%	0.8%	45.6%
14	**EVERGY, INC.**			
	Evergy Metro	51.4%	0.0%	48.6%
	Evergy Kansas Central	47.9%	0.0%	52.1%
15	**EVERSOURCE ENERGY**			
	Connecticut Light & Power	43.1%	1.3%	55.6%
	NSTAR Electric Co.	44.4%	0.5%	55.1%
	Public Service Co. of New Hampshire	46.8%	0.0%	53.2%
16	**FORTIS, INC.**			
	Tucson Electric Power Co.	47.0%	0.0%	53.0%
	UNS Electric	46.6%	0.0%	53.4%
	Central Hudson Gas & Electric	49.5%	0.0%	50.5%
	International Transmission Co.	40.0%	0.0%	60.0%
	ITC Great Plains	40.0%	0.0%	60.0%
	ITC Midwest	40.0%	0.0%	60.0%
	Michigan Elec. Transmission Co.	40.0%	0.0%	60.0%
17	**IDACORP**			
	Idaho Power Co.	45.8%	0.0%	54.2%
18	**NEXTERA ENERGY**			
	Florida Power & Light	39.8%	0.0%	60.2%
	Gulf Power Co.	35.9%	0.0%	64.1%

ELECTRIC GROUP OPERATING COS.

	Operating Company	At December 31, 2020 Long-Term	 Preferred Stock	 Common Equity
19	**NORTHWESTERN CORP.**			
	NorthWestern Corporation	52.8%	0.0%	47.2%
20	**OGE ENERGY CORP.**			
	Oklahoma G&E	46.8%	0.0%	53.2%
21	**OTTER TAIL CORP.**			
	Otter Tail Power Co.	45.8%	0.0%	54.2%
22	**PUB SV ENTERPRISE GRP**			
	Pub Service Electric & Gas Co.	45.5%	0.0%	54.5%
23	**SEMPRA ENERGY**			
	San Diego Gas & Electric	49.2%	0.0%	50.8%
	Oncor Electric Delivery	42.9%	0.0%	57.1%
24	**SOUTHERN CO.**			
	Alabama Power Co.	46.8%	1.5%	51.7%
	Georgia Power Co.	44.0%	0.0%	56.0%
	Mississippi Power Co.	44.9%	0.0%	55.1%
25	**WEC ENERGY GROUP**			
	Wisconsin Electric Power Co.	42.8%	0.5%	56.7%
	Wisconsin Public Service Corp.	43.3%	0.0%	56.7%
26	**XCEL ENERGY, INC.**			
	Northern States Power Co. (MN)	46.8%	0.0%	53.2%
	Northern States Power Co. (WI)	46.2%	0.0%	53.8%
	Public Service Co. of Colorado	43.2%	0.0%	56.8%
	Southwestern Public Service Co.	45.8%	0.0%	54.2%
	Average (a)	**46.8%**	**0.2%**	**53.0%**
	High (a)	**60.1%**	**5.5%**	**73.4%**
	Low (a)	**26.6%**	**0.0%**	**39.9%**

(a) Excludes Rockland Electric Company.
Source: 2020 FERC Form 1 Reports, SEC Form 10-K Reports.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

	)	
El Paso Electric Company	**)**	**Docket No. ER22-____-000**
	)	

PREPARED DIRECT TESTIMONY OF

JOHN J. SPANOS

ON BEHALF OF

EL PASO ELECTRIC COMPANY

OCTOBER 29, 2021

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company	**)))**	**Docket No. ER22-____-000**

PREPARED DIRECT TESTIMONY OF JOHN J. SPANOS

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is John J. Spanos. My business address is 207 Senate Avenue, Camp Hill, Pennsylvania, 17011.

Q. WHO IS YOUR CURRENT EMPLOYER AND WHAT POSITION DO YOU HOLD?

A. My employer is Gannett Fleming Valuation and Rate Consultants, LLC ("Gannett Fleming"). I am the President of Gannett Fleming.

Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS TESTIMONY?

A. I am testifying on behalf of El Paso Electric Company ("EPE").

Q. PLEASE DESCRIBE YOUR QUALIFICATIONS.

A. I have over 35 years of depreciation experience, which includes giving expert testimony in more than 380 cases before 41 regulatory commissions, including the New Mexico Public Regulation Commission and the Public Utility Commission of Texas. These cases have included depreciation studies in the electric, gas, water, wastewater, and pipeline industries. In addition to cases in which I have submitted testimony, I have also supervised over 700 other depreciation or valuation assignments. Exhibit EPE-0030 provides my qualifications statement, which includes further information with respect to my work history, case experience, and leadership in the Society of Depreciation Professionals.

Q. ARE YOU SPONSORING ANY EXHIBITS IN SUPPORT OF YOUR TESTIMONY IN THIS FILING?

A. Yes. These include:

1) Exhibit No. EPE-0030, Curriculum Vitae of John J. Spanos
2) Exhibit No. EPE-0031, EPE 2019 Depreciation Study prepared by Gannett Fleming; and
3) Exhibit No. EPE-0032, Table of EPE Transmission and General Plant Depreciation Accrual Rates.

II. PURPOSE OF TESTIMONY AND SUMMARY OF EPE'S DEPRECIATION STUDY

Q. PLEASE EXPLAIN THE PURPOSE OF YOUR TESTIMONY AND HOW IT IS ORGANIZED.

A. The purpose of my testimony is to:

1) Describe the EPE Depreciation Study prepared by Gannett Fleming for the year ending December 31, 2019 (also referred to herein as the "Depreciation Study"); and
2) Describe how the methodologies used to calculate EPE's depreciation accrual rates for transmission plant are consistent with those commonly used in the industry and are consistent with Federal Energy Regulatory Commission ("Commission") requirements and precedent.

Q. DID YOU PREPARE THE DEPRECIATION STUDY PRESENTED IN EXHIBIT NO. EPE-0031?

A. Yes, I did. Exhibit No. EPE-0031 is my report presenting the study, and is formally entitled: "2019 Depreciation Study - Calculated Annual Depreciation Accruals Related to Electric Plant as of December 31, 2019."

Q. WERE THE OTHER EXHIBITS YOU ARE SPONSORING PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

A. Yes.

Q. IN PREPARING THE DEPRECIATION STUDY, DID YOU FOLLOW GENERALLY ACCEPTED PRACTICES IN THE FIELD OF DEPRECIATION VALUATION?

A. Yes.

Q. PLEASE DESCRIBE EPE'S PROPOSED DEPRECIATION ACCRUAL RATES.

A. EPE proposes to utilize the calculated annual depreciation accrual rates for transmission plant by account at December 31, 2019, that are recommended in, and supported by, the Depreciation Study, Exhibit No. EPE-0031. The proposed depreciation rates appropriately reflect the rates at which EPE's transmission assets should be depreciated over their useful lives and are based on the most commonly used methods and procedures for determining depreciation rates.

I note that the Depreciation Study includes all of EPE's electric plant, including steam production plant, gas turbine production plant, transmission plant, distribution plant, and general plant. This testimony focuses on annual depreciation accrual rates for EPE's transmission plant and general plant for use in EPE's transmission formula rate.

Q. PLEASE SUMMARIZE THE DEPRECIATION ACCRUAL RATES AND THE RESULTING DEPRECIATION EXPENSE THAT YOUR STUDY SUPPORTS FOR EPE.

A. The Depreciation Study I present in this testimony supports the depreciation accrual rates and expense set forth below, which is identified by function as of December 31, 2019.

Function	Rates	Expense
Transmission	1.70	9,023,893
General	3.84	6,601,194
Total		$15,625,087

Q. PLEASE EXPLAIN SOME OF THE MAJOR FACTORS UNDERLYING THE DEPRECIATION RATES YOU RECOMMEND.

A. A major factor that drives the depreciation accrual rates presented in my Depreciation Study is the generally longer average service lives used for the various plant accounts. For EPE's transmission plant accounts, I used relatively long average service lives with high moded dispersion patterns. Using this combination of recovery with the remaining life methodology leads to a relatively low annual depreciation expense for such accounts. For EPE's general plant, I used the life span technique for major structures which results in shorter remaining lives in Account 390. Additionally, most other general plant accounts utilize amortization accounting which appropriately recovers plant investment over the useful life of these asset classes. In addition to the service life parameter, EPE's reserve to plant ratio is also a factor that affects the proposed depreciation rates.

III. DEPRECIATION STUDY

Q. PLEASE DEFINE THE CONCEPT OF DEPRECIATION.

A. Depreciation refers to the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which EPE is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Q. ARE THE METHODS AND PROCEDURES REFLECTED IN THE DEPRECIATION STUDY CONSISTENT WITH ACCEPTED DEPRECIATION PRINCIPLES AND PRACTICES?

A. Yes. The Depreciation Study's recommended annual depreciation accrual rates are based on the straight line method, using the average service life procedure, and were applied on a remaining life basis. The calculations were based on attained ages and estimated average service life, and net salvage characteristics for each depreciable group of assets. The straight-line method, average service life procedure is a commonly used depreciation calculation procedure that has been widely accepted in regulatory jurisdictions throughout North America.

Q. DO THE METHODS AND PROCEDURES USED IN THE DEPRECIATION STUDY COMPLY WITH THIS COMMISSION'S REQUIREMENTS SO THAT THEY ARE SUITABLE FOR USE IN THE EPE TRANSMISSION FORMULA RATE?

A. Yes. The Depreciation Study and the annual depreciation accrual rates determined in the Depreciation Study comply with the requirements of the Commission's Uniform System of Accounts for allocating the service value of an asset (original cost less net salvage) over the asset's service life.

Q. PLEASE DESCRIBE THE CONTENTS OF YOUR REPORT.

A. My report is presented in nine parts.

- Part I, Introduction, presents the scope and basis for the Depreciation Study.
- Part II, Estimation of Survivor Curves, includes descriptions of the methodology of estimating survivor curves.
- Parts III and IV set forth the analysis for determining service life and net salvage estimation, respectively.
- Part V, Calculation of Annual and Accrued Depreciation, applies the concepts of depreciation and amortization using the remaining life.
- Part VI, Results of Study, presents a description of the results and a summary of the depreciation calculations.
    - The table on pages VI-4 through VI-8 presents, for each account or subaccount, the estimated survivor curve, the net salvage percent, the original cost at December 31, 2019, the book depreciation reserve, and the calculated annual depreciation accrual and rate.

- Parts VII, VIII, and IX include graphs and tables that relate to the service life and net salvage analyses, and the detailed depreciation calculations.
  - The section beginning on page VII-2 presents the results of the retirement rate analyses prepared as the historical bases for the service life estimates.
  - The section beginning on page VIII-2 presents the results of the salvage analysis.
  - The section beginning on page IX-2 presents the depreciation calculations related to surviving original cost at December 31, 2019.

Q. PLEASE EXPLAIN HOW YOU PERFORMED YOUR DEPRECIATION STUDY.

A. I used the straight line remaining life method of depreciation, with the average service life procedure. The annual depreciation is based on a method of depreciation accounting that seeks to distribute the unrecovered cost of fixed capital assets over the estimated remaining useful life of each unit, or group of assets, in a systematic and reasonable manner.

For General Plant Accounts 391, 393, 394, 395, 397, and 398 in the Commission's Uniform System of Accounts[1], I used the straight line remaining life method of amortization. The account numbers identified throughout my testimony represent those in effect as of December 31, 2019. The annual amortization is based

[1] Uniform System of Accounts, 18 C.F.R. Part 101, Account Nos. 391, Office Furniture and Equipment; 393, Stores Equipment; 394, Tools, Shop and Garage Equipment; 395, Laboratory Equipment; 396, Power Operated Equipment; 398, Miscellaneous Equipment.

on amortization accounting that distributes the unrecovered cost of fixed capital assets over the remaining amortization period selected for each account and vintage.

Q. HOW DID YOU DETERMINE THE RECOMMENDED ANNUAL DEPRECIATION ACCRUAL RATES?

A. I did this in two phases. In the first phase, I estimated the service life and net salvage characteristics for each depreciable group, that is, for each plant account or subaccount identified as having similar characteristics. In the second phase, I calculated the composite remaining lives and annual depreciation accrual rates based on the service life and net salvage estimates determined in the first phase.

Q. PLEASE DESCRIBE THE FIRST PHASE OF THE DEPRECIATION STUDY, IN WHICH YOU ESTIMATED THE SERVICE LIFE AND NET SALVAGE CHARACTERISTICS FOR EACH DEPRECIABLE GROUP.

A. The service life and net salvage study consisted of compiling historical data from records related to EPE's plant; analyzing these data to obtain historical trends of survivor characteristics; obtaining supplementary information from management and operating personnel concerning practices and plans as they relate to plant operations; and interpreting the above data and the estimates used by other electric utilities to form judgments of average service life and net salvage characteristics.

Q. WHAT HISTORICAL DATA DID YOU ANALYZE FOR THE PURPOSE OF ESTIMATING SERVICE LIFE CHARACTERISTICS?

A. Generally speaking, I analyzed the EPE accounting entries that record plant transactions during the period 1993 through 2019. The transactions included additions, retirements, transfers, sales, and the related balances.

Q. WHAT METHOD DID YOU USE TO ANALYZE THESE SERVICE LIFE DATA?

A. I used the retirement rate method. This is the most appropriate method when retirement data covering a long period of time is available because this method determines the average rates of retirement actually experienced by EPE during the period of time covered by the Depreciation Study.

Q. HOW DID YOU USE THE RETIREMENT RATE METHOD TO ANALYZE EPE'S SERVICE LIFE DATA?

A. I applied the retirement rate analysis to each different group of property in the study. For each property group, I used the retirement rate data to form a life table which, when plotted, shows an original survivor curve for that property group. Each original survivor curve represents the average survivor pattern experienced by the several vintage groups during the experience band studied. The survivor patterns do not necessarily describe the life characteristics of the property group; therefore, interpretation of the original survivor curves is required in order to use them as valid considerations in estimating service life. The Iowa type survivor curves were used to perform these interpretations.

Q. WHAT IS AN "IOWA-TYPE SURVIVOR CURVE" AND HOW DID YOU USE SUCH CURVES TO ESTIMATE THE SERVICE LIFE CHARACTERISTICS FOR EACH PROPERTY GROUP?

A. Iowa-type curves are a widely-used group of survivor curves that contain the range of survivor characteristics usually experienced by utilities and other industrial companies. The Iowa-type curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observing and classifying the ages at which various types of property used by utilities and other industrial companies had been retired.

Iowa-type curves are used to smooth and extrapolate original survivor curves determined by the retirement rate method. The Iowa curves and truncated Iowa curves were used in the Depreciation Study to describe the forecasted rates of retirement based on the observed rates of retirement and the outlook for future retirements.

The estimated survivor curve designations for each depreciable property group indicate the average service life, the family within the Iowa system to which the property group belongs, and the relative height of the mode. For example, the Iowa 65-R2 indicates an average service life of sixty-five years; a right-moded, or R, type curve (the mode occurs after average life for right-moded curves); and a moderate height, 2, for the mode (possible modes for R type curves range from 1 to 5).

Q. WHAT APPROACH DID YOU USE TO ESTIMATE THE LIVES OF SIGNIFICANT FACILITIES SUCH AS OPERATIONS CENTERS?

A. I used the life span technique to estimate the lives of significant facilities for which concurrent retirement of the entire facility is anticipated. In this technique, the survivor characteristics of such facilities are described by the use of interim survivor curves and estimated probable retirement dates.

The interim survivor curves describe the rate of retirement related to the replacement of elements of the facility, such as, for a building, the retirements of plumbing, heating, doors, windows, roofs, etc., that occur during the life of the facility. The probable retirement date provides the rate of final retirement for each year of installation for the facility by truncating the interim survivor curve for each installation year at its attained age at the date of probable retirement. The use of interim survivor curves truncated at the date of probable retirement provides a consistent method for estimating the lives of the several years of installation for a particular facility inasmuch as a single concurrent retirement for all years of installation will occur when it is retired.

Q. WHAT ARE THE BASES FOR THE PROBABLE RETIREMENT YEARS THAT YOU HAVE ESTIMATED FOR EACH FACILITY?

A. The probable retirement years are life spans for each facility that are estimated based on informed judgment that incorporates a consideration of the age, use, size, nature of construction, management outlook, and typical life spans experienced and used by other electric utilities for similar facilities. Most of the life spans result in probable retirement years that are many years in the future. As a result, the retirements of these facilities are not yet subject to specific management plans. Such plans would be premature. At the appropriate time, detailed studies of the economics of rehabilitation and continued use or retirement of the structure will be performed and the results incorporated in the estimation of the facility's life span.

Q. DID YOU PHYSICALLY OBSERVE EPE'S PLANT AND EQUIPMENT AS PART OF YOUR DEPRECIATION STUDY?

A. Yes. My most recent field review of EPE's property as part of the Depreciation Study was made in February 2020 to observe representative portions of plant. Field reviews are conducted to become familiar with company operations and to obtain an understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirements. This knowledge, as well as information from other discussions with management, was incorporated in the interpretation and extrapolation of the statistical analyses.

Q. WOULD YOU EXPLAIN THE CONCEPT OF "NET SALVAGE"?

A. Net salvage is a component of the service value of capital assets that is reflected in depreciation rates. The service value of an asset is its original cost less its net salvage. Net salvage is the salvage value received for the asset upon retirement less the cost to retire the asset. When the cost to retire exceeds the salvage value, the result is negative net salvage.

Inasmuch as depreciation expense is the loss in service value of an asset during a defined period, e.g., one year, it must include a ratable portion of both the original cost and the net salvage. That is, the net salvage related to an asset should be incorporated in the cost of service during the same period as its original cost so that customers receiving service from the asset pay rates that include a portion of both elements of the asset's service value, the original cost and the net salvage value.

For example, the full recovery of the service value of a $10,000 transmission pole includes not only the $10,000 of original cost, but also, on average, $2,100 to remove the pole at the end of its life and $100 in salvage value. In this example, the net salvage component is negative $2,000 ($100 - $2,100), and the net salvage percent is negative 20% (($100 - $2,100)/$10,000).

Q. HOW DID YOU ESTIMATE NET SALVAGE PERCENTAGES?

A. I estimated the net salvage percentages by reviewing EPE's account-specific historical salvage and cost of removal data for the period 1993 through 2019 as a percentage of the associated retired plant, as well as considering industry experience in terms of net salvage estimates for other electric companies.

Q. PLEASE DESCRIBE THE SECOND PHASE OF THE PROCESS THAT YOU USED IN THE DEPRECIATION STUDY IN WHICH YOU CALCULATED COMPOSITE REMAINING LIVES AND ANNUAL DEPRECIATION ACCRUAL RATES.

A. After I estimated the service life and net salvage characteristics for each depreciable property group, I calculated the annual depreciation accrual rates for each group, using the straight line remaining life method, and using remaining lives weighted consistent with the average service life procedure.

Q. PLEASE DESCRIBE THE STRAIGHT LINE REMAINING LIFE METHOD OF DEPRECIATION.

A. The straight line remaining life method of depreciation allocates the original cost of the property, less accumulated depreciation, less future net salvage, in equal amounts to each year of remaining service life.

Q. PLEASE DESCRIBE AMORTIZATION ACCOUNTING.

A. In amortization accounting, units of property are capitalized in the same manner as they are in depreciation accounting. Amortization accounting is used for accounts with a large number of units, but small asset values. Depreciation accounting is difficult for these assets because periodic inventories are required to properly reflect plant in service. Consequently, retirements are recorded when a vintage is fully amortized rather than as the units are removed from service. That is, there is no dispersion of retirements. All units are retired when the age of the vintage reaches the amortization period. Each plant account or group of assets is assigned a fixed period which represents an anticipated life during which the asset will render full benefit. For example, in amortization accounting, assets that have a 15-year amortization period will be fully recovered after 15 years of service and taken off EPE's books, but not necessarily removed from service. In contrast, assets that are taken out of service before 15 years remain on the books until the amortization period for that vintage has expired.

Q. FOR WHICH PLANT ACCOUNTS IS AMORTIZATION ACCOUNTING BEING UTILIZED?

A. Amortization accounting is only appropriate for certain General Plant accounts. These accounts are 391, 393, 394, 395, 397, and 398. These accounts collectively represent less than two percent of EPE's depreciable plant.

Q. PLEASE USE AN EXAMPLE TO ILLUSTRATE HOW THE ANNUAL DEPRECIATION ACCRUAL RATE FOR A PARTICULAR GROUP OF PROPERTY IS PRESENTED IN YOUR DEPRECIATION STUDY.

A. I will use Account 353, Station Equipment, as an example because it is one of the largest depreciable mass accounts and represents approximately six percent of total depreciable plant or thirty-five percent of transmission plant.

The retirement rate method was used to analyze the survivor characteristics of this property group. Aged plant accounting data was compiled from 1993 through 2019 and analyzed in periods that best represent the overall service life of this property. The life table for the 1993-2019 experience band is presented on pages VII-45 and VII-46 of the Depreciation Study. The life table displays the retirement and surviving ratios of the aged plant data exposed to retirement by age interval. For example, page VII-45 shows $289,681 retired at age 5.5 with $98,507,346 exposed to retirement. Consequently, the retirement ratio is 0.0029 and the surviving ratio is 0.9971. This life table, or original survivor curve, is plotted along with the estimated smooth survivor curve, the 50-R4, on page VII-44.

The net salvage percent is presented on pages VIII-21 and VIII-22. The percentage is based on the result of annual gross salvage minus the cost to remove plant assets as compared to the original cost of plant retired during the period 1993 through 2019. The 27-year period experienced $272,653 ($6 - $272,659) in net salvage for $5,749,111 plant retired. The result is negative net salvage of 5 percent ($272,653/$5,749,111) and the most recent five-year result is negative net salvage of 22 percent. Therefore, based on industry ranges, historical indications of these assets and EPE's expectations, I determined that negative 5 percent was the most appropriate estimate for this account.

My calculation of the annual depreciation related to the original cost at December 31, 2019 of electric plant is presented on pages IX-62 and IX-63. The calculation is based on the 50-R4 survivor curve, 5 percent negative net salvage, the attained age, and the allocated book reserve. The tabulation sets forth the installation year, the original cost, calculated accrued depreciation, allocated book reserve, future accruals, remaining life, and annual accrual. These totals are brought forward to the table on page VI-7.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company) Docket No. ER22-___-000

VERIFICATION

Pursuant to 28 U.S.C. § 1746 (2000), I state under penalty of perjury that I am the John J. Spanos referred to in the foregoing "Prepared Direct Testimony of John J. Spanos on Behalf of El Paso Electric Company," that I have read the same and am familiar with the contents thereof, and that the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

Executed this 29th day of October, 2021.

John J Spanos
JOHN J. SPANOS

EPE-0030 Spanos Qualification Statement

JOHN SPANOS

DEPRECIATION EXPERIENCE

Q. Please state your name.

A. My name is John J. Spanos.

Q. What is your educational background?

A. I have Bachelor of Science degrees in Industrial Management and Mathematics from Carnegie-Mellon University and a Master of Business Administration from York College.

Q. Do you belong to any professional societies?

A. Yes. I am a member and past President of the Society of Depreciation Professionals and a member of the American Gas Association/Edison Electric Institute Industry Accounting Committee.

Q. Do you hold any special certification as a depreciation expert?

A. Yes. The Society of Depreciation Professionals has established national standards for depreciation professionals. The Society administers an examination to become certified in this field. I passed the certification exam in September 1997 and was recertified in August 2003, February 2008, January 2013 and February 2018.

Q. Please outline your experience in the field of depreciation.

A. In June 1986, I was employed by Gannett Fleming Valuation and Rate Consultants, Inc. as a Depreciation Analyst. During the period from June 1986 through December 1995, I helped prepare numerous depreciation and original cost studies for utility companies in various industries. I helped perform depreciation studies for the following telephone companies: United Telephone of Pennsylvania, United Telephone of New Jersey, and Anchorage Telephone Utility. I helped perform depreciation studies for the following companies in the railroad industry: Union Pacific Railroad, Burlington Northern Railroad, and Wisconsin Central Transportation Corporation.

I helped perform depreciation studies for the following organizations in the electric utility industry: Chugach Electric Association, The Cincinnati Gas and Electric Company (CG&E), The Union Light, Heat and Power Company (ULH&P), Northwest Territories Power Corporation, and the City of Calgary - Electric System.

I helped perform depreciation studies for the following pipeline companies: TransCanada Pipelines Limited, Trans Mountain Pipe Line Company Ltd., Interprovincial Pipe Line Inc., Nova Gas Transmission Limited and Lakehead Pipeline Company.

I helped perform depreciation studies for the following gas utility companies: Columbia Gas of Pennsylvania, Columbia Gas of Maryland, The Peoples Natural Gas Company, T. W. Phillips Gas & Oil Company, CG&E, ULH&P, Lawrenceburg Gas Company and Penn Fuel Gas, Inc.

I helped perform depreciation studies for the following water utility companies: Indiana-American Water Company, Consumers Pennsylvania Water Company and The York Water Company; and depreciation and original cost studies for Philadelphia Suburban Water Company and Pennsylvania-American Water Company.

In each of the above studies, I assembled and analyzed historical and simulated data, performed field reviews, developed preliminary estimates of service life and net salvage, calculated annual depreciation, and prepared reports for submission to state public utility commissions or federal regulatory agencies. I performed these studies under the general direction of William M. Stout, P.E.

In January 1996, I was assigned to the position of Supervisor of Depreciation Studies. In July 1999, I was promoted to the position of Manager, Depreciation and

Valuation Studies. In December 2000, I was promoted to the position as Vice-President of Gannett Fleming Valuation and Rate Consultants, Inc., in April 2012, I was promoted to the position as Senior Vice President of the Valuation and Rate Division of Gannett Fleming Inc. (now doing business as Gannett Fleming Valuation and Rate Consultants, LLC) and in January of 2019, I was promoted to my present position of President of Gannett Fleming Valuation and Rate Consultants, LLC. In my current position I am responsible for conducting all depreciation, valuation and original cost studies, including the preparation of final exhibits and responses to data requests for submission to the appropriate regulatory bodies.

Since January 1996, I have conducted depreciation studies similar to those previously listed including assignments for Pennsylvania-American Water Company; Aqua Pennsylvania; Kentucky-American Water Company; Virginia-American Water Company; Indiana-American Water Company; Iowa-American Water Company; New Jersey-American Water Company; Hampton Water Works Company; Omaha Public Power District; Enbridge Pipe Line Company; Inc.; Columbia Gas of Virginia, Inc.; Virginia Natural Gas Company National Fuel Gas Distribution Corporation - New York and Pennsylvania Divisions; The City of Bethlehem - Bureau of Water; The City of Coatesville Authority; The City of Lancaster - Bureau of Water; Peoples Energy Corporation; The York Water Company; Public Service Company of Colorado; Enbridge Pipelines; Enbridge Gas Distribution, Inc.; Reliant Energy-HLP; Massachusetts-American Water Company; St. Louis County Water Company; Missouri-American Water Company; Chugach Electric Association; Alliant Energy; Oklahoma Gas & Electric Company; Nevada Power Company; Dominion Virginia Power; NUI-Virginia Gas Companies; Pacific Gas & Electric Company; PSI Energy; NUI - Elizabethtown Gas Company; Cinergy Corporation – CG&E; Cinergy Corporation – ULH&P; Columbia Gas of Kentucky; South Carolina Electric & Gas Company; Idaho Power Company; El Paso

Electric Company; Aqua North Carolina; Aqua Ohio; Aqua Texas, Inc.; Aqua Illinois, Inc.; Ameren Missouri; Central Hudson Gas & Electric; Centennial Pipeline Company; CenterPoint Energy-Arkansas; CenterPoint Energy – Oklahoma; CenterPoint Energy – Entex; CenterPoint Energy - Louisiana; NSTAR – Boston Edison Company; Westar Energy, Inc.; United Water Pennsylvania; PPL Electric Utilities; PPL Gas Utilities; Wisconsin Power & Light Company; TransAlaska Pipeline; Avista Corporation; Northwest Natural Gas; Allegheny Energy Supply, Inc.; Public Service Company of North Carolina; South Jersey Gas Company; Duquesne Light Company; MidAmerican Energy Company; Laclede Gas; Duke Energy Company; E.ON U.S. Services Inc.; Elkton Gas Services; Anchorage Water and Wastewater Utility; Kansas City Power and Light; Duke Energy North Carolina; Duke Energy South Carolina; Monongahela Power Company; Potomac Edison Company; Duke Energy Ohio Gas; Duke Energy Kentucky; Duke Energy Indiana; Duke Energy Progress; Northern Indiana Public Service Company; Tennessee-American Water Company; Columbia Gas of Maryland; Maryland-American Water Company; Bonneville Power Administration; NSTAR Electric and Gas Company; EPCOR Distribution, Inc.; B. C. Gas Utility, Ltd; Entergy Arkansas; Entergy Texas; Entergy Mississippi; Entergy Louisiana; Entergy Gulf States Louisiana; the Borough of Hanover; Louisville Gas and Electric Company; Kentucky Utilities Company; Madison Gas and Electric; Central Maine Power; PEPCO; PacifiCorp; Minnesota Energy Resource Group; Jersey Central Power & Light Company; Cheyenne Light, Fuel and Power Company; United Water Arkansas; Central Vermont Public Service Corporation; Green Mountain Power; Portland General Electric Company; Atlantic City Electric; Nicor Gas Company; Black Hills Power; Black Hills Colorado Gas; Black Hills Kansas Gas; Black Hills Service Company; Black Hills Utility Holdings; Public Service Company of Oklahoma; City of

Dubois; Peoples Gas Light and Coke Company; North Shore Gas Company; Connecticut Light and Power; New York State Electric and Gas Corporation; Rochester Gas and Electric Corporation; Greater Missouri Operations; Tennessee Valley Authority; Omaha Public Power District; Indianapolis Power & Light Company; Vermont Gas Systems, Inc.; Metropolitan Edison; Pennsylvania Electric; West Penn Power; Pennsylvania Power; PHI Service Company - Delmarva Power and Light; Atmos Energy Corporation; Citizens Energy Group; PSE&G Company; Berkshire Gas Company; Alabama Gas Corporation; Mid-Atlantic Interstate Transmission, LLC; SUEZ Water; WEC Energy Group; Rocky Mountain Natural Gas, LLC; Illinois-American Water Company; Northern Illinois Gas Company; Public Service of New Hampshire and Newtown Artesian Water Company.

My additional duties include determining final life and salvage estimates, conducting field reviews, presenting recommended depreciation rates to management for its consideration and supporting such rates before regulatory bodies.

Q. Have you submitted testimony to any state utility commission on the subject of utility plant depreciation?

A. Yes. I have submitted testimony to the Pennsylvania Public Utility Commission; the Commonwealth of Kentucky Public Service Commission; the Public Utilities Commission of Ohio; the Nevada Public Utility Commission; the Public Utilities Board of New Jersey; the Missouri Public Service Commission; the Massachusetts Department of Telecommunications and Energy; the Alberta Energy & Utility Board; the Idaho Public Utility Commission; the Louisiana Public Service Commission; the State Corporation Commission of Kansas; the Oklahoma Corporate Commission; the Public Service Commission of South Carolina; Railroad Commission of Texas – Gas Services Division; the New York Public Service Commission; Illinois Commerce Commission; the Indiana

Utility Regulatory Commission; the California Public Utilities Commission; the Federal Energy Regulatory Commission ("FERC"); the Arkansas Public Service Commission; the Public Utility Commission of Texas; Maryland Public Service Commission; Washington Utilities and Transportation Commission; The Tennessee Regulatory Commission; the Regulatory Commission of Alaska; Minnesota Public Utility Commission; Utah Public Service Commission; District of Columbia Public Service Commission; the Mississippi Public Service Commission; Delaware Public Service Commission; Virginia State Corporation Commission; Colorado Public Utility Commission; Oregon Public Utility Commission; South Dakota Public Utilities Commission; Wisconsin Public Service Commission; Wyoming Public Service Commission; the Public Service Commission of West Virginia; Maine Public Utility Commission; Iowa Utility Board; Connecticut Public Utilities Regulatory Authority; New Mexico Public Regulation Commission; Commonwealth of Massachusetts Department of Public Utilities; Rhode Island Public Utilities Commission and the North Carolina Utilities Commission.

Q. Have you had any additional education relating to utility plant depreciation?

A. Yes. I have completed the following courses conducted by Depreciation Programs, Inc.: "Techniques of Life Analysis," "Techniques of Salvage and Depreciation Analysis," "Forecasting Life and Salvage," "Modeling and Life Analysis Using Simulation," and "Managing a Depreciation Study." I have also completed the "Introduction to Public Utility Accounting" program conducted by the American Gas Association.

Q. Does this conclude your qualification statement?

A. Yes.

LIST OF CASES IN WHICH JOHN J. SPANOS SUBMITTED TESTIMONY

	Year	Jurisdiction	Docket No.	Client Utility	Subject
01.	1998	PA PUC	R-00984375	City of Bethlehem – Bureau of Water	Original Cost and Depreciation
02.	1998	PA PUC	R-00984567	City of Lancaster	Original Cost and Depreciation
03.	1999	PA PUC	R-00994605	The York Water Company	Depreciation
04.	2000	D.T.&E.	DTE 00-105	Massachusetts-American Water Company	Depreciation
05.	2001	PA PUC	R-00016114	City of Lancaster	Original Cost and Depreciation
06.	2001	PA PUC	R-00017236	The York Water Company	Depreciation
07.	2001	PA PUC	R-00016339	Pennsylvania-American Water Company	Depreciation
08.	2001	OH PUC	01-1228-GA-AIR	Cinergy Corp – Cincinnati Gas & Elect Company	Depreciation
09.	2001	KY PSC	2001-092	Cinergy Corp – Union Light, Heat & Power Co.	Depreciation
10.	2002	PA PUC	R-00016750	Philadelphia Suburban Water Company	Depreciation
11.	2002	KY PSC	2002-00145	Columbia Gas of Kentucky	Depreciation
12.	2002	NJ BPU	GF02040245	NUI Corporation/Elizabethtown Gas Company	Depreciation
13.	2002	ID PUC	IPC-E-03-7	Idaho Power Company	Depreciation
14.	2003	PA PUC	R-0027975	The York Water Company	Depreciation
15.	2003	IN URC	R-0027975	Cinergy Corp – PSI Energy, Inc.	Depreciation
16.	2003	PA PUC	R-00038304	Pennsylvania-American Water Company	Depreciation
17.	2003	MO PSC	WR-2003-0500	Missouri-American Water Company	Depreciation
18.	2003	FERC	ER03-1274-000	NSTAR-Boston Edison Company	Depreciation
19.	2003	NJ BPU	BPU 03080683	South Jersey Gas Company	Depreciation
20.	2003	NV PUC	03-10001	Nevada Power Company	Depreciation
21.	2003	LA PSC	U-27676	CenterPoint Energy – Arkla	Depreciation
22.	2003	PA PUC	R-00038805	Pennsylvania Suburban Water Company	Depreciation
23.	2004	AB En/Util Bd	1306821	EPCOR Distribution, Inc.	Depreciation
24.	2004	PA PUC	R-00038168	National Fuel Gas Distribution Corp (PA)	Depreciation
25.	2004	PA PUC	R-00049255	PPL Electric Utilities	Depreciation
26.	2004	PA PUC	R-00049165	The York Water Company	Depreciation
27.	2004	OK Corp Cm	PUC 200400187	CenterPoint Energy – Arkla	Depreciation
28.	2004	OH PUC	04-680-El-AIR	Cinergy Corp. – Cincinnati Gas and Electric Company	Depreciation
29.	2004	RR Com of TX	GUD#	CenterPoint Energy – Entex Gas Services Div.	Depreciation
30.	2004	NY PUC	04-G-1047	National Fuel Gas Distribution Gas (NY)	Depreciation
31.	2004	AR PSC	04-121-U	CenterPoint Energy – Arkla	Depreciation
32.	2005	IL CC	05-ICC-06	North Shore Gas Company	Depreciation
33.	2005	IL CC	05-ICC-06	Peoples Gas Light and Coke Company	Depreciation
34.	2005	KY PSC	2005-00042	Union Light Heat & Power	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
35.	2005	IL CC	05-0308	MidAmerican Energy Company	Depreciation
36.	2005	MO PSC	GF-2005	Laclede Gas Company	Depreciation
37.	2005	KS CC	05-WSEE-981-RTS	Westar Energy	Depreciation
38.	2005	RR Com of TX	GUD #	CenterPoint Energy – Entex Gas Services Div.	Depreciation
39.	2005	US District Court	Cause No. 1:99-CV-1693-LJM/VSS	Cinergy Corporation	Accounting
40.	2005	OK CC	PUD 200500151	Oklahoma Gas and Electric Company	Depreciation
41.	2005	MA Dept Tele-com & Ergy	DTE 05-85	NSTAR	Depreciation
42.	2005	NY PUC	05-E-934/05-G-0935	Central Hudson Gas & Electric Company	Depreciation
43.	2005	AK Reg Com	U-04-102	Chugach Electric Association	Depreciation
44.	2005	CA PUC	A05-12-002	Pacific Gas & Electric	Depreciation
45.	2006	PA PUC	R-00051030	Aqua Pennsylvania, Inc.	Depreciation
46.	2006	PA PUC	R-00051178	T.W. Phillips Gas and Oil Company	Depreciation
47.	2006	NC Util Cm.	G-5, Sub522	Pub. Service Company of North Carolina	Depreciation
48.	2006	PA PUC	R-00051167	City of Lancaster	Depreciation
49.	2006	PA PUC	R00061346	Duquesne Light Company	Depreciation
50.	2006	PA PUC	R-00061322	The York Water Company	Depreciation
51.	2006	PA PUC	R-00051298	PPL GAS Utilities	Depreciation
52.	2006	PUC of TX	32093	CenterPoint Energy – Houston Electric	Depreciation
53.	2006	KY PSC	2006-00172	Duke Energy Kentucky	Depreciation
54.	2006	SC PSC		SCANA	Accounting
55.	2006	AK Reg Com	U-06-6	Municipal Light and Power	Depreciation
56.	2006	DE PSC	06-284	Delmarva Power and Light	Depreciation
57.	2006	IN URC	IURC43081	Indiana American Water Company	Depreciation
58.	2006	AK Reg Com	U-06-134	Chugach Electric Association	Depreciation
59.	2006	MO PSC	WR-2007-0216	Missouri American Water Company	Depreciation
60.	2006	FERC	IS05-82-002, et al	TransAlaska Pipeline	Depreciation
61.	2006	PA PUC	R-00061493	National Fuel Gas Distribution Corp. (PA)	Depreciation
62.	2007	NC Util Com.	E-7 SUB 828	Duke Energy Carolinas, LLC	Depreciation
63.	2007	OH PSC	08-709-EL-AIR	Duke Energy Ohio Gas	Depreciation
64.	2007	PA PUC	R-00072155	PPL Electric Utilities Corporation	Depreciation
65.	2007	KY PSC	2007-00143	Kentucky American Water Company	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
66.	2007	PA PUC	R-00072229	Pennsylvania American Water Company	Depreciation
67.	2007	KY PSC	2007-0008	NiSource – Columbia Gas of Kentucky	Depreciation
68.	2007	NY PSC	07-G-0141	National Fuel Gas Distribution Corp (NY)	Depreciation
69.	2008	AK PSC	U-08-004	Anchorage Water & Wastewater Utility	Depreciation
70.	2008	TN Reg Auth	08-00039	Tennessee-American Water Company	Depreciation
71.	2008	DE PSC	08-96	Artesian Water Company	Depreciation
72.	2008	PA PUC	R-2008-2023067	The York Water Company	Depreciation
73.	2008	KS CC	08-WSEE1-RTS	Westar Energy	Depreciation
74.	2008	IN URC	43526	Northern Indiana Public Service Company	Depreciation
75.	2008	IN URC	43501	Duke Energy Indiana	Depreciation
76.	2008	MD PSC	9159	NiSource – Columbia Gas of Maryland	Depreciation
77.	2008	KY PSC	2008-000251	Kentucky Utilities	Depreciation
78.	2008	KY PSC	2008-000252	Louisville Gas & Electric	Depreciation
79.	2008	PA PUC	2008-20322689	Pennsylvania American Water Co. - Wastewater	Depreciation
80.	2008	NY PSC	08-E887/08-00888	Central Hudson	Depreciation
81.	2008	WV TC	VE-080416/VG-8080417	Avista Corporation	Depreciation
82.	2008	IL CC	ICC-09-166	Peoples Gas, Light and Coke Company	Depreciation
83.	2009	IL CC	ICC-09-167	North Shore Gas Company	Depreciation
84.	2009	DC PSC	1076	Potomac Electric Power Company	Depreciation
85.	2009	KY PSC	2009-00141	NiSource – Columbia Gas of Kentucky	Depreciation
86.	2009	FERC	ER08-1056-002	Entergy Services	Depreciation
87.	2009	PA PUC	R-2009-2097323	Pennsylvania American Water Company	Depreciation
88.	2009	NC Util Cm	E-7, Sub 090	Duke Energy Carolinas, LLC	Depreciation
89.	2009	KY PSC	2009-00202	Duke Energy Kentucky	Depreciation
90.	2009	VA St. CC	PUE-2009-00059	Aqua Virginia, Inc.	Depreciation
91.	2009	PA PUC	2009-2132019	Aqua Pennsylvania, Inc.	Depreciation
92.	2009	MS PSC	Docket No. 2011-UA-183	Entergy Mississippi	Depreciation
93.	2009	AK PSC	09-08-U	Entergy Arkansas	Depreciation
94.	2009	TX PUC	37744	Entergy Texas	Depreciation
95.	2009	TX PUC	37690	El Paso Electric Company	Depreciation
96.	2009	PA PUC	R-2009-2106908	The Borough of Hanover	Depreciation
97.	2009	KS CC	10-KCPE-415-RTS	Kansas City Power & Light	Depreciation
98.	2009	PA PUC	R-2009-	United Water Pennsylvania	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
99.	2009	OH PUC		Aqua Ohio Water Company	Depreciation
100.	2009	WI PSC	3270-DU-103	Madison Gas & Electric Company	Depreciation
101.	2009	MO PSC	WR-2010	Missouri American Water Company	Depreciation
102.	2009	AK Reg Cm	U-09-097	Chugach Electric Association	Depreciation
103.	2010	IN URC	43969	Northern Indiana Public Service Company	Depreciation
104.	2010	WI PSC	6690-DU-104	Wisconsin Public Service Corp.	Depreciation
105.	2010	PA PUC	R-2010-2161694	PPL Electric Utilities Corp.	Depreciation
106.	2010	KY PSC	2010-00036	Kentucky American Water Company	Depreciation
107.	2010	PA PUC	R-2009-2149262	Columbia Gas of Pennsylvania	Depreciation
108.	2010	MO PSC	GR-2010-0171	Laclede Gas Company	Depreciation
109.	2010	SC PSC	2009-489-E	South Carolina Electric & Gas Company	Depreciation
110.	2010	NJ BD OF PU	ER09080664	Atlantic City Electric	Depreciation
111.	2010	VA St. CC	PUE-2010-00001	Virginia American Water Company	Depreciation
112.	2010	PA PUC	R-2010-2157140	The York Water Company	Depreciation
113.	2010	MO PSC	ER-2010-0356	Greater Missouri Operations Company	Depreciation
114.	2010	MO PSC	ER-2010-0355	Kansas City Power and Light	Depreciation
115.	2010	PA PUC	R-2010-2167797	T.W. Phillips Gas and Oil Company	Depreciation
116.	2010	PSC SC	2009-489-E	SCANA – Electric	Depreciation
117.	2010	PA PUC	R-2010-22010702	Peoples Natural Gas, LLC	Depreciation
118.	2010	AK PSC	10-067-U	Oklahoma Gas and Electric Company	Depreciation
119.	2010	IN URC	Cause No. 43894	Northern Indiana Public Serv. Company - NIFL	Depreciation
120.	2010	IN URC	Cause No. 43894	Northern Indiana Public Serv. Co. - Kokomo	Depreciation
121.	2010	PA PUC	R-2010-2166212	Pennsylvania American Water Co. - WW	Depreciation
122.	2010	NC Util Cn.	W-218,SUB310	Aqua North Carolina, Inc.	Depreciation
123.	2011	OH PUC	11-4161-WS-AIR	Ohio American Water Company	Depreciation
124.	2011	MS PSC	EC-123-0082-00	Entergy Mississippi	Depreciation
125.	2011	CO PUC	11AL-387E	Black Hills Colorado	Depreciation
126.	2011	PA PUC	R-2010-2215623	Columbia Gas of Pennsylvania	Depreciation
127.	2011	PA PUC	R-2010-2179103	City of Lancaster – Bureau of Water	Depreciation
128.	2011	IN URC	43114 IGCC 4S	Duke Energy Indiana	Depreciation
129.	2011	FERC	IS11-146-000	Enbridge Pipelines (Southern Lights)	Depreciation
130.	2011	IL CC	11-0217	MidAmerican Energy Corporation	Depreciation
131.	2011	OK CC	201100087	Oklahoma Gas & Electric Company	Depreciation
132.	2011	PA PUC	2011-2232243	Pennsylvania American Water Company	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
133.	2011	FERC	RP11-___-000	Carolina Gas Transmission	Depreciation
134.	2012	WA UTC	UE-120436/UG-120437	Avista Corporation	Depreciation
135.	2012	AK Reg Cm	U-12-009	Chugach Electric Association	Depreciation
136.	2012	MA PUC	DPU 12-25	Columbia Gas of Massachusetts	Depreciation
137.	2012	TX PUC	40094	El Paso Electric Company	Depreciation
138.	2012	ID PUC	IPC-E-12	Idaho Power Company	Depreciation
139.	2012	PA PUC	R-2012-2290597	PPL Electric Utilities	Depreciation
140.	2012	PA PUC	R-2012-2311725	Borough of Hanover – Bureau of Water	Depreciation
141.	2012	KY PSC	2012-00222	Louisville Gas and Electric Company	Depreciation
142.	2012	KY PSC	2012-00221	Kentucky Utilities Company	Depreciation
143.	2012	PA PUC	R-2012-2285985	Peoples Natural Gas Company	Depreciation
144.	2012	DC PSC	Case 1087	Potomac Electric Power Company	Depreciation
145.	2012	OH PSC	12-1682-EL-AIR	Duke Energy Ohio (Electric)	Depreciation
146.	2012	OH PSC	12-1685-GA-AIR	Duke Energy Ohio (Gas)	Depreciation
147.	2012	PA PUC	R-2012-2310366	City of Lancaster – Sewer Fund	Depreciation
148.	2012	PA PUC	R-2012-2321748	Columbia Gas of Pennsylvania	Depreciation
149.	2012	FERC	ER-12-2681-000	ITC Holdings	Depreciation
150.	2012	MO PSC	ER-2012-0174	Kansas City Power and Light	Depreciation
151.	2012	MO PSC	ER-2012-0175	KCPL Greater Missouri Operations Company	Depreciation
152.	2012	MO PSC	GO-2012-0363	Laclede Gas Company	Depreciation
153.	2012	MN PUC	G007,001/D-12-533	Integrys – MN Energy Resource Group	Depreciation
154.	2012	TX PUC	SOAH 582-14-1051/ TECQ 2013-2007-UCR	Aqua Texas	Depreciation
155.	2012	PA PUC	2012-2336379	York Water Company	Depreciation
156.	2013	NJ BPU	ER12121071	PHI Service Company– Atlantic City Electric	Depreciation
157.	2013	KY PSC	2013-00167	Columbia Gas of Kentucky	Depreciation
158.	2013	VA St CC	2013-00020	Virginia Electric and Power Company	Depreciation
159.	2013	IA Util Bd	2013-0004	MidAmerican Energy Corporation	Depreciation
160.	2013	PA PUC	2013-2355276	Pennsylvania American Water Company	Depreciation
161.	2013	NY PSC	13-E-0030, 13-G-0031, 13-S-0032	Consolidated Edison of New York	Depreciation
162.	2013	PA PUC	2013-2355886	Peoples TWP LLC	Depreciation
163.	2013	TN Reg Auth	12-0504	Tennessee American Water	Depreciation
164.	2013	ME PUC	2013-168	Central Maine Power Company	Depreciation
165.	2013	DC PSC	Case 1103	PHI Service Company – PEPCO	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
166.	2013	WY PSC	2003-ER-13	Cheyenne Light, Fuel and Power Company	Depreciation
167.	2013	FERC	ER13-2428-0000	Kentucky Utilities	Depreciation
168.	2013	FERC	ER13- -0000	MidAmerican Energy Company	Depreciation
169.	2013	FERC	ER13-2410-0000	PPL Utilities	Depreciation
170.	2013	PA PUC	R-2013-2372129	Duquesne Light Company	Depreciation
171.	2013	NJ BPU	ER12111052	Jersey Central Power and Light Company	Depreciation
172.	2013	PA PUC	R-2013-2390244	Bethlehem, City of – Bureau of Water	Depreciation
173.	2013	OK CC	UM 1679	Oklahoma, Public Service Company of	Depreciation
174.	2013	IL CC	13-0500	Nicor Gas Company	Depreciation
175.	2013	WY PSC	20000-427-EA-13	PacifiCorp	Depreciation
176.	2013	UT PSC	13-035-02	PacifiCorp	Depreciation
177.	2013	OR PUC	UM 1647	PacifiCorp	Depreciation
178.	2013	PA PUC	2013-2350509	Dubois, City of	Depreciation
179.	2014	IL CC	14-0224	North Shore Gas Company	Depreciation
180.	2014	FERC	ER14- -0000	Duquesne Light Company	Depreciation
181.	2014	SD PUC	EL14-026	Black Hills Power Company	Depreciation
182.	2014	WY PSC	20002-91-ER-14	Black Hills Power Company	Depreciation
183.	2014	PA PUC	2014-2428304	Borough of Hanover – Municipal Water Works	Depreciation
184.	2014	PA PUC	2014-2406274	Columbia Gas of Pennsylvania	Depreciation
185.	2014	IL CC	14-0225	Peoples Gas Light and Coke Company	Depreciation
186.	2014	MO PSC	ER-2014-0258	Ameren Missouri	Depreciation
187.	2014	KS CC	14-BHCG-502-RTS	Black Hills Service Company	Depreciation
188.	2014	KS CC	14-BHCG-502-RTS	Black Hills Utility Holdings	Depreciation
189.	2014	KS CC	14-BHCG-502-RTS	Black Hills Kansas Gas	Depreciation
190.	2014	PA PUC	2014-2418872	Lancaster, City of – Bureau of Water	Depreciation
191.	2014	WV PSC	14-0701-E-D	First Energy – MonPower/PotomacEdison	Depreciation
192	2014	VA St CC	PUC-2014-00045	Aqua Virginia	Depreciation
193.	2014	VA St CC	PUE-2013	Virginia American Water Company	Depreciation
194.	2014	OK CC	PUD201400229	Oklahoma Gas and Electric Company	Depreciation
195.	2014	OR PUC	UM1679	Portland General Electric	Depreciation
196.	2014	IN URC	Cause No. 44576	Indianapolis Power & Light	Depreciation
197.	2014	MA DPU	DPU. 14-150	NSTAR Gas	Depreciation
198.	2014	CT PURA	14-05-06	Connecticut Light and Power	Depreciation
199.	2014	MO PSC	ER-2014-0370	Kansas City Power & Light	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
200.	2014	KY PSC	2014-00371	Kentucky Utilities Company	Depreciation
201.	2014	KY PSC	2014-00372	Louisville Gas and Electric Company	Depreciation
202.	2015	PA PUC	R-2015-2462723	United Water Pennsylvania Inc.	Depreciation
203.	2015	PA PUC	R-2015-2468056	NiSource - Columbia Gas of Pennsylvania	Depreciation
204.	2015	NY PSC	15-E-0283/15-G-0284	New York State Electric and Gas Corporation	Depreciation
205.	2015	NY PSC	15-E-0285/15-G-0286	Rochester Gas and Electric Corporation	Depreciation
206.	2015	MO PSC	WR-2015-0301/SR-2015-0302	Missouri American Water Company	Depreciation
207.	2015	OK CC	PUD 201500208	Oklahoma, Public Service Company of	Depreciation
208.	2015	WV PSC	15-0676-W-42T	West Virginia American Water Company	Depreciation
209.	2015	PA PUC	2015-2469275	PPL Electric Utilities	Depreciation
210.	2015	IN URC	Cause No. 44688	Northern Indiana Public Service Company	Depreciation
211.	2015	OH PSC	14-1929-EL-RDR	First Energy-Ohio Edison/Cleveland Electric/ Toledo Edison	Depreciation
212.	2015	NM PRC	15-00127-UT	El Paso Electric	Depreciation
213.	2015	TX PUC	PUC-44941; SOAH 473-15-5257	El Paso Electric	Depreciation
214.	2015	WI PSC	3270-DU-104	Madison Gas and Electric Company	Depreciation
215.	2015	OK CC	PUD 201500273	Oklahoma Gas and Electric	Depreciation
216.	2015	KY PSC	Doc. No. 2015-00418	Kentucky American Water Company	Depreciation
217.	2015	NC UC	Doc. No. G-5, Sub 565	Public Service Company of North Carolina	Depreciation
218.	2016	WA UTC	Docket UE-17	Puget Sound Energy	Depreciation
219.	2016	NY PSC	Case No. 16-W-0130	SUEZ Water New York, Inc.	Depreciation
220.	2016	MO PSC	ER-2016-0156	KCPL – Greater Missouri	Depreciation
221.	2016	WI PSC		Wisconsin Public Service Corporation	Depreciation
222.	2016	KY PSC	Case No. 2016-00026	Kentucky Utilities Company	Depreciation
223.	2016	KY PSC	Case No. 2016-00027	Louisville Gas and Electric Company	Depreciation
224.	2016	OH PUC	Case No. 16-0907-WW-AIR	Aqua Ohio	Depreciation
225.	2016	MD PSC	Case 9417	NiSource - Columbia Gas of Maryland	Depreciation
226.	2016	KY PSC	2016-00162	Columbia Gas of Kentucky	Depreciation
227.	2016	DE PSC	16-0649	Delmarva Power and Light Company – Electric	Depreciation
228.	2016	DE PSC	16-0650	Delmarva Power and Light Company – Gas	Depreciation
229.	2016	NY PSC	Case 16-G-0257	National Fuel Gas Distribution Corp – NY Div	Depreciation
230.	2016	PA PUC	R-2016-2537349	Metropolitan Edison Company	Depreciation
231.	2016	PA PUC	R-2016-2537352	Pennsylvania Electric Company	Depreciation
232.	2016	PA PUC	R-2016-2537355	Pennsylvania Power Company	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
233.	2016	PA PUC	R-2016-2537359	West Penn Power Company	Depreciation
234.	2016	PA PUC	R-2016-2529660	NiSource - Columbia Gas of PA	Depreciation
235.	2016	KY PSC	Case No. 2016-00063	Kentucky Utilities / Louisville Gas & Electric Co	Depreciation
236.	2016	MO PSC	ER-2016-0285	KCPL Missouri	Depreciation
237.	2016	AR PSC	16-052-U	Oklahoma Gas & Electric Co	Depreciation
238.	2016	PSCW	6680-DU-104	Wisconsin Power and Light	Depreciation
239.	2016	ID PUC	IPC-E-16-23	Idaho Power Company	Depreciation
240.	2016	OR PUC	UM1801	Idaho Power Company	Depreciation
241.	2016	ILL CC	16-	MidAmerican Energy Company	Depreciation
242.	2016	KY PSC	Case No. 2016-00370	Kentucky Utilities Company	Depreciation
243.	2016	KY PSC	Case No. 2016-00371	Louisville Gas and Electric Company	Depreciation
244.	2016	IN URC	Cause No. 45029	Indianapolis Power & Light	Depreciation
245.	2016	AL RC	U-16-081	Chugach Electric Association	Depreciation
246.	2017	MA DPU	D.P.U. 17-05	NSTAR Electric Company and Western Massachusetts Electric Company	Depreciation
247.	2017	TX PUC	PUC-26831, SOAH 973-17-2686	El Paso Electric Company	Depreciation
248.	2017	WA UTC	UE-17033 and UG-170034	Puget Sound Energy	Depreciation
249.	2017	OH PUC	Case No. 17-0032-EL-AIR	Duke Energy Ohio	Depreciation
250.	2017	VA SCC	Case No. PUE-2016-00413	Virginia Natural Gas, Inc.	Depreciation
251.	2017	OK CC	Case No. PUD201700151	Public Service Company of Oklahoma	Depreciation
252.	2017	MD PSC	Case No. 9447	Columbia Gas of Maryland	Depreciation
253.	2017	NC UC	Docket No. E-2, Sub 1142	Duke Energy Progress	Depreciation
254.	2017	VA SCC	Case No. PUR-2017-00090	Dominion Virginia Electric and Power Company	Depreciation
255.	2017	FERC	ER17-1162	MidAmerican Energy Company	Depreciation
256.	2017	PA PUC	R-2017-2595853	Pennsylvania American Water Company	Depreciation
257.	2017	OR PUC	UM1809	Portland General Electric	Depreciation
258.	2017	FERC	ER17-217-000	Jersey Central Power & Light	Depreciation
259.	2017	FERC	ER17-211-000	Mid-Atlantic Interstate Transmission, LLC	Depreciation
260.	2017	MN PUC	Docket No. G007/D-17-442	Minnesota Energy Resources Corporation	Depreciation
261.	2017	IL CC	Docket No. 17-0124	Northern Illinois Gas Company	Depreciation
262.	2017	OR PUC	UM1808	Northwest Natural Gas Company	Depreciation
263.	2017	NY PSC	Case No. 17-W-0528	SUEZ Water Owego-Nichols	Depreciation
264.	2017	MO PSC	GR-2017-0215	Laclede Gas Company	Depreciation
265.	2017	MO PSC	GR-2017-0216	Missouri Gas Energy	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
266.	2017	ILL CC	Docket No. 17-0337	Illinois-American Water Company	Depreciation
267.	2017	FERC	Docket No. ER18-22-000	PPL Electric Utilities Corporation	Depreciation
268.	2017	IN URC	Cause No. 44988	Northern Indiana Public Service Company	Depreciation
269.	2017	NJ BPU	BPU Docket No. WR17090985	New Jersey American Water Company, Inc.	Depreciation
270.	2017	RI PUC	Docket No. 4800	SUEZ Water Rhode Island	Depreciation
271.	2017	OK CC	Cause No. PUD 201700496	Oklahoma Gas and Electric Company	Depreciation
272.	2017	NJ BPU	ER18010029 & GR18010030	Public Service Electric and Gas Company	Depreciation
273.	2017	NC Util Com.	Docket No. E-7, SUB 1146	Duke Energy Carolinas, LLC	Depreciation
274.	2017	KY PSC	Case No. 2017-00321	Duke Energy Kentucky, Inc.	Depreciation
275.	2017	MA DPU	D.P.U. 18-40	Berkshire Gas Company	Depreciation
276.	2018	IN IURC	Cause No. 44992	Indiana-American Water Company, Inc.	Depreciation
277.	2018	IN IURC	Cause No. 45029	Indianapolis Power and Light	Depreciation
278.	2018	NC Util Com.	Docket No. W-218, Sub 497	Aqua North Carolina, Inc.	Depreciation
279.	2018	PA PUC	Docket No. R-2018-2647577	NiSource - Columbia Gas of Pennsylvania, Inc.	Depreciation
280.	2018	OR PUC	Docket UM 1933	Avista Corporation	Depreciation
281.	2018	WA UTC	Docket No. UE-108167	Avista Corporation	Depreciation
282.	2018	ID PUC	AVU-E-18-03, AVU-G-18-02	Avista Corporation	Depreciation
283.	2018	IN URC	Cause No. 45039	Citizens Energy Group	Depreciation
284.	2018	FERC	Docket No. ER18-	Duke Energy Progress	Depreciation
285.	2018	PA PUC	Docket No. R-2018-3000124	Duquesne Light Company	Depreciation
286.	2018	MD PSC	Case No. 948	NiSource - Columbia Gas of Maryland	Depreciation
287.	2018	MA DPU	D.P.U. 18-45	NiSource - Columbia Gas of Massachusetts	Depreciation
288.	2018	OH PUC	Case No. 18-0299-GA-ALT	Vectren Energy Delivery of Ohio	Depreciation
289.	2018	PA PUC	Docket No. R-2018-3000834	SUEZ Water Pennsylvania Inc.	Depreciation
290.	2018	MD PSC	Case No. 9847	Maryland-American Water Company	Depreciation
291.	2018	PA PUC	Docket No. R-2018-3000019	The York Water Company	Depreciation
292.	2018	FERC	ER-18-2231-000	Duke Energy Carolinas, LLC	Depreciation
293.	2018	KY PSC	Case No. 2018-00261	Duke Energy Kentucky, Inc.	Depreciation
294.	2018	NJ BPU	BPU Docket No. WR18050593	SUEZ Water New Jersey	Depreciation
295.	2018	WA UTC	Docket No. UE-180778	PacifiCorp	Depreciation
296.	2018	UT PSC	Docket No. 18-035-36	PacifiCorp	Depreciation
297.	2018	OR PUC	Docket No. UM-1968	PacifiCorp	Depreciation
298.	2018	ID PUC	Case No. PAC-E-18-08	PacifiCorp	Depreciation
299.	2018	WY PSC	20000-539-EA-18	PacifiCorp	Depreciation
300.	2018	PA PUC	Docket No. R-2018-3003068	Aqua Pennsylvania, Inc.	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
301.	2018	IL CC	Docket No. 18-1467	Aqua Illinois, Inc.	Depreciation
302.	2018	KY PSC	Case No. 2018-00294	Louisville Gas & Electric Company	Depreciation
303.	2018	KY PSC	Case No. 2018-00295	Kentucky Utilities Company	Depreciation
304.	2018	IN URC	Cause No. 45159	Northern Indiana Public Service Company	Depreciation
305.	2018	VA SCC	Case No. PUR-2019-00175	Virginia American Water Company	Depreciation
306.	2019	PA PUC	Docket No. R-2018-3006818	Peoples Natural Gas Company, LLC	Depreciation
307.	2019	OK CC	Cause No. PUD201800140	Oklahoma Gas and Electric Company	Depreciation
308.	2019	MD PSC	Case No. 9490	FirstEnergy – Potomac Edison	Depreciation
309.	2019	SC PSC	Docket No. 2018-318-E	Duke Energy Progress	Depreciation
310.	2019	SC PSC	Docket No. 2018-319-E	Duke Energy Carolinas	Depreciation
311.	2019	DE PSC	DE 19-057	Public Service of New Hampshire	Depreciation
312.	2019	NY PSC	Case No. 19-W-0168 & 19-W-0269	SUEZ Water New York	Depreciation
313.	2019	PA PUC	Docket No. R-2019-3006904	Newtown Artesian Water Company	Depreciation
314.	2019	MO PSC	ER-2019-0335	Ameren Missouri	Depreciation
315.	2019	MO PSC	EC-2019-0200	KCP&L Greater Missouri Operations Company	Depreciation
316.	2019	MN DOC	G011/D-19-377	Minnesota Energy Resource Corp.	Depreciation
317.	2019	NY PSC	Case 19-E-0378 & 19-G-0379	New York State Electric and Gas Corporation	Depreciation
318.	2019	NY PSC	Case 19-E-0380 & 19-G-0381	Rochester Gas and Electric Corporation	Depreciation
319.	2019	WA UTC	Docket UE-190529 / UG-190530	Puget Sound Energy	Depreciation
320.	2019	PA PUC	Docket No. R-2019-3010955	City of Lancaster	Depreciation
321.	2019	IURC	Cause No. 45253	Duke Energy Indiana	Depreciation
322.	2019	KY PSC	Case No. 2019-00271	Duke Energy Kentucky, Inc.	Depreciation
323.	2019	OH PUC	Case No. 18-1720-GA-AIR	Northeast Ohio Natural Gas Corp	Depreciation
324.	2019	NC Util. Com.	Docket No. E-2, Sub 1219	Duke Energy Carolinas	Depreciation
325.	2019	FERC	Docket No. ER20-277-000	Jersey Central Power & Light Company	Depreciation
326.	2019	MA DPU	D.P.U. 19-120	NSTAR Gas Company	Depreciation
327.	2019	SC PSC	Docket No. 2019-290-WS	Blue Granite Water Company	Depreciation
328.	2019	NC Util. Com.	Docket No. E-2, Sub 1219	Duke Energy Progress	Depreciation
329.	2019	MD PSC	Case No. 9609	NiSource Columbia Gas of Maryland, Inc.	Depreciation
330.	2020	NJ BPU	Docket No. ER20020146	Jersey Central Power & Light Company	Depreciation
331.	2020	PA PUC	Docket No. R-2020-3018835	NiSource - Columbia Gas of Pennsylvania, Inc.	Depreciation
332.	2020	PA PUC	Docket No. R-2020-3019369	Pennsylvania-American Water Company	Depreciation
333.	2020	PA PUC	Docket No. R-2020-3019371	Pennsylvania-American Water Company	Depreciation
334.	2020	MO PSC	GO-2018-0309, GO-2018-0310	Spire Missouri, Inc.	Depreciation
335.	2020	NM PRC	Case No. 20-00104-UT	El Paso Electric Company	Depreciation
336.	2020	MD PSC	Case No. 9644	Columbia Gas of Maryland, Inc.	Depreciation
337.	2020	MO PSC	GO-2018-0309, GO-2018-0310	Spire Missouri, Inc.	Depreciation
338.	2020	VA St CC	Case No. PUR-2020-00095	Virginia Natural Gas Company	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
339.	2020	SC PSC	Docket No. 2020-125-E	Dominion Energy South Carolina, Inc.	Depreciation
340.	2020	WV PSC	Case No. 20-0745-G-D	Hope Gas, Inc. d/b/a Dominion Energy West Virginia	Depreciation
341.	2020	VA St CC	Case No. PUR-2020-00106	Aqua Virginia, Inc.	Depreciation
342.	2020	PA PUC	Docket No. R-2020-3020256	City of Bethlehem – Bureau of Water	Depreciation
343.	2020	NE PSC	Docket No. NG-109	Black Hills Nebraska	Depreciation
344.	2020	NY PSC	Case No. 20-E-0428 & 20-G-0429	Central Hudson Gas & Electric Corporation	Depreciation
345.	2020	FERC	ER20-598	Duke Energy Indiana	Depreciation
346.	2020	FERC	ER20-855	Northern Indiana Public Service Company	Depreciation
347.	2020	OR PSC	UE 374	Pacificorp	Depreciation
348.	2020	MD PSC	Case No. 9490 Phase II	Potomac Edison – Maryland	Depreciation
349.	2020	IN URC	Case No. 45447	Southern Indiana Gas and Electric Company	Depreciation
350.	2020	IN URC	IURC Cause No. 45468	Indiana Gas Company, Inc. d/b/a Vectren Energy	Depreciation
351.	2020	KY PSC	Case No. 2020-00349	Kentucky Utilities Company	Depreciation
352.	2020	KY PSC	Case No. 2020-00350	Louisville Gas and Electric Company	Depreciation
353.	2020	FERC	Docket No. ER21- 000	South FirstEnergy Operating Companies	Depreciation
354.	2020	OH PUC	Case Nos 20-1651-EL-AIR, 20-1652-EL-AAM & 20-1653-EL-ATA	Dayton Power and Light Company	Depreciation
355.	2020	OR PSC	UG 388	Northwest Natural Gas Company	Depreciation
356.	2020	MO PSC	Case No. GR-2021-0241	Ameren Missouri Gas	Depreciation
357.	2021	KY PSC	Case No. 2021-00103	East Kentucky Power Cooperative	Depreciation
358.	2021	MPUC	Docket No. 2021-00024	Bangor Natural Gas	Depreciation
359.	2021	PA PUC	Docket No. R-2021-3024296	Columbia Gas of Pennsylvania, Inc.	Depreciation
360.	2021	NC Util. Com.	Doc. No. G-5, Sub 632	Public Service of North Carolina	Depreciation
361.	2021	MO PSC	ER-2021-0240	Ameren Missouri	Depreciation
362.	2021	PA PUC	Docket No. R-2021-3024750	Duquesne Light Company	Depreciation
363.	2021	KS PSC	21-BHCG-418-RTS	Black Hills Kansas Gas	Depreciation
364.	2021	KY PSC	Case No. 2021-00190	Duke Energy Kentucky	Depreciation
365.	2021	OR PSC	Docket UM 2152	Portland General Electric	Depreciation
366.	2021	ILL CC	Docket No. 20-0810	North Shore Gas Company	Depreciation
367.	2021	FERC	ER21-1939-000	Duke Energy Progress	Depreciation
368.	2021	FERC	ER21-1940-000	Duke Energy Carolina	Depreciation
369.	2021	KY PSC	Case No. 2021-00183	NiSource Columbia Gas of Kentucky	Depreciation
370.	2021	MD PSC	Case No. 9664	NiSource Columbia Gas of Maryland	Depreciation
371.	2021	OH PUC	Case No. 21-0596-ST-AIR	Aqua Ohio	Depreciation
372.	2021	PA PUC	Docket No. R-2021-3026116	Hanover Borough Municipal Water Works	Depreciation
373.	2021	OR PSC	UM-2180	Idaho Power Company	Depreciation
374.	2021	ID PUC	Case No. IPC-E-21-18	Idaho Power Company	Depreciation
375.	2021	WPSC	6690-DU-104	Wisconsin Public Service Company	Depreciation

	Year	Jurisdiction	Docket No.	Client Utility	Subject
376.	2021	PAPUC	Docket No. R-2021-3026116	Borough of Hanover	Depreciation
377.	2021	OH PUC	Case No. 21-637-GA-AIR; Case No. 21-638-GA-ALT; Case No. 21-639-GA-UNC; Case No. 21-640-GA-AAM	NiSource Columbia Gas of Ohio	Depreciation
378.	2021	TX PUC	Texas PUC Docket No. 52195; SOHA Docket No. 473-21-2606	El Paso Electric	Depreciation
379.	2021	MO PSC	Case No. GR.2021-0108	Spire Missouri	Depreciation
380.	2021	WV PSC	Case No. 21-0215-WS-P	West Virginia American Water Company	Depreciation
381.	2021	FERC	ER21-2736	Duke Energy Carolinas	Depreciation
382.	2021	FERC	ER21-2737	Duke Energy Progress	Depreciation
383.	2021	IN URC	Cause #45621	Northern Indiana Public Service Company	Depreciation
384.	2021	PA PUC	Docket No. R-2021-3026682	City of Lancaster	Depreciation
385.	2021	OH PUC	Case No. 21-887-EL-AIR; Case No. 21-888-EL-ATA; Case No. 889-El-AAM	Duke Energy Ohio	Depreciation

El Paso Electric

2019 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2019

Prepared by:

Gannett Fleming

Excellence Delivered ***As Promised***

EL PASO ELECTRIC COMPANY

EL PASO, TEXAS

2019 DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION

ACCRUALS RELATED TO ELECTRIC PLANT

AS OF DECEMBER 31, 2019

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Camp Hill, Pennsylvania

Gannett Fleming

Excellence Delivered **As Promised**

May 13, 2020

El Paso Electric Company
100 N. Stanton Street
El Paso, TX 79901-1463

Attention   Mr. Nathan T. Hirschi
Senior Vice President and Chief Financial Officer

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the electric plant of El Paso Electric Company as of December 31, 2019. The attached report presents a description of the methods used in the estimation of depreciation, the summary of annual depreciation accrual rates, the statistical support for the life and net salvage estimates and the detailed tabulations of annual depreciation.

We gratefully acknowledge the assistance of El Paso Electric personnel in the conduct of this study.

Respectfully submitted,

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

John J. Spanos

JOHN J. SPANOS
President

JJS:mle

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EXECUTIVE SUMMARY

Pursuant to El Paso Electric Company's ("El Paso" or "Company") request, Gannett Fleming Valuation and Rate Consultants, LLC ("Gannett Fleming") conducted a depreciation study related to the electric plant as of December 31, 2019. The purpose of this study was to determine the annual depreciation accrual rates and amounts for book and ratemaking purposes.

The depreciation rates are based on the straight line method using the average service life ("ASL") procedure and were applied on a remaining life basis. The calculations were based on attained ages and estimated average service life, and net salvage characteristics for each depreciable group of assets.

El Paso's accounting policy has not changed since the last depreciation study was prepared. However, there has been significant change in expected life stages of generating facilities, recording retirements of assets as well as the associated cost of removal and gross salvage. These changes have caused the proposed depreciation rates in the depreciation study to change from those currently-approved from the last depreciation study as of December 31, 2014.

Gannett Fleming recommends the calculated annual depreciation accrual rates set forth herein apply specifically to electric plant in service as of December 31, 2019 as summarized by Table 1 of the study. Supporting analysis and calculations are provided within the study.

The study results set forth an annual depreciation expense of $86.0 million when applied to depreciable plant balances as of December 31, 2019. The results are summarized at the functional level as follows:

SUMMARY OF ORIGINAL COST, ACCRUAL RATES AND AMOUNTS

FUNCTION	ORIGINAL COST AS OF DECEMBER 31, 2019	PROPOSED RATE	PROPOSED EXPENSE
Steam Production Plant	$565,455,714.90	3.77	$21,326,362
Gas Turbine Plant	518,021,062.99	3.71	19,226,357
Transmission Plant	532,343,333.89	1.70	9,023,893
Distribution Plant	1,347,787,849.28	2.21	29,846,554
General Plant	171,715,518.71	3.84	6,601,194
Total	**$3,135,323,479.77**	**2.74**	**$86,024,360**

PART I. INTRODUCTION

EL PASO ELECTRIC COMPANY
DEPRECIATION STUDY

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study for El Paso Electric Company ("El Paso"), to determine the annual depreciation accrual rates and amounts for book purposes applicable to the original cost of electric plant as of December 31, 2019. The rates and amounts are based on the straight line remaining life method of depreciation. This report also describes the concepts, methods and judgments which underlie the recommended annual depreciation accrual rates related to electric plant in service as of December 31, 2019.

The service life and net salvage estimates resulting from the study were based on informed judgment which incorporated analyses of historical plant retirement data as recorded through 2019, a review of Company practice and outlook as they relate to plant operation and retirement, and consideration of current practice in the electric industry, including knowledge of service lives and net salvage estimates used for other electric companies.

PLAN OF REPORT

Part I, Introduction, contains statements with respect to the plan of the report, and the basis of the study. Part II, Estimation of Survivor Curves, presents descriptions of the considerations and the methods used in the service life and net salvage studies. Part III, Service Life Considerations, presents the factors and judgment utilized in the average service life analysis. Part IV, Net Salvage Considerations, presents the judgment utilized for the net salvage study. Part V, Calculation of Annual and Accrued Depreciation, describes the procedures used in the calculation of group depreciation.

Part VI, Results of Study, presents summaries by depreciable group of annual depreciation accrual rates and amounts, as well as composite remaining lives. Part VII, Service Life Statistics presents the statistical analysis of service life estimates, Part VIII, Net Salvage Statistics sets forth the statistical indications of net salvage percents, and Part IX, Detailed Depreciation Calculations presents the detailed tabulations of annual depreciation.

BASIS OF THE STUDY

Depreciation

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing electric utility service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight-line method of depreciation.

For most accounts, the annual depreciation was calculated by the straight line method using the average service life procedure and the remaining life basis. For certain General Plant accounts, the annual depreciation is based on amortization accounting. Both types of calculations were based on original cost, attained ages, and estimates of service lives and net salvage.

The straight line method, average service life procedure is a commonly used depreciation calculation procedure that has been widely accepted in jurisdictions throughout North America. Gannett Fleming recommends its continued use. Amortization accounting is used for certain General Plant accounts because of the disproportionate plant accounting effort required when compared to the minimal original cost of the large number of items in these accounts. An explanation of the calculation of annual and accrued amortization is presented beginning on page V-4 of the report.

Service Life and Net Salvage Estimates

The service life and net salvage estimates used in the depreciation and amortization calculations were based on informed judgment which incorporated a review of management's plans, policies and outlook, a general knowledge of the electric utility industry, and comparisons of the service life and net salvage estimates from our studies of other electric utilities. The use of survivor curves to reflect the expected dispersion of retirement provides a consistent method of estimating depreciation for electric plant. Iowa type survivor curves were used to depict the estimated survivor curves for the plant accounts not subject to amortization accounting.

The procedure for estimating service lives consisted of compiling historical data for the plant accounts or depreciable groups, analyzing this history through the use of widely accepted techniques, and forecasting the survivor characteristics for each depreciable group on the basis of interpretations of the historical data analyses and the probable future. The combination of the historical experience and the estimated future yielded estimated survivor curves from which the average service lives were derived.

PART II. ESTIMATION OF SURVIVOR CURVES

PART II. ESTIMATION OF SURVIVOR CURVES

The calculation of annual depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. The estimation of survivor curves is discussed below and the development of net salvage is discussed in later sections of this report.

SURVIVOR CURVES

The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval. It is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

This study has incorporated the use of Iowa curves developed from a retirement rate analysis of historical retirement history. A discussion of the concepts of survivor curves and of the development of survivor curves using the retirement rate method is presented below.

Iowa Type Curves

The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves,

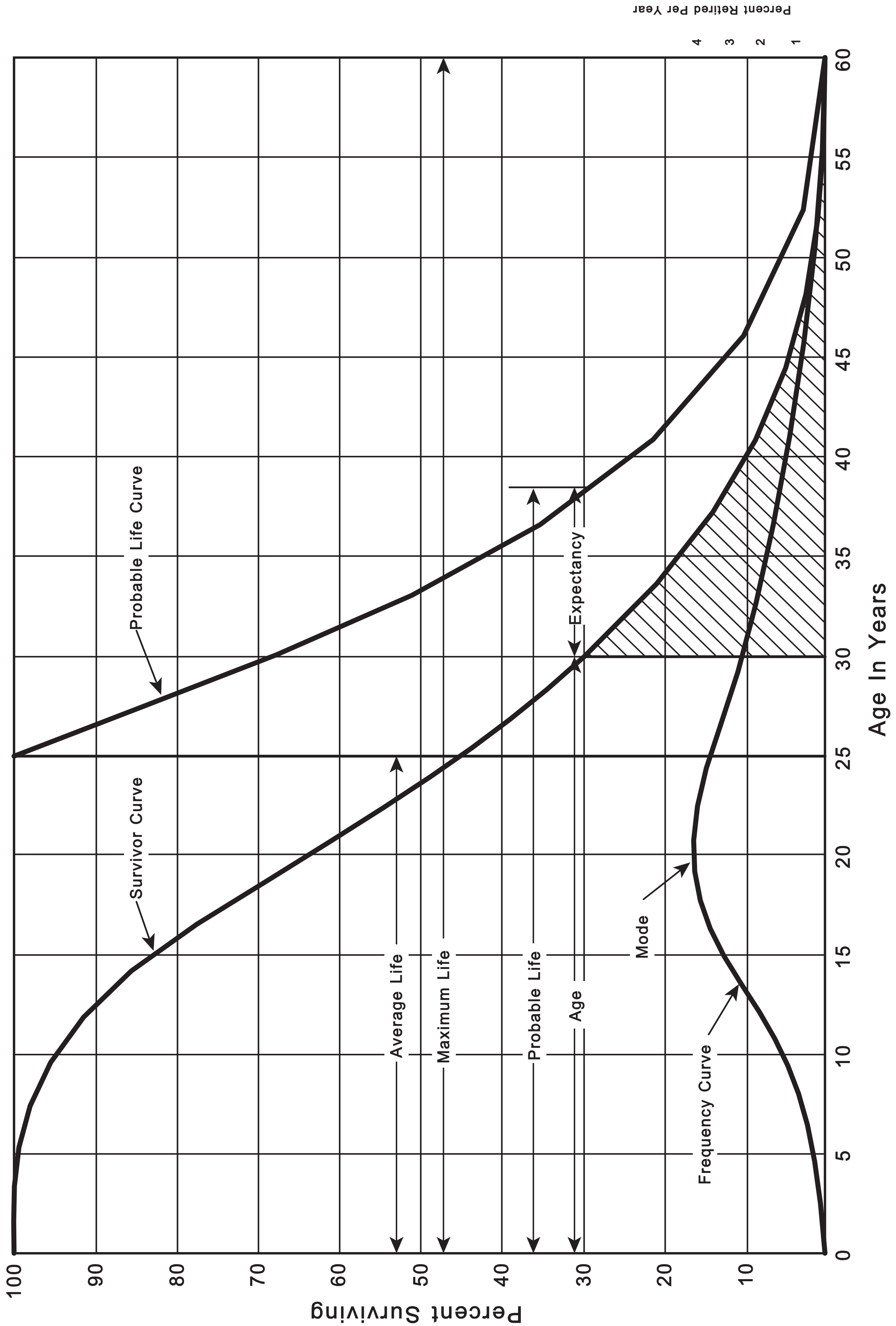

Figure 1. A Typical Survivor Curve and Derived Curves

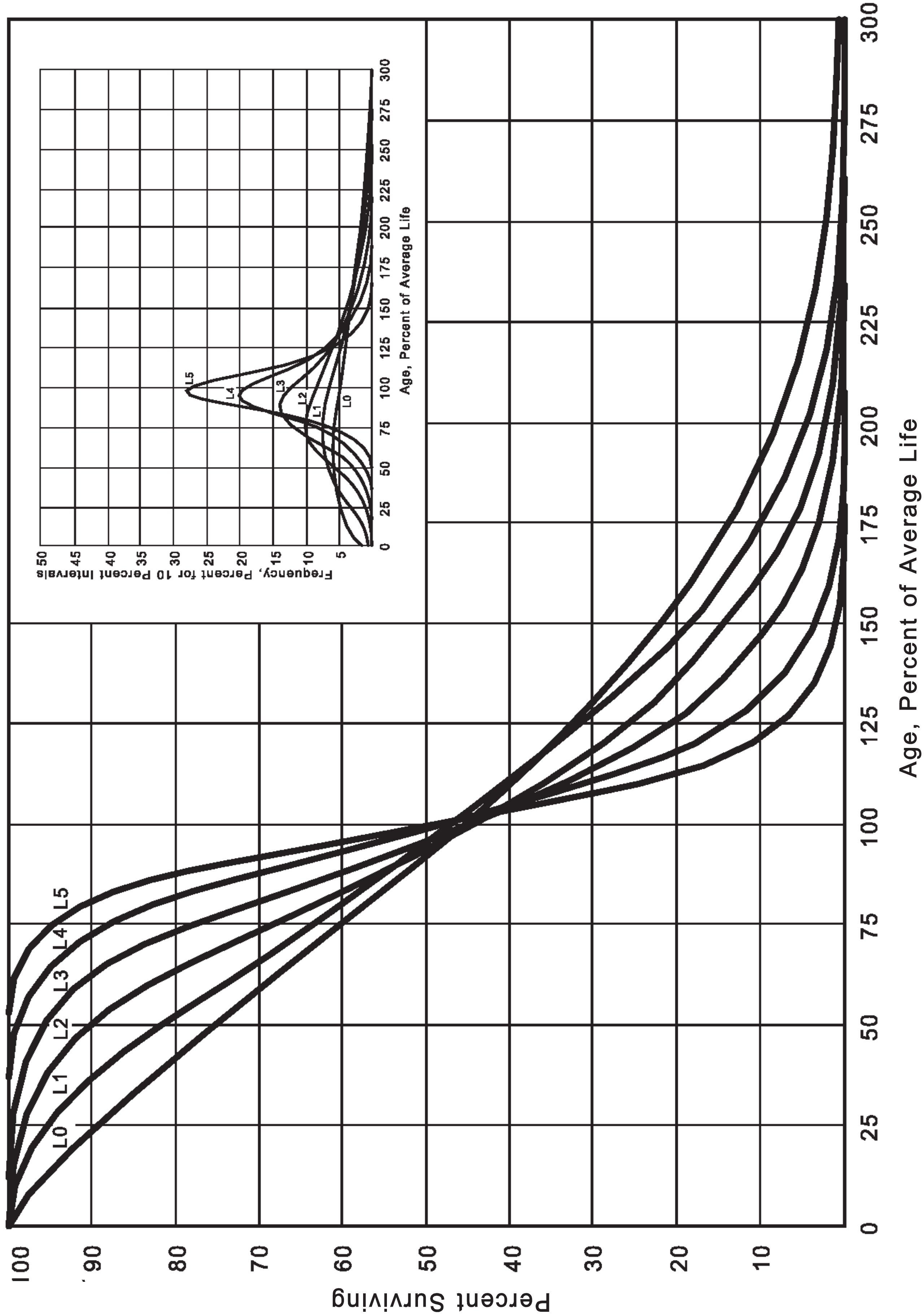

Figure 2. Left Modal or "L" Iowa Type Survivor Curves

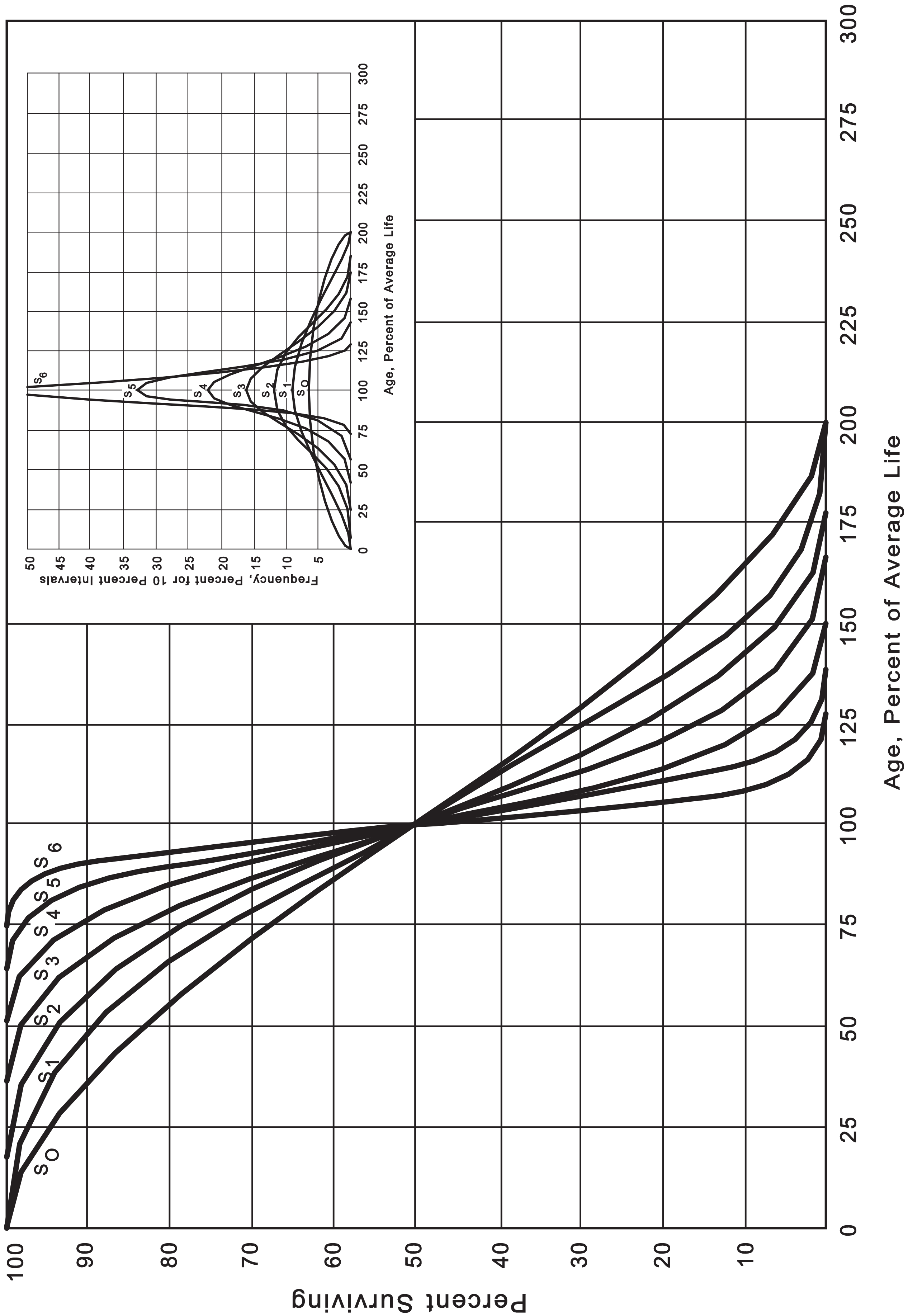

Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

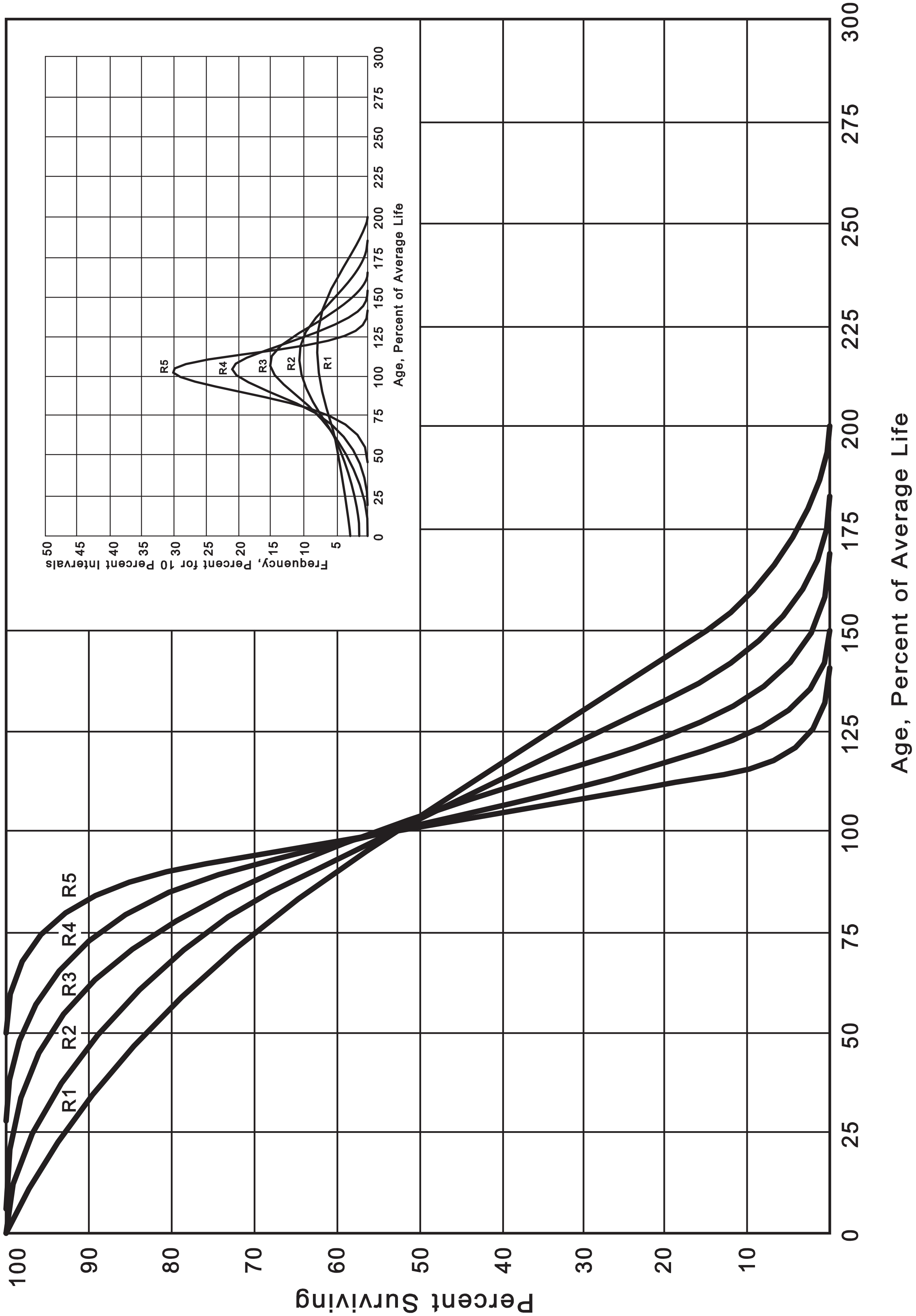

Figure 4. Right Modal or "R" Iowa Type Survivor Curves

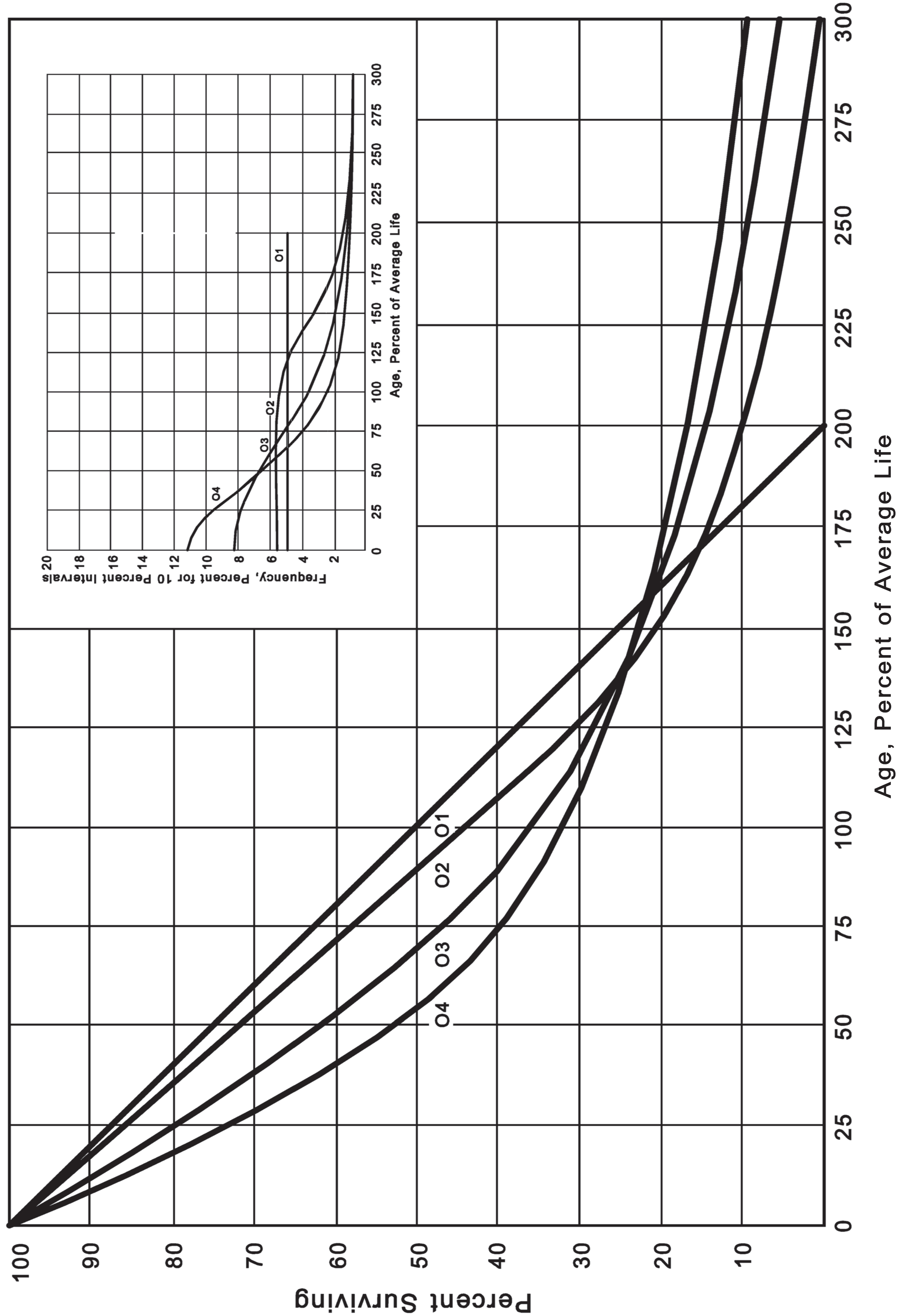

Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125. These curve types have also been presented in subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."[1] In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student submitted a thesis presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis

The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"[2] "Engineering Valuation and Depreciation,"[3] and "Depreciation Systems."[4]

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginning of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the calculations used in the development of a life table follows. The example includes

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[1]Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.
[2]Winfrey, Robley, Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.
[3]Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 1.
[4]Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994.

schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records

The property group used to illustrate the retirement rate method is observed for the experience band 2010-2019 during which there were placements during the years 2005-2019. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Schedules 1 and 2 on pages II-11 and II-12. In Schedule 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, $10,000 of the dollars invested in 2005 were retired in 2010. The $10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of $143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Schedule 1 immediately above the stair step line drawn on the table beginning with the 2010 retirements of 2005 installations and ending with the 2019 retirements of the 2014 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

$$10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.$$

SCHEDULE 1. RETIREMENTS FOR EACH YEAR 2010-2019
SUMMARIZED BY AGE INTERVAL

Experience Band 2010-2019 | Placement Band 2005-2019

Year Placed	Retirements, Thousands of Dollars During Year 2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total During Age Interval	Age Interval
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2005	10	11	12	13	14	16	23	24	25	26	26	13½-14½
2006	11	12	13	15	16	18	20	21	22	19	44	12½-13½
2007	11	12	13	14	16	17	19	21	22	18	64	11½-12½
2008	8	9	10	11	11	13	14	15	16	17	83	10½-11½
2009	9	10	11	12	13	14	16	17	19	20	93	9½-10½
2010	4	9	10	11	12	13	14	15	16	20	105	8½-9½
2011		5	11	12	13	14	15	16	18	20	113	7½-8½
2012			6	12	13	15	16	17	19	19	124	6½-7½
2013				6	13	15	16	17	19	19	131	5½-6½
2014					7	14	16	17	19	20	143	4½-5½
2015						8	18	20	22	23	146	3½-4½
2016							9	20	22	25	150	2½-3½
2017								11	23	25	151	1½-2½
2018									11	24	153	½-1½
2019										13	80	0-½
Total	53	68	86	106	128	157	196	231	273	308	1,606	

SCHEDULE 2. OTHER TRANSACTIONS FOR EACH YEAR 2010-2019
SUMMARIZED BY AGE INTERVAL

Experience Band 2010-2019 Placement Band 2005-2019

	Acquisitions, Transfers and Sales, Thousands of Dollars During Year											
Year Placed (1)	2010 (2)	2011 (3)	2012 (4)	2013 (5)	2014 (6)	2015 (7)	2016 (8)	2017 (9)	2018 (10)	2019 (11)	Total During Age Interval (12)	Age Interval (13)
2005	-	-	-	-	-	-	60[a]	-	-	-	-	13½-14½
2006	-	-	-	-	-	-	-	-	-	-	-	12½-13½
2007	-	-	-	-	-	-	-	-	-	-	-	11½-12½
2008	-	-	-	-	-	-	-	(5)[b]	-	-	60	10½-11½
2009	-	-	-	-	-	-	-	6[a]	-	-	-	9½-10½
2010	-	-	-	-	-	-	-	-	-	-	(5)	8½-9½
2011		-	-	-	-	-	-	-	-	-	6	7½-8½
2012			-	-	-	-	-	-	-	-	-	6½-7½
2013				-	-	-	-	(12)[b]	-	-	-	5½-6½
2014					-	-	-	-	22[a]	-	-	4½-5½
2015						-	-	(19)[b]	-	-	10	3½-4½
2016							-	-	-	-	-	2½-3½
2017								-	-	(102)[c]	(121)	1½-2½
2018									-	-	-	½-1½
2019											-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	

[a] Transfer Affecting Exposures at Beginning of Year
[b] Transfer Affecting Exposures at End of Year
[c] Sale with Continued Use
Parentheses Denote Credit Amount.

In Schedule 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement

The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Schedule 3 on page II-14. The surviving plant at the beginning of each year from 2010 through 2019 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Schedule 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Schedules 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction year. For example, the exposures for the installation year 2015 are calculated in the following manner:

Exposures at age 0	= amount of addition	= $750,000
Exposures at age ½	= $750,000 - $ 8,000	= $742,000
Exposures at age 1½	= $742,000 - $18,000	= $724,000
Exposures at age 2½	= $724,000 - $20,000 - $19,000	= $685,000
Exposures at age 3½	= $685,000 - $22,000	= $663,000

SCHEDULE 3. PLANT EXPOSED TO RETIREMENT
JANUARY 1 OF EACH YEAR 2010-2019
SUMMARIZED BY AGE INTERVAL

Experience Band 2010-2019 | Placement Band 2005-2019

Year	Exposures, Thousands of Dollars										Total at	
	Annual Survivors at the Beginning of the Year										Beginning of	Age
Placed	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Age Interval	Interval
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
2005	255	245	234	222	209	195	239	216	192	167	167	13½-14½
2006	279	268	256	243	228	212	194	174	153	131	323	12½-13½
2007	307	296	284	271	257	241	224	205	184	162	531	11½-12½
2008	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2009	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
2010	420[a]	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2011		460[a]	455	444	432	419	405	390	374	356	1,952	7½-8½
2012			510[a]	504	492	479	464	448	431	412	2,463	6½-7½
2013				580[a]	574	561	546	530	501	482	3,057	5½-6½
2014					660[a]	653	639	623	628	609	3,789	4½-5½
2015						750[a]	742	724	685	663	4,332	3½-4½
2016							850[a]	841	821	799	4,955	2½-3½
2017								960[a]	949	926	5,719	1½-2½
2018									1,080[a]	1,069	6,579	½-1½
2019										1,220[a]	7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

[a]Additions during the year

For the entire experience band 2010-2019, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Schedule 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.

Original Life Table

The original life table, illustrated in Schedule 4 on page II-16**,** is developed from the totals shown on the schedules of retirements and exposures, Schedules 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios, each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15				
Exposures at age 4½	=	3,789,000				
Retirements from age 4½ to 5½	=	143,000				
Retirement Ratio	=	143,000	÷	3,789,000	=	0.0377
Survivor Ratio	=	1.000	-	0.0377	=	0.9623
Percent surviving at age 5½	=	(88.15)	x	(0.9623)	=	84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Schedules 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

SCHEDULE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2010-2019 Placement Band 2005-2019

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval	Exposures at Beginning of Age Interval	Retirements During Age Interval	Retirement Ratio	Survivor Ratio	Percent Surviving at Beginning of Age Interval
(1)	(2)	(3)	(4)	(5)	(6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	167	26	0.1557	0.8443	42.24
					35.66
Total	44,780	1,606			

Column 2 from Schedule 3, Column 12, Plant Exposed to Retirement.
Column 3 from Schedule 1, Column 12, Retirements for Each Year.
Column 4 = Column 3 Divided by Column 2.
Column 5 = 1.0000 Minus Column 4.
Column 6 = Column 5 Multiplied by Column 6 as of the Preceding Age Interval.

The original survivor curve is plotted from the original life table (column 6, Schedule 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve

The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group.

FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

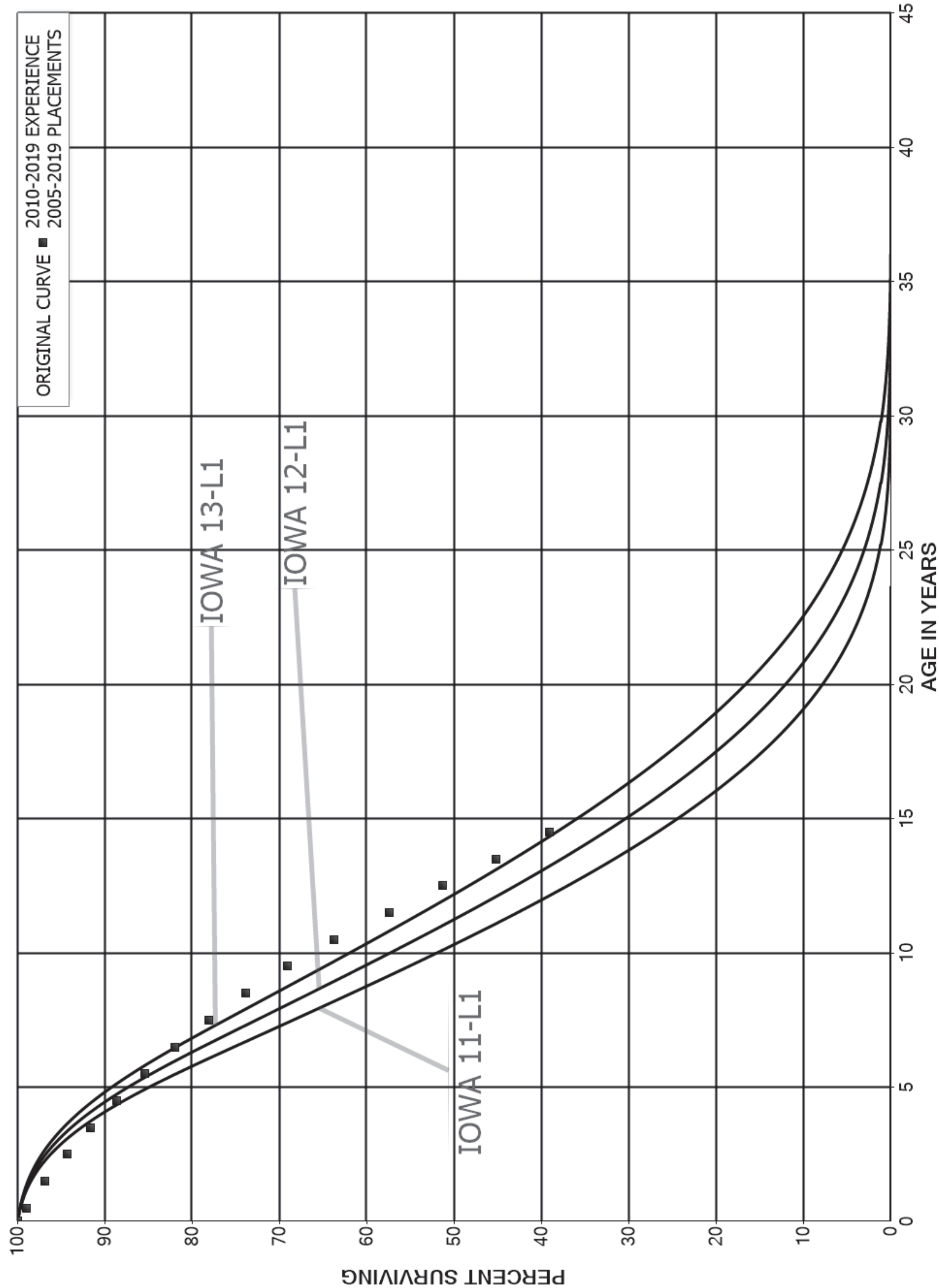


FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN S0 IOWA TYPE CURVE ORIGINAL AND SMOOTH SURVIVOR CURVES

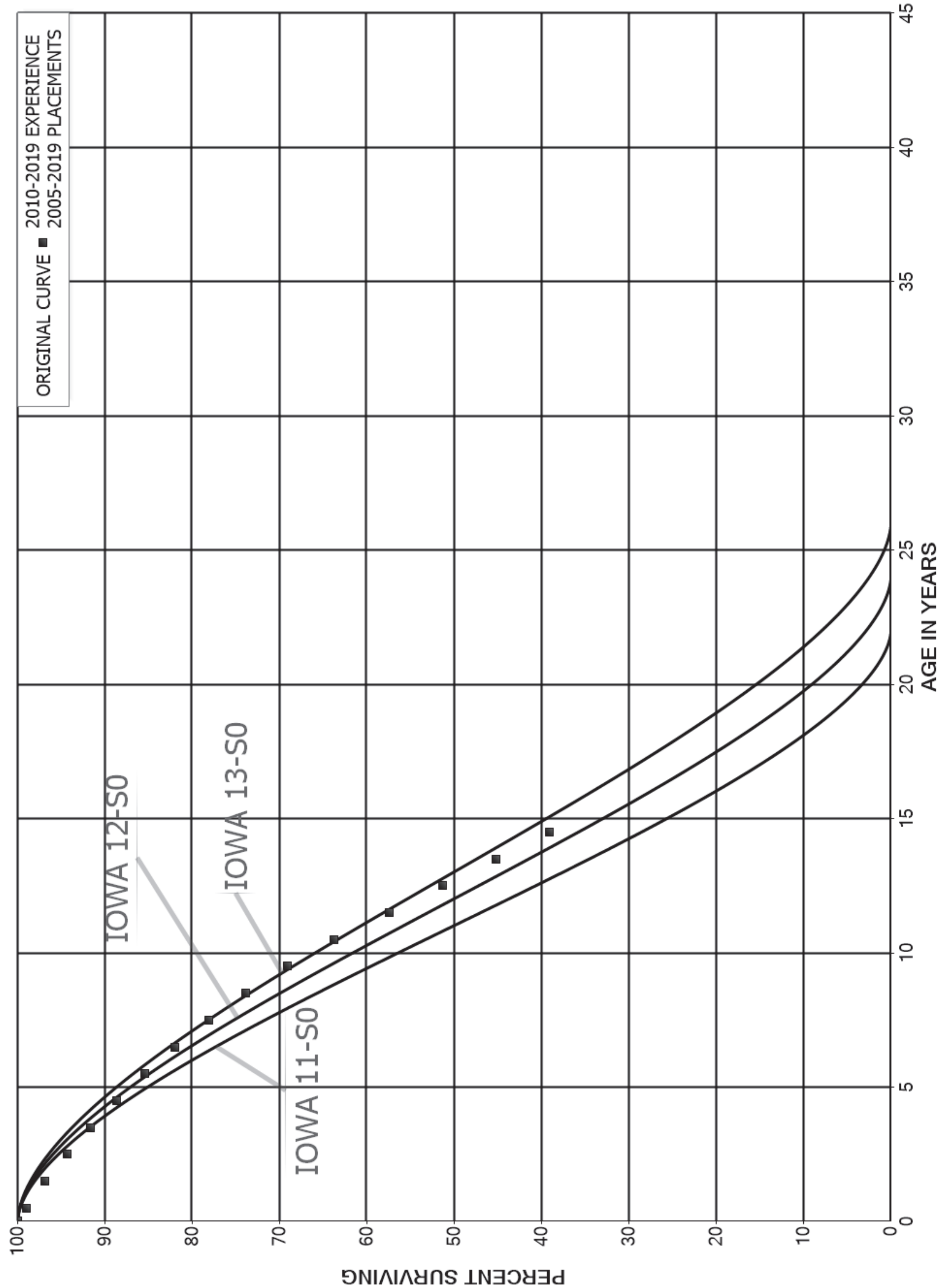


FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES

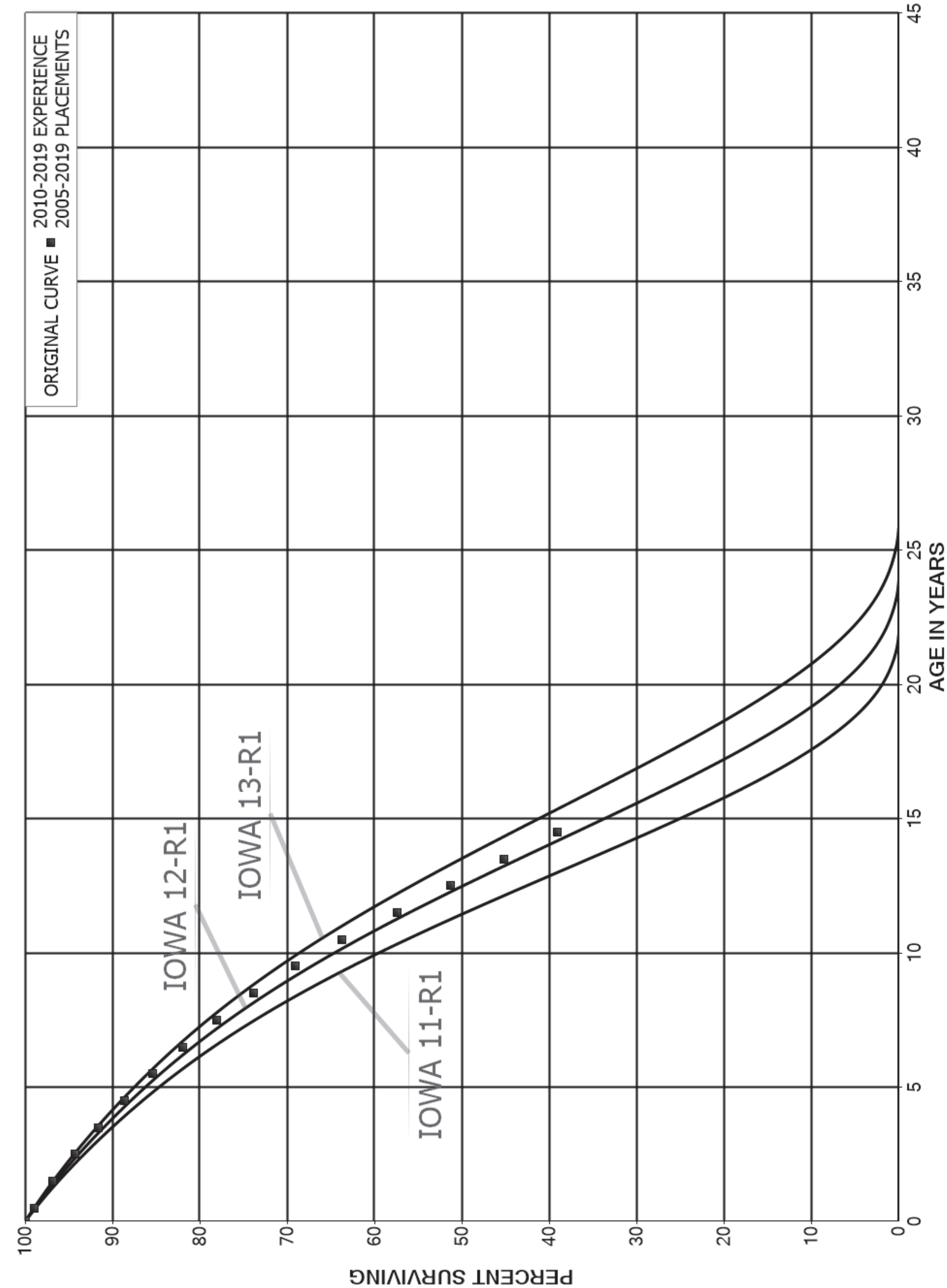
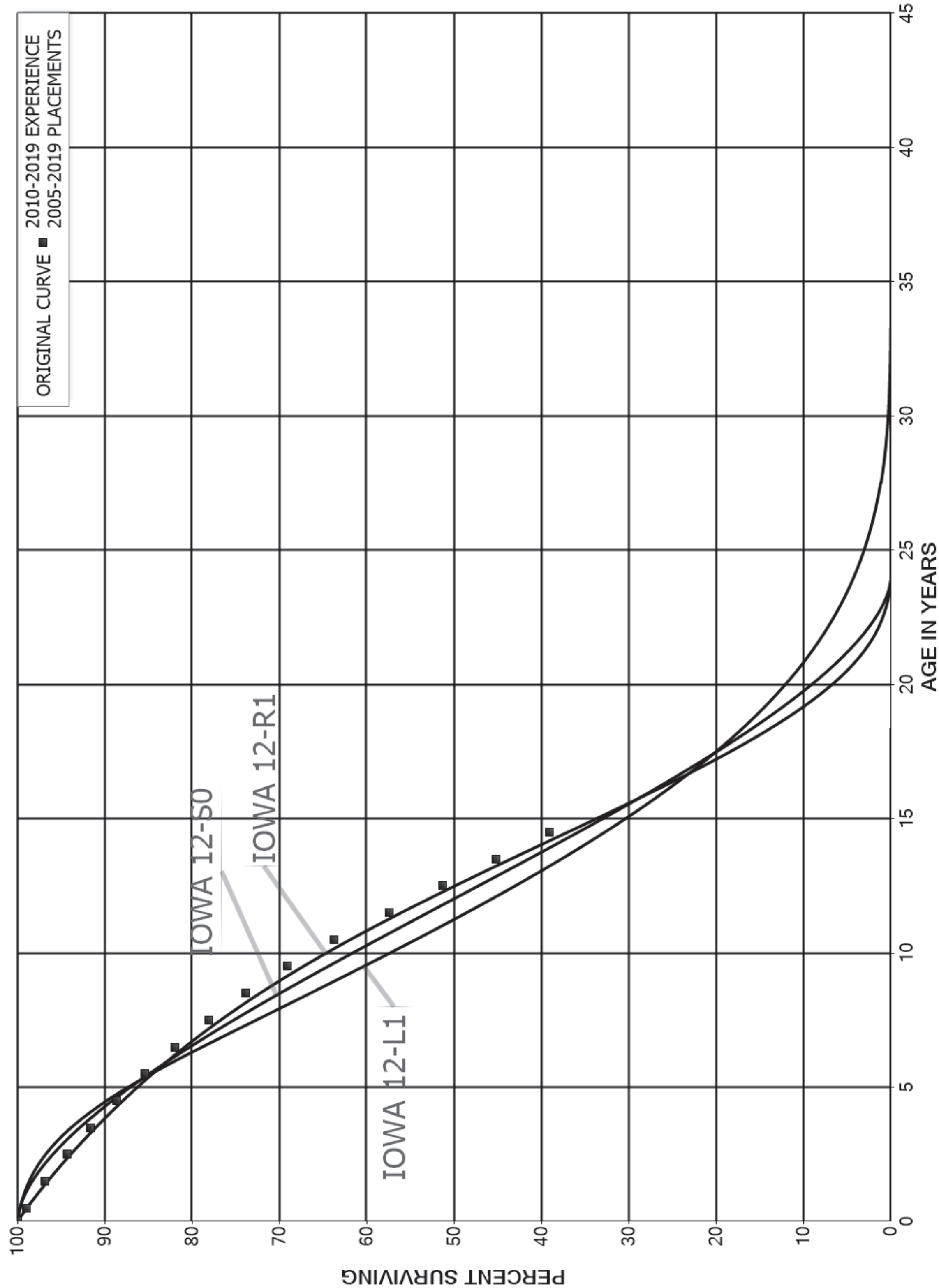


FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1, S0 AND R1 IOWA TYPE CURVE
ORIGINAL AND SMOOTH SURVIVOR CURVES



PART III. SERVICE LIFE CONSIDERATIONS

PART III. SERVICE LIFE CONSIDERATIONS

FIELD TRIPS

In order to be familiar with the operation of the Company and observe representative portions of the plant, a field trip was conducted for the study. A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirements are obtained during field trips. This knowledge and information were incorporated in the interpretation and extrapolation of the statistical analyses.

The following is a list of the locations visited during the most recent field trips.

<u>February 24, 2020</u>
East Side Distribution Operations Center
Montana Power Substation
Montana Power Generating Facility
Caliente Substation
Pelicano Substation
Newman Generating Station
Rio Grande Generating Station

<u>August 18, 2014</u>
Newman Generating Station
Rio Grande Generating Station
Stanton Tower

<u>August 19, 2014</u>
Wrangler Substation
Wrangler Solar Facility
Diamond Head Substation
East Side Distribution Operations Center
Montana Power Generating Facility
Montana Power Substation

<u>February 9, 2009</u>
Vanderbilt Service Center
Vista Substation
Wrangler Substation
Hawkins Service Center
Copper Training Center
Copper Combustion Station

Roland Lucky Building
Stanton Building

February 10, 2009
Rio Grande Generating Station
Systems Operating Center
Newman Generation Station

February 19, 2003
Newman Generating Station
Systems Operating Center
Rio Grande Generating Station
501 Engineering Building
Centre Building

February 20, 2003
Sante Fe Building
Ascarate Substation
Copper Combustion Station
Copper Substation
Copper Training Facility
Hawkins Warehouse
Montwood Substation
Caliente Substation

SERVICE LIFE ANALYSIS

The service life estimates were based on informed judgment which considered a number of factors. The primary factors were the statistical analyses of data; current Company policies and outlook as determined during conversations with management; and the survivor curve estimates from previous studies of this company and other electric companies.

For many of the plant accounts for which survivor curves were estimated, the statistical analyses using the retirement rate method resulted in good to excellent indications of the survivor patterns experienced. These accounts represent 63 percent of depreciable plant. Generally, the information external to the statistics led to no significant departure from the indicated survivor curves for the accounts listed below.

The statistical support for the service life estimates is presented in the section beginning on page VII-2.

Account No.	Account Description
STEAM PLANT	
312	Boiler Plant Equipment
316	Miscellaneous Power Plant Equipment
TRANSMISSION PLANT	
352	Structures and Improvements
353	Station Equipment
355	Wood and Steel Poles
DISTRIBUTION PLANT	
362	Station Equipment
364	Poles, Towers and Fixtures
365	Overhead Conductors and Devices
366	Underground Conduit
367	Underground Conductors and Devices
368	Line Transformers
370	Meters
371	Installations on Customers' Premises
GENERAL PLANT	
390	Structures and Improvements – Minor Structures
396	Power Operated Equipment

Account 312, Boiler Plant Equipment, is used to illustrate the manner in which the study was conducted for the generating plant. Aged plant accounting data have been compiled for the years 1993 through 2019. These data have been coded in the course of the Company's normal record keeping according to account or property group, type of transaction, year in which the transaction took place, and year in which the electric plant was placed in service. The retirements, other plant transactions, and plant additions were analyzed by the retirement rate method.

The survivor curve estimate is based on the statistical indications for the period 1993 through 2019. The Iowa 70-R4 is a reasonable fit of the original interim survivor curve. The 70-year service life for interim retirements is reasonable for assets in this account. The 70-year life is shorter than the 80-year life previously used by the Company.

Account 364, Poles, Towers and Fixtures, is used to illustrate the manner in which the study was conducted for the mass accounts. Aged retirement and other plant accounting data were compiled through the year 2019. These data were coded in the course of the Company's normal recordkeeping according to plant account or property group, type of transaction, year in which the transaction took place, and year in which the electric plant was placed in service. The data were analyzed by the retirement rate method of life analysis. The survivor curve chart for the account is presented on page VII-67 and the life table for the experience band plotted on the chart follows it.

The historical service life indication for Account 364, Poles, Towers and Fixtures is the 45-R3 based on the experience band, 1993-2019. The prior survivor curve estimate for Account 364, Poles, Towers and Fixtures was also the 45-R3. Typical service lives for poles of other electric companies range from 40 to 55 years. The Iowa 45-R3 survivor curve reflects the outlook of management, is within the range of service life estimates used by other electric companies and is a reasonable interpretation of the significant portion of the stub survivor curves through age 62

For Account 365, Overhead Conductors and Devices, the estimate of survivor characteristics is based on the 1993-2019 experience band. Most retirements have been due to inadequacy or voltage conversions. Typical service lives for overhead conductors range from 40 to 55 years. The Iowa 48-R2.5 survivor curve is within the range of other estimates, is a reasonable interpretation of the significant portions of the survivor curves through age 70 and reflects the outlook of management.

Life Span Estimates

The life span technique was used for the Company's Generation accounts. The life span procedure is appropriate for these accounts since all of the assets within the plant will be retired concurrently. Probable retirement dates were estimated for each power plant. Life spans for each Generating Station were estimated based on discussions with management regarding future outlook, age and condition of the plant and life spans typically experienced and estimated for similar plants. The life span and probable retirement dates used for each generating unit are as follows:

Depreciable Group	Major Year in Service	Probable Retirement Year	Life Span
Steam Production Plant			
Rio Grande #6	1957	2021	64
Rio Grande #7	1958	2022	64
Rio Grande #8	1973	2033	60
Newman #1	1959	2022	63
Newman #2	1962	2022	60
Newman #3	1966	2026	60
Newman #4	1975	2026	51
Newman #5	2009	2045	36
Newman Zero Liquid Discharge	2011	2045	34
Other Production Plant			
Copper	1980	2030	50
Rio Grande #9	2013	2045	32
Montana Power #1	2015	2045	30
Montana Power #2	2015	2045	30
Montana Power #3	2015	2045	30
Montana Power #4	2015	2045	30
Solar Facilities	2009	2034	25

Power plants typically are retired when there are other units that can generate electricity at a lower cost. Typical life spans for base load, steam power plants have been 50 to 65 years in the past. For example, Units 6, 7 and 8 at Rio Grande were completed in 1957, 1958 and 1973, respectively. The estimated probable retirement dates for Rio Grande are 2021, 2022 and 2033. Thus, the life spans estimated for the Rio Grande steam units are 64 years for Unit 6, 64 years for Unit 7 and 60 years for Unit 8, which are within the typical range. The estimated retirement dates should not be interpreted as commitments to retire these plants on these dates, but rather, as reasonable estimates subject to modification in the future as circumstances dictate. However, environmental regulations will impact decisions for closures which will lead to shorter life spans for facilities built in recent years.

For all Production accounts, an interim survivor curve was estimated for each account, since interim retirements, i.e., retirements prior to the final retirement, are experienced in such accounts.

Similar studies were performed for the remaining plant accounts. Each of the judgments represented a consideration of statistical analyses of aged plant activity, management's outlook for the future, and the typical range of lives used by other electric companies.

The selected amortization periods for other General Plant accounts are described in the section "Calculated Annual and Accrued Amortization."

PART IV. NET SALVAGE CONSIDERATIONS

PART IV. NET SALVAGE CONSIDERATIONS

SALVAGE ANALYSIS

The estimates of net salvage by account were based in part on historical data compiled for the years 1993 through 2019. Cost of removal and salvage were expressed as percents of the original cost of plant retired, both on annual and three-year moving average bases. The most recent five-year average also was calculated for consideration. The net salvage estimates by account are expressed as a percent of the original cost of plant retired.

Net Salvage Considerations

The estimates of future net salvage are expressed as percentages of surviving plant in service, i.e., all future retirements. In cases in which removal costs are expected to exceed salvage receipts, a negative net salvage percentage is estimated. The net salvage estimates were based on judgment which incorporated analyses of historical cost of removal and salvage data, expectations with respect to future removal requirements and markets for retired equipment and materials.

The analyses of historical cost of removal and salvage data are presented in the section titled “Net Salvage Statistics” for the plant accounts for which the net salvage estimate relied partially on those analyses.

Statistical analyses of historical data for the period 1993 through 2019 contributed significantly toward the net salvage estimates for 14 plant accounts, representing 49 percent of the depreciable plant, as follows:

STEAM PRODUCTION PLANT

312.00	Boiler Plant Equipment
314.00	Turbogenerator Units
315.00	Accessory Electric Equipment
316.00	Miscellaneous Power Plant Equipment

TRANSMISSION PLANT

353.00	Station Equipment
355.00	Wood and Steel Poles
356.00	Overhead Conductors and Devices

DISTRIBUTION PLANT

365.00	Overhead Conductors and Devices
367.00	Underground Conductors and Devices
368.00	Line Transformers
370.00	Meters
371.00	Installations on Customers' Premises
373.00	Street Lighting and Signal Systems

GENERAL PLANT

396.00	Power Operated Equipment

Account 367, Underground Conductors and Devices, will be used to illustrate the manner in which the study was conducted for most mass plant accounts. Net salvage data were compiled for the years 1993 through 2019. These data include the retirements, cost of removal and gross salvage.

Discussions with management indicated that retired underground conductors are either reused or sold for scrap. The previous estimate of net salvage for underground conductors was negative 15 percent. The range of typical net salvage estimates used by other electric companies for underground conductors is negative 10 percent to negative 25 percent.

The net salvage estimate for this account is negative 20 percent and is based on the current practices in place for recording cost of removal and gross salvage. Cost of removal as a percent of the original cost retired averaged around 35 percent through the 1990s, then went to 0 percent starting in 2002 when practices changed. In 2013, a new practice for recording cost of removal was started and will continue into the future. Gross salvage was generally between 5 and 30 percent during the 1990s, then also went to 0 percent in 2002. Then new practices were implemented in 2013 which will continue into the foreseeable future, therefore, the most recent period is the best indicator of the future. The overall net salvage percent is negative 21 percent. The most recent five year average for net salvage indicates negative 39 percent. Given the overall statistical indications, most recent five-year average and the estimates of others, a negative 20 percent net salvage was utilized.

The net salvage estimates for most of the remaining accounts were estimated using the above-described judgment process incorporating historical indications and reviewing the typical range of estimates used by other electric companies. The results of the net salvage analysis for each plant account are presented in account sequence beginning in the section titled "Net Salvage Statistics", page VIII-2.

Generally, the net salvage estimates for the general plant accounts were zero percent, consistent with amortization accounting.

PART V. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

PART V. CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

GROUP DEPRECIATION PROCEDURES

A group procedure for depreciation is appropriate when considering more than a single item of property. Normally the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group. In the average service life procedure, the rate of annual depreciation is based on the average life or average remaining life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life.

Single Unit of Property

The calculation of straight line depreciation for a single unit of property is straightforward. For example, if a \$1,000 unit of property attains an age of four years and has a life expectancy of six years, the annual accrual over the total life is:

$$\frac{\$1,000}{(4 + 6)} = \$100 \text{ per year.}$$

The accrued depreciation is:

$$\$1,000\left(1 - \frac{6}{10}\right) = \$400.$$

Remaining Life Annual Accruals

For the purpose of calculating remaining life accruals as of December 31, 2019, the depreciation reserve for each plant account is allocated among vintages in proportion to the calculated accrued depreciation for the account. Explanations of remaining life accruals and calculated accrued depreciation follow. The detailed calculations as of December 31, 2019, are set forth in the Results of Study section of the report.

Average Service Life Procedure

In the average service life procedure, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the average remaining life of the vintage. The average remaining life is a directly weighted average derived from the estimated future survivor curve in accordance with the average service life procedure.

The calculated accrued depreciation for each depreciable property group represents that portion of the depreciable cost of the group which would not be allocated to expense through future depreciation accruals if current forecasts of life characteristics are used as the basis for such accruals. The accrued depreciation calculation consists of applying an appropriate ratio to the surviving original cost of each vintage of each account based upon the attained age and service life. The straight line accrued depreciation ratios are calculated as follows for the average service life procedure:

$$Ratio = 1 - \frac{Average\ Remaining\ Life}{Average\ Service\ Life}.$$

CALCULATION OF ANNUAL AND ACCRUED AMORTIZATION

Amortization is the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized. Normally, the distribution of the amount is in equal amounts to each year of the amortization period.

The calculation of annual and accrued amortization requires the selection of an amortization period. The amortization periods used in this report were based on judgment which incorporated a consideration of the period during which the assets will render most of their service, the amortization period and service lives used by other utilities, and the service life estimates previously used for the asset under depreciation accounting.

Amortization accounting is proposed for a number of accounts that represent numerous units of property, but a very small portion of depreciable electric plant in service. The accounts and their amortization periods are as follows:

ACCT	TITLE	AMORTIZATION PERIOD, YEARS
391,	Office Furniture and Equipment	20
393,	Stores Equipment	25
394,	Tools, Shop and Garage Equipment	25
395,	Laboratory Equipment	15
397,	Communication Equipment	15
398,	Miscellaneous Equipment	15

For the purpose of calculating annual amortization amounts as of December 31, 2019, the book depreciation reserve for each plant account or subaccount is assigned or allocated to vintages. The book reserve assigned to vintages with an age greater than the amortization period is equal to the vintage's original cost. The remaining book reserve is allocated among vintages with an age less than the amortization period in proportion to the calculated accrued amortization. The calculated accrued amortization is equal to the original cost multiplied by the ratio of the vintage's age to its amortization period. The annual amortization amount is determined by dividing the future amortizations (original cost less allocated book reserve) by the remaining period of amortization for the vintage.

PART VI. RESULTS OF STUDY

PART VI. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual and accrued depreciation are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates were calculated in accordance with the straight line remaining life method of depreciation, using the average service life procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

The annual depreciation accrual rates are applicable specifically to the electric plant in service as of December 31, 2019. For most plant accounts, the application of such rates to future balances that reflect additions subsequent to December 31, 2019, is reasonable for a period of three to five years.

DESCRIPTION OF DETAILED TABULATIONS

Table 1 is a summary of the results of the study as applied to the original cost of electric plant at December 31, 2019 presented on pages VI-4 through VI-8 of this report.

The service life estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other electric utilities. The results of the statistical analysis of service life are presented in the section beginning on page VII-2, within the supporting documents of this report.

For each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves followed by a tabular presentation of the original life table(s) plotted on the chart. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the curve type designation. The numeral used is the average life derived from the entire curve from 100 percent to zero percent surviving. The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which where plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations which appear in the experience.

The analyses of salvage data are presented in the section titled, “Net Salvage Statistics”. The tabulations present annual cost of removal and salvage data, three-year moving averages and the most recent five-year average. Data are shown in dollars and as percentages of original costs retired.

The tables of the calculated annual depreciation applicable to depreciable assets as of December 31, 2019 are presented in account sequence starting on page IX-2 of the supporting documents. The tables indicate the estimated survivor curve and net salvage percent for the account and set forth, for each installation year, the original cost, the calculated accrued depreciation, the allocated book reserve, future accruals, the remaining life, and the calculated annual accrual amount.

EL PASO ELECTRIC COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE
AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2019

DEPRECIABLE GROUP (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST AS OF DECEMBER 31, 2019 (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)	COMPOSITE REMAINING LIFE (9)
STEAM PRODUCTION PLANT								
311.00 STRUCTURES AND IMPROVEMENTS								
RIO GRANDE UNIT 6	100-R3 *	(5)	1,290,816.82	1,281,328	74,030	37,023	2.87	2.0
RIO GRANDE UNIT 7	100-R3 *	(5)	1,269,983.01	1,269,984	63,498	21,167	1.67	3.0
RIO GRANDE UNIT 8	100-R3 *	(5)	2,311,211.39	1,828,321	598,451	42,993	1.86	13.9
RIO GRANDE COMMON	100-R3 *	(5)	4,433,409.00	894,702	3,760,378	269,101	6.07	14.0
NEWMAN UNIT 1	100-R3 *	(5)	1,269,946.34	1,283,433	50,011	16,728	1.32	3.0
NEWMAN UNIT 2	100-R3 *	(5)	1,035,404.62	748,238	338,937	113,156	10.93	3.0
NEWMAN UNIT 3	100-R3 *	(5)	1,097,186.69	834,174	317,872	45,506	4.15	7.0
NEWMAN UNIT 4	100-R3 *	(5)	15,848,533.13	9,933,049	6,707,911	967,044	6.10	6.9
NEWMAN UNIT 5	100-R3 *	(5)	25,932,328.44	6,104,581	21,124,364	819,233	3.16	25.8
NEWMAN COMMON	100-R3 *	(5)	18,900,581.86	1,025,528	18,820,083	727,244	3.85	25.9
TOTAL ACCOUNT 311			73,389,401.30	25,203,337	51,855,535	3,059,195	4.17	17.0
312.00 BOILER PLANT EQUIPMENT								
RIO GRANDE UNIT 6	70-R4 *	(5)	2,973,007.52	3,121,658	0	0	-	-
RIO GRANDE UNIT 7	70-R4 *	(5)	4,604,495.06	4,604,496	230,224	76,741	1.67	3.0
RIO GRANDE UNIT 8	70-R4 *	(5)	15,577,497.58	10,665,565	5,690,807	408,845	2.62	13.9
RIO GRANDE COMMON	70-R4 *	(5)	939,444.89	267,650	718,767	51,374	5.47	14.0
NEWMAN UNIT 1	70-R4 *	(5)	8,696,637.51	7,905,587	1,225,882	408,627	4.70	3.0
NEWMAN UNIT 2	70-R4 *	(5)	8,916,413.89	5,846,465	3,515,769	1,176,873	13.20	3.0
NEWMAN UNIT 3	70-R4 *	(5)	6,743,234.49	4,948,440	2,131,957	306,272	4.54	7.0
NEWMAN UNIT 4	70-R4 *	(5)	3,303,061.75	1,706,224	1,761,991	251,778	7.62	7.0
NEWMAN UNIT 5	70-R4 *	(5)	112,841,611.74	28,281,943	90,201,749	3,484,552	3.09	25.9
NEWMAN COMMON	70-R4 *	(5)	6,752,670.40	715,753	6,374,551	245,865	3.64	25.9
TOTAL ACCOUNT 312			171,348,074.83	68,063,781	111,851,697	6,410,927	3.74	17.4
313.00 ENGINES AND ENGINE-DRIVEN GENERATORS								
NEWMAN UNIT 1	55-R2.5 *	0	327,497.00	327,497	0	0	-	-
NEWMAN UNIT 4	55-R2.5 *	0	24,780,032.42	12,500,053	12,279,980	1,780,675	7.19	6.9
NEWMAN UNIT 5	55-R2.5 *	0	48,432,717.43	5,328,814	43,103,903	1,738,596	3.59	24.8
TOTAL ACCOUNT 313			73,540,246.85	18,156,364	55,383,883	3,519,271	4.79	15.7
314.00 TURBOGENERATOR UNITS								
RIO GRANDE UNIT 6	75-R2.5 *	(5)	3,559,997.86	3,734,067	3,931	1,966	0.06	2.0
RIO GRANDE UNIT 7	75-R2.5 *	(5)	4,204,367.30	4,117,514	297,071	99,611	2.37	3.0
RIO GRANDE UNIT 8	75-R2.5 *	(5)	11,776,647.98	9,445,338	2,920,142	212,382	1.80	13.7
NEWMAN UNIT 1	75-R2.5 *	(5)	13,716,383.39	11,516,540	2,885,663	964,087	7.03	3.0
NEWMAN UNIT 2	75-R2.5 *	(5)	11,439,309.56	9,493,772	2,517,503	840,772	7.35	3.0
NEWMAN UNIT 3	75-R2.5 *	(5)	12,089,865.10	6,855,613	5,838,746	839,714	6.95	7.0
NEWMAN UNIT 4	75-R2.5 *	(5)	33,968,974.68	30,609,768	5,057,655	725,854	2.14	7.0
NEWMAN UNIT 5	75-R2.5 *	(5)	61,650,972.14	9,414,378	55,319,143	2,175,325	3.53	25.4
NEWMAN COMMON	75-R2.5 *	(5)	58,096.94	107,629	(46,628)	0	-	-
TOTAL ACCOUNT 314			152,464,614.95	85,294,619	74,793,226	5,859,711	3.84	12.8

EL PASO ELECTRIC COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2019

DEPRECIABLE GROUP (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST AS OF DECEMBER 31, 2019 (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)	COMPOSITE REMAINING LIFE (9)
315.00 ACCESSORY ELECTRIC EQUIPMENT								
RIO GRANDE UNIT 6	65-S4 *	(5)	784,259.35	739,032	84,440	43,483	5.54	1.9
RIO GRANDE UNIT 7	65-S4 *	(5)	856,687.83	646,912	252,610	85,569	9.99	3.0
RIO GRANDE UNIT 8	65-S4 *	(5)	6,535,522.62	2,002,447	4,859,852	348,355	5.33	14.0
NEWMAN UNIT 1	65-S4 *	(5)	1,148,175.19	1,147,547	58,037	20,189	1.76	2.9
NEWMAN UNIT 2	65-S4 *	(5)	1,052,955.47	1,052,959	52,644	18,315	1.74	2.9
NEWMAN UNIT 3	65-S4 *	(5)	1,150,891.96	785,370	423,067	61,774	5.37	6.8
NEWMAN UNIT 4	65-S4 *	(5)	6,332,762.78	6,332,739	316,662	46,879	0.74	6.8
NEWMAN UNIT 5	65-S4 *	(5)	24,098,576.74	5,716,844	19,586,662	753,558	3.13	26.0
NEWMAN COMMON	65-S4 *	(5)	157,236.60	4	165,095	6,350	4.04	26.0
TOTAL ACCOUNT 315			42,117,068.54	18,423,853	25,799,069	1,384,472	3.29	18.6
316.00 MISCELLANEOUS POWER PLANT EQUIPMENT								
RIO GRANDE UNIT 6	70-S2.5 *	(5)	1,489,363.97	1,489,365	74,467	37,245	2.50	2.0
RIO GRANDE UNIT 7	70-S2.5 *	(5)	1,851,432.78	1,896,993	47,011	15,680	0.85	3.0
RIO GRANDE UNIT 8	70-S2.5 *	(5)	5,951,707.44	4,746,012	1,503,280	108,647	1.83	13.8
RIO GRANDE COMMON	70-S2.5 *	(5)	1,938,696.21	799,702	1,235,929	88,358	4.56	14.0
NEWMAN UNIT 1	70-S2.5 *	(5)	2,177,691.23	2,176,490	110,085	36,748	1.69	3.0
NEWMAN UNIT 2	70-S2.5 *	(5)	2,829,108.29	2,829,106	141,458	47,268	1.67	3.0
NEWMAN UNIT 3	70-S2.5 *	(5)	5,645,295.84	5,395,175	532,386	76,351	1.35	7.0
NEWMAN UNIT 4	70-S2.5 *	(5)	11,495,251.76	11,495,252	574,762	82,268	0.72	7.0
NEWMAN UNIT 5	70-S2.5 *	(5)	1,771,257.00	773,576	1,086,244	42,204	2.38	25.7
NEWMAN ZERO LIQUID DISCHARGE	70-S2.5 *	(5)	14,375,574.00	3,273,166	11,821,187	458,420	3.19	25.8
NEWMAN COMMON	70-S2.5 *	(5)	3,070,929.91	657,238	2,567,238	99,597	3.24	25.8
TOTAL ACCOUNT 316			52,596,308.43	35,532,076	19,694,047	1,092,786	2.08	18.0
TOTAL STEAM PRODUCTION PLANT			**565,455,714.90**	**250,674,029**	**339,377,457**	**21,326,362**	**3.77**	**15.9**
GAS TURBINE PLANT								
341.00 STRUCTURES AND IMPROVEMENTS								
COPPER POWER STATION	60-R4 *	0	791,864.17	676,484	115,380	10,546	1.33	10.9
RIO GRANDE UNIT 9	60-R4 *	0	22,158,133.04	2,511,851	19,646,282	760,586	3.43	25.8
MONTANA POWER STATION UNIT 1	60-R4 *	0	315,347.41	29,788	285,559	11,015	3.49	25.9
MONTANA POWER STATION UNIT 2	60-R4 *	0	257,181.43	24,321	232,860	8,981	3.49	25.9
MONTANA POWER STATION UNIT 3	60-R4 *	0	206,815.08	18,930	187,885	7,246	3.50	25.9
MONTANA POWER STATION UNIT 4	60-R4 *	0	237,486.20	19,541	217,945	8,406	3.54	25.9
MONTANA POWER STATION COMMON	60-R4 *	0	18,007,977.41	1,381,319	16,626,658	642,237	3.57	25.9
SOLAR FACILITIES	35-S2 *	0	91,868.00	28,369	63,499	4,449	4.84	14.3
TOTAL ACCOUNT 341			42,066,672.74	4,690,603	37,376,068	1,453,466	3.46	25.7

EL PASO ELECTRIC COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2019

	DEPRECIABLE GROUP	SURVIVOR CURVE		NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2019	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)		(3)	(4)	(5)	(6)	(7)	(8)	(9)
342.00	FUEL HOLDERS									
	COPPER POWER STATION	50-R4	*	0	511,690.65	480,918	30,773	2,910	0.57	10.6
	RIO GRANDE UNIT 9	50-R4	*	0	3,768,778.49	541,045	3,227,734	125,815	3.34	25.7
	MONTANA POWER STATION COMMON	50-R4	*	0	20,877,427.66	1,344,928	19,532,500	757,417	3.63	25.8
	TOTAL ACCOUNT 342				25,157,896.80	2,366,890	22,791,007	886,142	3.52	25.7
343.00	PRIME MOVERS									
	RIO GRANDE UNIT 9	40-S1	*	0	59,555,058.08	8,957,443	50,597,615	2,206,208	3.70	22.9
	MONTANA POWER STATION UNIT 1	40-S1	*	0	78,609,840.90	8,434,351	70,175,490	2,957,112	3.76	23.7
	MONTANA POWER STATION UNIT 2	40-S1	*	0	73,503,725.19	7,883,880	65,619,845	2,769,125	3.77	23.7
	MONTANA POWER STATION UNIT 3	40-S1	*	0	63,009,557.15	5,360,075	57,649,482	2,424,712	3.85	23.8
	MONTANA POWER STATION UNIT 4	40-S1	*	0	62,425,439.10	4,746,607	57,678,832	2,425,286	3.89	23.8
	MONTANA POWER STATION COMMON	40-S1	*	0	34,687,534.99	3,863,968	30,823,567	1,312,508	3.78	23.5
	TOTAL ACCOUNT 343				371,791,155.41	39,246,324	332,544,831	14,094,951	3.79	23.6
344.00	GENERATORS									
	COPPER POWER STATION	45-S3	*	0	10,369,392.47	6,437,801	3,931,591	364,223	3.51	10.8
	RIO GRANDE UNIT 9	45-S3	*	0	8,420,577.00	977,806	7,442,771	292,562	3.47	25.4
	MONTANA POWER STATION UNIT 1	45-S3	*	0	6,122,690.89	398,681	5,724,010	223,421	3.65	25.6
	MONTANA POWER STATION UNIT 2	45-S3	*	0	6,122,690.90	405,064	5,717,627	223,200	3.65	25.6
	MONTANA POWER STATION UNIT 3	45-S3	*	0	6,241,096.43	459,179	5,781,917	225,112	3.61	25.7
	MONTANA POWER STATION UNIT 4	45-S3	*	0	6,126,227.89	416,026	5,710,202	222,331	3.63	25.7
	MONTANA POWER STATION COMMON	45-S3	*	0	63.16	10	53	2	3.17	26.5
	SOLAR FACILITIES	25-S2.5	*	0	1,187,262.00	367,724	819,538	62,103	5.23	13.2
	TOTAL ACCOUNT 344				44,590,000.74	9,462,291	35,127,709	1,612,954	3.62	21.8
345.00	ACCESSORY ELECTRIC EQUIPMENT									
	COPPER POWER STATION	45-S1.5	*	0	2,306,860.61	649,418	1,657,443	153,586	6.66	10.8
	RIO GRANDE UNIT 9	45-S1.5	*	0	5,186,610.54	834,096	4,352,515	180,297	3.48	24.1
	MONTANA POWER STATION UNIT 1	45-S1.5	*	0	3,115,518.34	271,887	2,843,632	115,423	3.70	24.6
	MONTANA POWER STATION UNIT 2	45-S1.5	*	0	3,029,962.32	269,436	2,760,527	112,104	3.70	24.6
	MONTANA POWER STATION UNIT 3	45-S1.5	*	0	2,686,649.68	192,777	2,493,873	100,898	3.76	24.7
	MONTANA POWER STATION UNIT 4	45-S1.5	*	0	2,250,774.41	138,436	2,112,338	85,397	3.79	24.7
	MONTANA POWER STATION COMMON	45-S1.5	*	0	9,316,080.56	1,059,360	8,256,721	336,482	3.61	24.5
	SOLAR FACILITIES	25-S2.5	*	0	167,360.00	53,304	114,056	8,862	5.30	12.9
	TOTAL ACCOUNT 345				28,059,816.46	3,468,713	24,591,105	1,093,049	3.90	22.5

EL PASO ELECTRIC COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2019

DEPRECIABLE GROUP (1)	SURVIVOR CURVE (2)	NET SALVAGE PERCENT (3)	ORIGINAL COST AS OF DECEMBER 31, 2019 (4)	BOOK DEPRECIATION RESERVE (5)	FUTURE ACCRUALS (6)	CALCULATED ANNUAL ACCRUAL AMOUNT (7)	CALCULATED ANNUAL ACCRUAL RATE (8)	COMPOSITE REMAINING LIFE (9)
346.00 MISCELLANEOUS POWER PLANT EQUIPMENT								
COPPER POWER STATION	50-R4 *	0	4,170,624.14	4,034,370	136,254	12,405	0.30	11.0
RIO GRANDE UNIT 9	50-R4 *	0	410,060.00	62,171	347,889	13,569	3.31	25.6
MONTANA POWER STATION UNIT 1	50-R4 *	0	297,568.80	32,999	264,570	10,257	3.45	25.8
MONTANA POWER STATION UNIT 2	50-R4 *	0	275,750.74	31,927	243,823	9,456	3.43	25.8
MONTANA POWER STATION UNIT 3	50-R4 *	0	229,358.35	21,831	207,528	8,043	3.51	25.8
MONTANA POWER STATION UNIT 4	50-R4 *	0	231,227.68	19,538	211,690	8,204	3.55	25.8
MONTANA POWER STATION COMMON	50-R4 *	0	740,931.13	126,522	614,409	23,861	3.22	25.7
TOTAL ACCOUNT 346			6,355,520.84	4,329,358	2,026,163	85,795	1.35	23.6
TOTAL GAS TURBINE PLANT			**518,021,062.99**	**63,564,180**	**454,456,883**	**19,226,357**	**3.71**	**23.6**
TRANSMISSION PLANT								
350.10 LAND RIGHTS	80-R3	0	18,917,746.38	6,016,208	12,901,538	192,753	1.02	66.9
350.10 LAND RIGHTS - ISLETA	SQUARE	0	16,824,155.75	1,540,524	15,283,632	636,818	3.79	24.0
352.00 STRUCTURES AND IMPROVEMENTS	75-R4	(5)	12,463,442.58	4,224,229	8,862,386	144,867	1.16	61.2
353.00 STATION EQUIPMENT	50-R4	(5)	188,643,565.70	88,164,203	109,911,541	2,948,962	1.56	37.3
354.00 STEEL TOWERS AND FIXTURES	75-R4	(10)	30,170,781.59	14,800,075	18,387,784	359,891	1.19	51.1
355.00 WOOD AND STEEL POLES	55-S3	(20)	163,484,540.27	64,248,195	131,933,253	3,115,165	1.91	42.4
356.00 OVERHEAD CONDUCTORS AND DEVICES	60-R5	(15)	98,265,748.68	54,924,539	58,081,072	1,579,563	1.61	36.8
359.00 ROADS AND TRAILS	70-R3	0	3,573,352.94	662,951	2,910,402	45,874	1.28	63.4
TOTAL TRANSMISSION PLANT			**532,343,333.89**	**234,580,925**	**358,271,608**	**9,023,893**	**1.70**	**39.7**
DISTRIBUTION PLANT								
360.10 LAND RIGHTS	70-R4	0	2,578,795.26	622,987	1,955,808	33,963	1.32	57.6
361.00 STRUCTURES AND IMPROVEMENTS	70-R3	(5)	21,788,555.43	2,820,363	20,057,620	317,742	1.46	63.1
362.00 STATION EQUIPMENT	65-R2	(5)	287,622,779.74	70,431,015	231,572,904	4,102,971	1.43	56.4
364.00 POLES, TOWERS AND FIXTURES	45-R3	(30)	183,367,772.05	61,904,538	176,473,566	5,697,660	3.11	31.0
365.00 OVERHEAD CONDUCTORS AND DEVICES	48-R2.5	(15)	117,036,295.84	35,065,798	99,525,943	2,747,955	2.35	36.2
366.00 UNDERGROUND CONDUIT	65-R4	(5)	141,830,292.37	40,502,369	108,419,438	2,124,461	1.50	51.0
367.00 UNDERGROUND CONDUCTORS AND DEVICES	41-S2	(20)	166,797,046.25	48,664,055	151,492,400	5,117,534	3.07	29.6
368.00 LINE TRANSFORMERS	52-R3	(15)	283,609,011.85	67,802,856	258,347,508	6,629,377	2.34	39.0
369.00 SERVICES	65-S3	(15)	56,297,451.56	26,484,850	38,257,220	779,571	1.38	49.1
370.00 METERS	35-R2.5	(15)	61,010,255.32	28,815,140	41,346,653	1,598,992	2.62	25.9
371.00 INSTALLATIONS ON CUSTOMERS' PREMISES	35-R2	(15)	14,098,583.74	5,638,247	10,575,125	454,004	3.22	23.3
373.00 STREET LIGHTING AND SIGNAL SYSTEMS	55-R3	(20)	11,751,009.87	6,077,418	8,023,794	242,324	2.06	33.1
TOTAL DISTRIBUTION PLANT			**1,347,787,849.28**	**394,829,634**	**1,146,047,979**	**29,846,554**	**2.21**	**38.4**

EL PASO ELECTRIC COMPANY

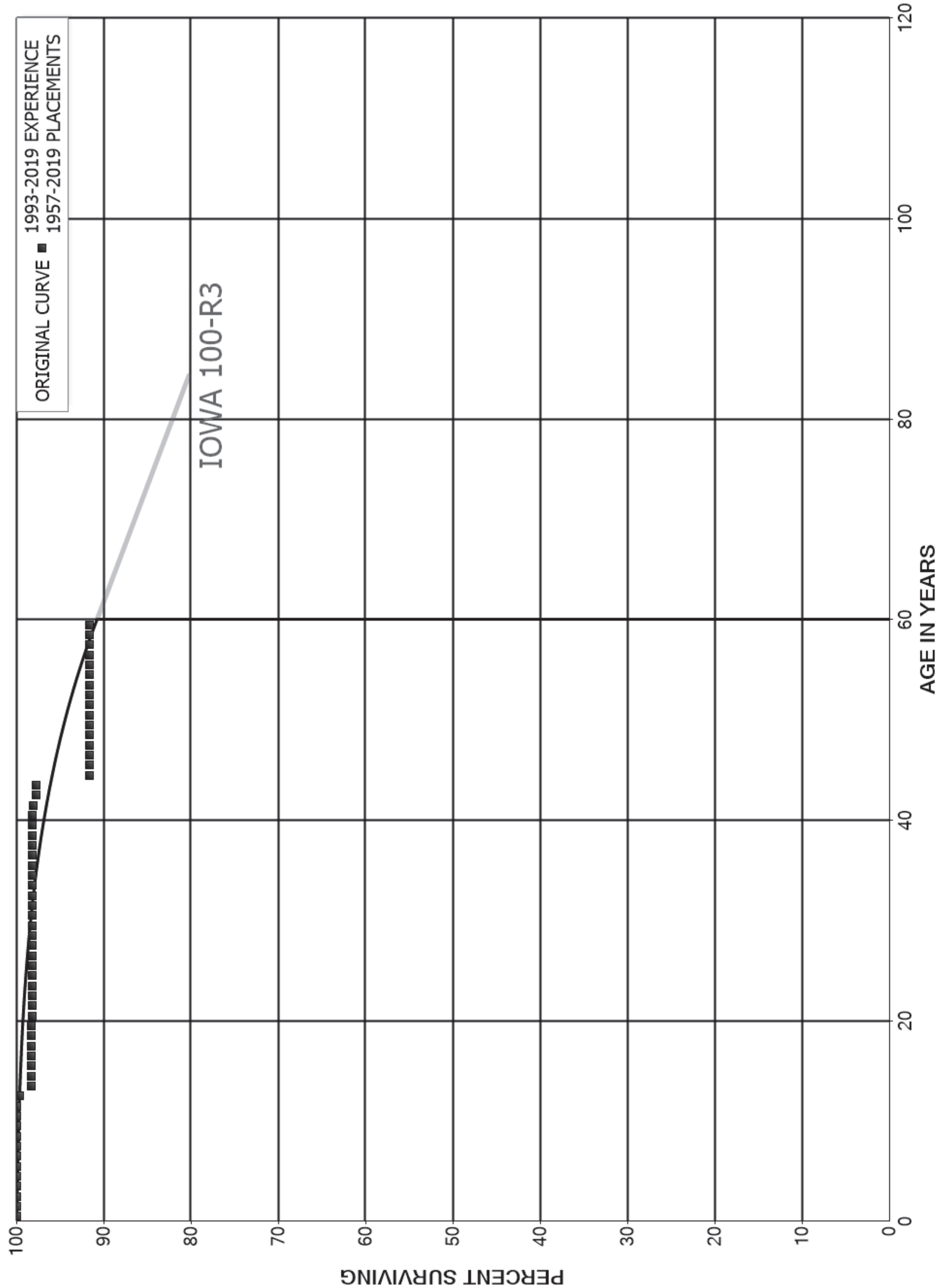
TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE
AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2019

	DEPRECIABLE GROUP	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2019	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
GENERAL PLANT									
390.00	STRUCTURES AND IMPROVEMENTS								
	SYSTEMS OPERATIONS BUILDING	80-R2.5 *	0	15,318,735.23	3,475,891	11,842,845	560,769	3.66	21.1
	STANTON TOWER	80-R2.5 *	0	38,933,122.51	5,776,854	33,156,269	896,927	2.30	37.0
	EASTSIDE OPERATIONS CENTER	80-R2.5 *	0	42,631,419.52	3,214,715	39,416,705	898,410	2.11	43.9
	OTHER STRUCTURES	40-S0.5	0	17,628,830.87	3,113,647	14,515,184	524,165	2.97	27.7
	TOTAL ACCOUNT 390			114,512,108.13	15,581,106	98,931,003	2,880,271	2.52	34.3
391.00	OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	6,751,955.89	6,175,042	576,914	32,752	0.49	17.6
393.00	STORES EQUIPMENT	25-SQ	0	53,347.62	51,489	1,858	195	0.37	9.5
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	5,680,075.99	1,853,025	3,827,051	195,583	3.44	19.6
395.00	LABORATORY EQUIPMENT	15-SQ	0	5,226,132.38	1,910,104	3,316,028	347,704	6.65	9.5
396.00	POWER OPERATED EQUIPMENT	21-R2.5	15	4,300,328.68	1,036,366	2,618,914	165,782	3.86	15.8
397.00	COMMUNICATION EQUIPMENT	15-SQ	0	30,616,208.47	12,705,626	17,910,582	2,580,060	8.43	6.9
398.00	MISCELLANEOUS EQUIPMENT	15-SQ	0	4,575,361.55	1,385,677	3,189,685	398,847	8.72	8.0
TOTAL GENERAL PLANT				**171,715,518.71**	**40,698,436**	**130,372,035**	**6,601,194**	**3.84**	
TOTAL DEPRECIABLE ELECTRIC PLANT				**3,135,323,479.77**	**984,347,203**	**2,428,525,962**	**86,024,360**	**2.74**	

* INTERIM SURVIVOR CURVES USED. EACH LOCATION HAS A UNIQUE PROBABLE RETIREMENT DATE.

PART VII. SERVICE LIFE STATISTICS

EL PASO ELECTRIC COMPANY
ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	55,587,356		0.0000	1.0000	100.00
0.5	50,781,226		0.0000	1.0000	100.00
1.5	35,559,066		0.0000	1.0000	100.00
2.5	33,155,751		0.0000	1.0000	100.00
3.5	32,616,888	264	0.0000	1.0000	100.00
4.5	31,164,859	0	0.0000	1.0000	100.00
5.5	30,355,375		0.0000	1.0000	100.00
6.5	28,178,810		0.0000	1.0000	100.00
7.5	28,217,610		0.0000	1.0000	100.00
8.5	28,390,421	356	0.0000	1.0000	100.00
9.5	28,420,567		0.0000	1.0000	100.00
10.5	4,509,699		0.0000	1.0000	100.00
11.5	4,971,701	20,829	0.0042	0.9958	100.00
12.5	4,708,493	61,885	0.0131	0.9869	99.58
13.5	4,437,020		0.0000	1.0000	98.27
14.5	4,415,180		0.0000	1.0000	98.27
15.5	4,030,374		0.0000	1.0000	98.27
16.5	3,835,839		0.0000	1.0000	98.27
17.5	9,992,329		0.0000	1.0000	98.27
18.5	9,236,756		0.0000	1.0000	98.27
19.5	9,518,992	7,444	0.0008	0.9992	98.27
20.5	9,506,279		0.0000	1.0000	98.19
21.5	9,648,487		0.0000	1.0000	98.19
22.5	9,429,060		0.0000	1.0000	98.19
23.5	9,602,014		0.0000	1.0000	98.19
24.5	9,254,294		0.0000	1.0000	98.19
25.5	9,147,742		0.0000	1.0000	98.19
26.5	9,278,617		0.0000	1.0000	98.19
27.5	9,331,913		0.0000	1.0000	98.19
28.5	9,330,587		0.0000	1.0000	98.19
29.5	9,353,743		0.0000	1.0000	98.19
30.5	9,705,822		0.0000	1.0000	98.19
31.5	9,206,499		0.0000	1.0000	98.19
32.5	9,175,670		0.0000	1.0000	98.19
33.5	10,215,307		0.0000	1.0000	98.19
34.5	10,331,090		0.0000	1.0000	98.19
35.5	10,325,315		0.0000	1.0000	98.19
36.5	10,295,633		0.0000	1.0000	98.19
37.5	10,283,639		0.0000	1.0000	98.19
38.5	20,353,386	3,150	0.0002	0.9998	98.19

EL PASO ELECTRIC COMPANY

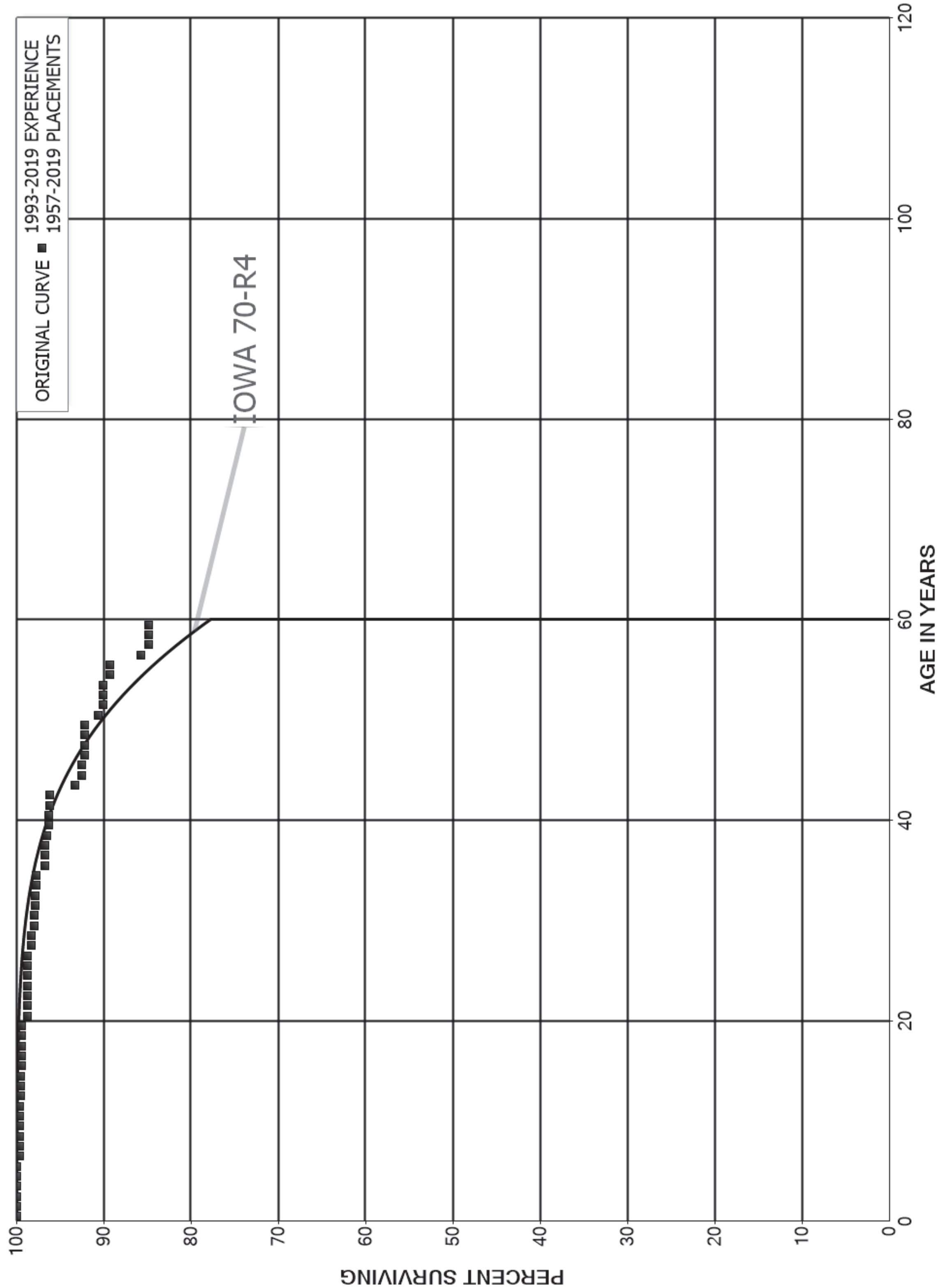
ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1957-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	20,350,236		0.0000	1.0000	98.18
40.5	20,336,373	31,704	0.0016	0.9984	98.18
41.5	20,133,068	59,268	0.0029	0.9971	98.03
42.5	20,042,620		0.0000	1.0000	97.74
43.5	19,781,936	1,243,804	0.0629	0.9371	97.74
44.5	3,641,050		0.0000	1.0000	91.59
45.5	3,635,992		0.0000	1.0000	91.59
46.5	2,712,899		0.0000	1.0000	91.59
47.5	2,705,157		0.0000	1.0000	91.59
48.5	2,705,157		0.0000	1.0000	91.59
49.5	2,705,157		0.0000	1.0000	91.59
50.5	2,704,031		0.0000	1.0000	91.59
51.5	2,695,447		0.0000	1.0000	91.59
52.5	2,651,913		0.0000	1.0000	91.59
53.5	2,351,874		0.0000	1.0000	91.59
54.5	2,283,296		0.0000	1.0000	91.59
55.5	2,281,202		0.0000	1.0000	91.59
56.5	2,226,508		0.0000	1.0000	91.59
57.5	1,774,583		0.0000	1.0000	91.59
58.5	1,771,595		0.0000	1.0000	91.59
59.5	1,745,518		0.0000	1.0000	91.59
60.5	705,881		0.0000	1.0000	91.59
61.5	367,404		0.0000	1.0000	91.59
62.5					91.59

EL PASO ELECTRIC COMPANY
ACCOUNT 312.00 BOILER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	162,872,771		0.0000	1.0000	100.00
0.5	160,153,649		0.0000	1.0000	100.00
1.5	157,387,021		0.0000	1.0000	100.00
2.5	148,501,387		0.0000	1.0000	100.00
3.5	144,814,992		0.0000	1.0000	100.00
4.5	140,791,320	50	0.0000	1.0000	100.00
5.5	141,038,562	471,481	0.0033	0.9967	100.00
6.5	140,153,581	36,998	0.0003	0.9997	99.67
7.5	138,255,854		0.0000	1.0000	99.64
8.5	50,441,332		0.0000	1.0000	99.64
9.5	49,635,371		0.0000	1.0000	99.64
10.5	62,434,889		0.0000	1.0000	99.64
11.5	63,233,382	70,000	0.0011	0.9989	99.64
12.5	63,231,636		0.0000	1.0000	99.53
13.5	60,274,208		0.0000	1.0000	99.53
14.5	59,929,223	56,388	0.0009	0.9991	99.53
15.5	59,997,474		0.0000	1.0000	99.44
16.5	59,301,491		0.0000	1.0000	99.44
17.5	69,711,216		0.0000	1.0000	99.44
18.5	67,484,259		0.0000	1.0000	99.44
19.5	71,680,475	504,751	0.0070	0.9930	99.44
20.5	66,130,327		0.0000	1.0000	98.74
21.5	66,536,208		0.0000	1.0000	98.74
22.5	65,426,320	1,297	0.0000	1.0000	98.74
23.5	68,275,415		0.0000	1.0000	98.73
24.5	65,371,496	32,937	0.0005	0.9995	98.73
25.5	62,097,115		0.0000	1.0000	98.68
26.5	64,979,201	286,587	0.0044	0.9956	98.68
27.5	63,722,822	261	0.0000	1.0000	98.25
28.5	45,729,635	130,250	0.0028	0.9972	98.25
29.5	45,493,072	408	0.0000	1.0000	97.97
30.5	34,729,897	27,659	0.0008	0.9992	97.97
31.5	33,368,634		0.0000	1.0000	97.89
32.5	36,699,467	66,195	0.0018	0.9982	97.89
33.5	36,377,167	7	0.0000	1.0000	97.71
34.5	36,207,186	365,232	0.0101	0.9899	97.71
35.5	38,858,610	3,899	0.0001	0.9999	96.73
36.5	38,314,678	7,884	0.0002	0.9998	96.72
37.5	37,899,136	86,182	0.0023	0.9977	96.70
38.5	26,650,676	65,097	0.0024	0.9976	96.48

EL PASO ELECTRIC COMPANY

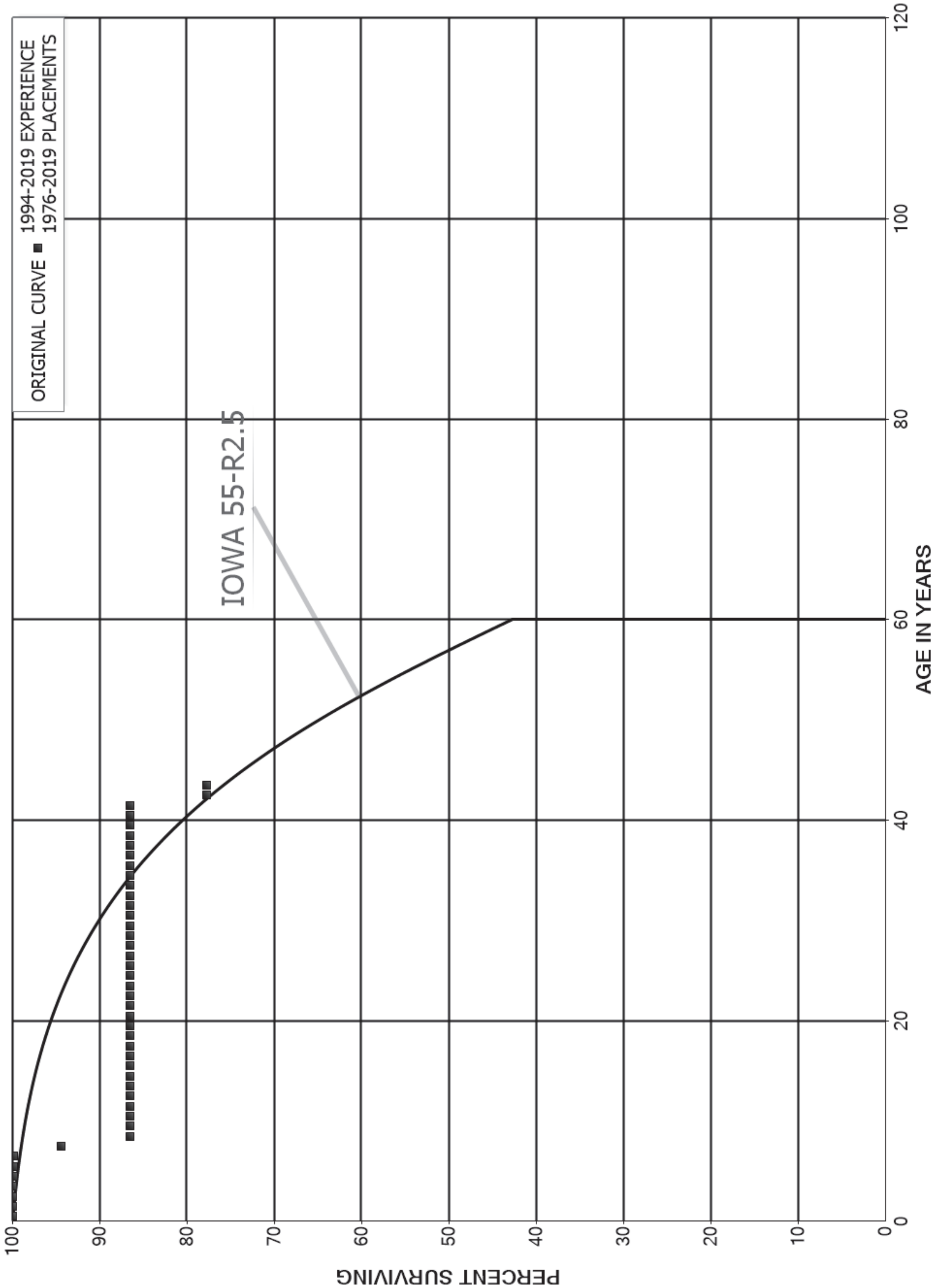
ACCOUNT 312.00 BOILER PLANT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1957-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	26,442,484		0.0000	1.0000	96.24
40.5	26,178,535	3,500	0.0001	0.9999	96.24
41.5	24,443,169		0.0000	1.0000	96.23
42.5	24,295,851	750,916	0.0309	0.9691	96.23
43.5	20,568,722	175,310	0.0085	0.9915	93.25
44.5	19,677,729		0.0000	1.0000	92.46
45.5	19,675,147	53,182	0.0027	0.9973	92.46
46.5	14,118,238		0.0000	1.0000	92.21
47.5	14,047,326		0.0000	1.0000	92.21
48.5	14,047,326		0.0000	1.0000	92.21
49.5	14,045,605	241,511	0.0172	0.9828	92.21
50.5	13,787,846	91,348	0.0066	0.9934	90.62
51.5	13,678,661		0.0000	1.0000	90.02
52.5	13,467,218		0.0000	1.0000	90.02
53.5	10,667,865	83,089	0.0078	0.9922	90.02
54.5	10,584,776		0.0000	1.0000	89.32
55.5	10,583,212	425,134	0.0402	0.9598	89.32
56.5	10,100,316	109,490	0.0108	0.9892	85.73
57.5	7,241,082		0.0000	1.0000	84.81
58.5	7,238,566		0.0000	1.0000	84.81
59.5	4,298,134	6,474	0.0015	0.9985	84.81
60.5	4,253,340		0.0000	1.0000	84.68
61.5	4,253,340	4,831	0.0011	0.9989	84.68
62.5					84.58

EL PASO ELECTRIC COMPANY
ACCOUNT 313.00 ENGINES AND ENGINE-DRIVEN GENERATORS
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 313.00 ENGINES AND ENGINE-DRIVEN GENERATORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1976-2019 EXPERIENCE BAND 1994-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	72,136,191		0.0000	1.0000	100.00
0.5	64,424,260		0.0000	1.0000	100.00
1.5	63,135,480		0.0000	1.0000	100.00
2.5	62,345,418		0.0000	1.0000	100.00
3.5	49,886,504	60,000	0.0012	0.9988	100.00
4.5	49,179,821		0.0000	1.0000	99.88
5.5	47,752,963		0.0000	1.0000	99.88
6.5	43,958,126	2,415,423	0.0549	0.9451	99.88
7.5	41,506,138	3,482,012	0.0839	0.9161	94.39
8.5	37,999,552		0.0000	1.0000	86.47
9.5	34,904,512		0.0000	1.0000	86.47
10.5	3,087,879		0.0000	1.0000	86.47
11.5	2,160,744		0.0000	1.0000	86.47
12.5	1,965,953		0.0000	1.0000	86.47
13.5	751,664		0.0000	1.0000	86.47
14.5	482,524		0.0000	1.0000	86.47
15.5	497,263		0.0000	1.0000	86.47
16.5	497,263		0.0000	1.0000	86.47
17.5	10,651,994		0.0000	1.0000	86.47
18.5	10,651,994		0.0000	1.0000	86.47
19.5	10,651,994		0.0000	1.0000	86.47
20.5	10,651,994		0.0000	1.0000	86.47
21.5	10,651,994		0.0000	1.0000	86.47
22.5	10,651,994		0.0000	1.0000	86.47
23.5	10,651,994		0.0000	1.0000	86.47
24.5	10,651,994		0.0000	1.0000	86.47
25.5	10,630,420		0.0000	1.0000	86.47
26.5	10,630,420		0.0000	1.0000	86.47
27.5	10,619,412		0.0000	1.0000	86.47
28.5	10,619,412		0.0000	1.0000	86.47
29.5	10,619,412		0.0000	1.0000	86.47
30.5	10,619,412		0.0000	1.0000	86.47
31.5	10,619,412		0.0000	1.0000	86.47
32.5	10,619,412		0.0000	1.0000	86.47
33.5	10,619,412		0.0000	1.0000	86.47
34.5	10,619,412		0.0000	1.0000	86.47
35.5	10,619,412		0.0000	1.0000	86.47
36.5	10,199,210		0.0000	1.0000	86.47
37.5	10,185,728		0.0000	1.0000	86.47
38.5	10,169,470		0.0000	1.0000	86.47

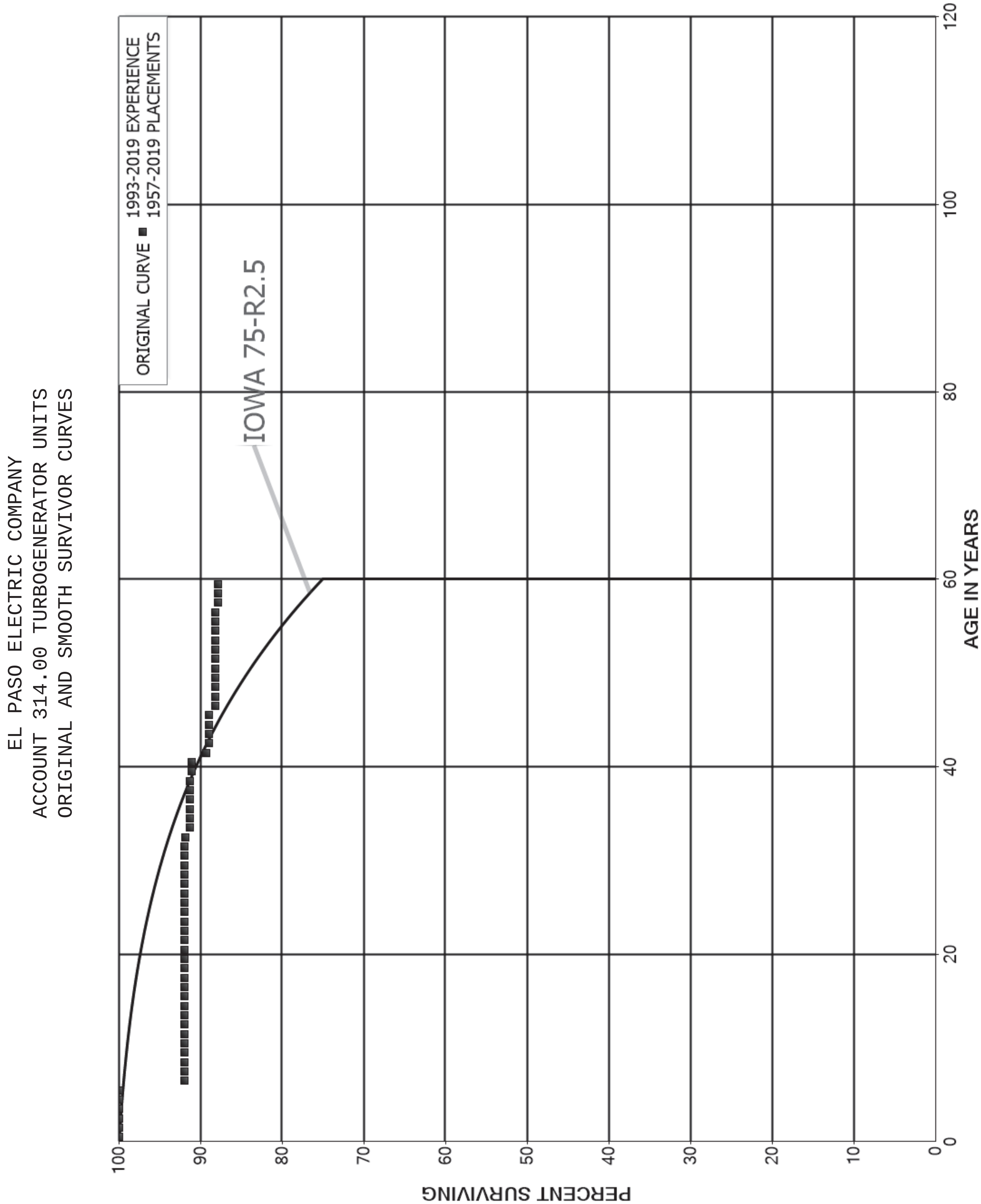
EL PASO ELECTRIC COMPANY

ACCOUNT 313.00 ENGINES AND ENGINE-DRIVEN GENERATORS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1976-2019 EXPERIENCE BAND 1994-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	10,169,470		0.0000	1.0000	86.47
40.5	10,116,570		0.0000	1.0000	86.47
41.5	10,101,831	1,018,167	0.1008	0.8992	86.47
42.5	9,083,664		0.0000	1.0000	77.76
43.5					77.76


EL PASO ELECTRIC COMPANY
ACCOUNT 314.00 TURBOGENERATOR UNITS
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE ■ 1993-2019 EXPERIENCE
1957-2019 PLACEMENTS
IOWA 75-R2.5
PERCENT SURVIVING
AGE IN YEARS
0
10
20
30
40
50
60
70
80
90
100
0
20
40
60
80
100
120

EL PASO ELECTRIC COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	133,168,643		0.0000	1.0000	100.00
0.5	130,973,136		0.0000	1.0000	100.00
1.5	123,512,744		0.0000	1.0000	100.00
2.5	101,082,448		0.0000	1.0000	100.00
3.5	96,979,491		0.0000	1.0000	100.00
4.5	96,750,130	68,590	0.0007	0.9993	100.00
5.5	89,905,195	7,132,488	0.0793	0.9207	99.93
6.5	82,755,850	46,724	0.0006	0.9994	92.00
7.5	79,785,244		0.0000	1.0000	91.95
8.5	40,224,160		0.0000	1.0000	91.95
9.5	39,978,919		0.0000	1.0000	91.95
10.5	37,120,013		0.0000	1.0000	91.95
11.5	36,585,701		0.0000	1.0000	91.95
12.5	35,186,500		0.0000	1.0000	91.95
13.5	33,960,057		0.0000	1.0000	91.95
14.5	32,100,455		0.0000	1.0000	91.95
15.5	28,775,077		0.0000	1.0000	91.95
16.5	28,872,792		0.0000	1.0000	91.95
17.5	38,659,436		0.0000	1.0000	91.95
18.5	34,652,209		0.0000	1.0000	91.95
19.5	36,195,426		0.0000	1.0000	91.95
20.5	36,067,101		0.0000	1.0000	91.95
21.5	37,214,573		0.0000	1.0000	91.95
22.5	36,337,032		0.0000	1.0000	91.95
23.5	30,771,038		0.0000	1.0000	91.95
24.5	24,096,468	2,768	0.0001	0.9999	91.95
25.5	23,818,955		0.0000	1.0000	91.94
26.5	26,254,269		0.0000	1.0000	91.94
27.5	26,254,443		0.0000	1.0000	91.94
28.5	26,245,755		0.0000	1.0000	91.94
29.5	26,368,609	7,000	0.0003	0.9997	91.94
30.5	28,646,203		0.0000	1.0000	91.91
31.5	28,609,544	29,820	0.0010	0.9990	91.91
32.5	32,812,520	197,050	0.0060	0.9940	91.82
33.5	32,699,179		0.0000	1.0000	91.27
34.5	35,532,656		0.0000	1.0000	91.27
35.5	38,177,779		0.0000	1.0000	91.27
36.5	38,120,945		0.0000	1.0000	91.27
37.5	38,092,047		0.0000	1.0000	91.27
38.5	38,076,309	74,900	0.0020	0.9980	91.27

EL PASO ELECTRIC COMPANY

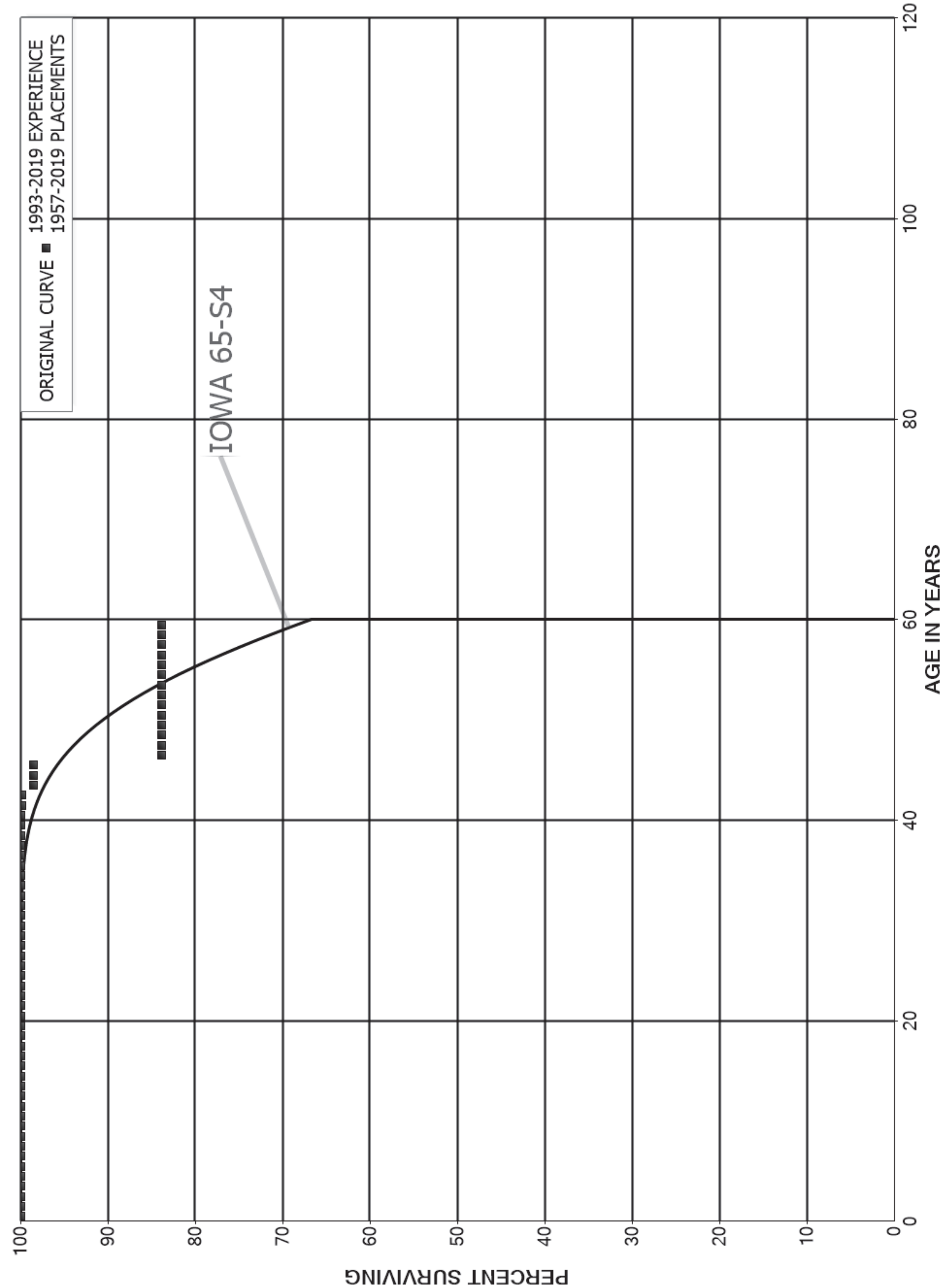
ACCOUNT 314.00 TURBOGENERATOR UNITS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1957-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	37,979,118		0.0000	1.0000	91.09
40.5	37,792,939	735,772	0.0195	0.9805	91.09
41.5	35,003,962	125,883	0.0036	0.9964	89.31
42.5	34,860,365		0.0000	1.0000	88.99
43.5	33,179,335		0.0000	1.0000	88.99
44.5	25,009,690		0.0000	1.0000	88.99
45.5	24,895,340	231,459	0.0093	0.9907	88.99
46.5	17,700,159		0.0000	1.0000	88.17
47.5	17,531,418		0.0000	1.0000	88.17
48.5	17,531,418		0.0000	1.0000	88.17
49.5	17,528,264		0.0000	1.0000	88.17
50.5	17,331,534		0.0000	1.0000	88.17
51.5	17,316,105		0.0000	1.0000	88.17
52.5	17,093,680		0.0000	1.0000	88.17
53.5	13,341,814		0.0000	1.0000	88.17
54.5	12,751,104		0.0000	1.0000	88.17
55.5	12,751,104		0.0000	1.0000	88.17
56.5	11,967,954	37,910	0.0032	0.9968	88.17
57.5	9,184,393		0.0000	1.0000	87.89
58.5	9,181,233		0.0000	1.0000	87.89
59.5	5,586,624		0.0000	1.0000	87.89
60.5	5,498,853		0.0000	1.0000	87.89
61.5	2,648,949		0.0000	1.0000	87.89
62.5					87.89

EL PASO ELECTRIC COMPANY
ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	32,759,593		0.0000	1.0000	100.00
0.5	25,223,513		0.0000	1.0000	100.00
1.5	24,683,115		0.0000	1.0000	100.00
2.5	23,943,143	5,923	0.0002	0.9998	100.00
3.5	23,878,238		0.0000	1.0000	99.98
4.5	22,568,410	20	0.0000	1.0000	99.98
5.5	22,466,734		0.0000	1.0000	99.98
6.5	22,577,425		0.0000	1.0000	99.98
7.5	22,615,962		0.0000	1.0000	99.98
8.5	10,307,334		0.0000	1.0000	99.98
9.5	9,732,880		0.0000	1.0000	99.98
10.5	2,205,347		0.0000	1.0000	99.98
11.5	2,197,441		0.0000	1.0000	99.98
12.5	2,141,142		0.0000	1.0000	99.98
13.5	2,141,155		0.0000	1.0000	99.98
14.5	2,080,043		0.0000	1.0000	99.98
15.5	928,071		0.0000	1.0000	99.98
16.5	934,681		0.0000	1.0000	99.98
17.5	7,057,464		0.0000	1.0000	99.98
18.5	6,992,160		0.0000	1.0000	99.98
19.5	8,562,220		0.0000	1.0000	99.98
20.5	8,516,899		0.0000	1.0000	99.98
21.5	8,822,008		0.0000	1.0000	99.98
22.5	8,761,469		0.0000	1.0000	99.98
23.5	9,142,661		0.0000	1.0000	99.98
24.5	9,102,819		0.0000	1.0000	99.98
25.5	8,931,583		0.0000	1.0000	99.98
26.5	9,602,400		0.0000	1.0000	99.98
27.5	9,580,425		0.0000	1.0000	99.98
28.5	9,580,382		0.0000	1.0000	99.98
29.5	9,614,400		0.0000	1.0000	99.98
30.5	10,475,555		0.0000	1.0000	99.98
31.5	10,383,421		0.0000	1.0000	99.98
32.5	11,217,303		0.0000	1.0000	99.98
33.5	11,120,654		0.0000	1.0000	99.98
34.5	11,524,250		0.0000	1.0000	99.98
35.5	12,047,012		0.0000	1.0000	99.98
36.5	12,009,338		0.0000	1.0000	99.98
37.5	12,008,408		0.0000	1.0000	99.98
38.5	12,003,466	7,875	0.0007	0.9993	99.98

EL PASO ELECTRIC COMPANY

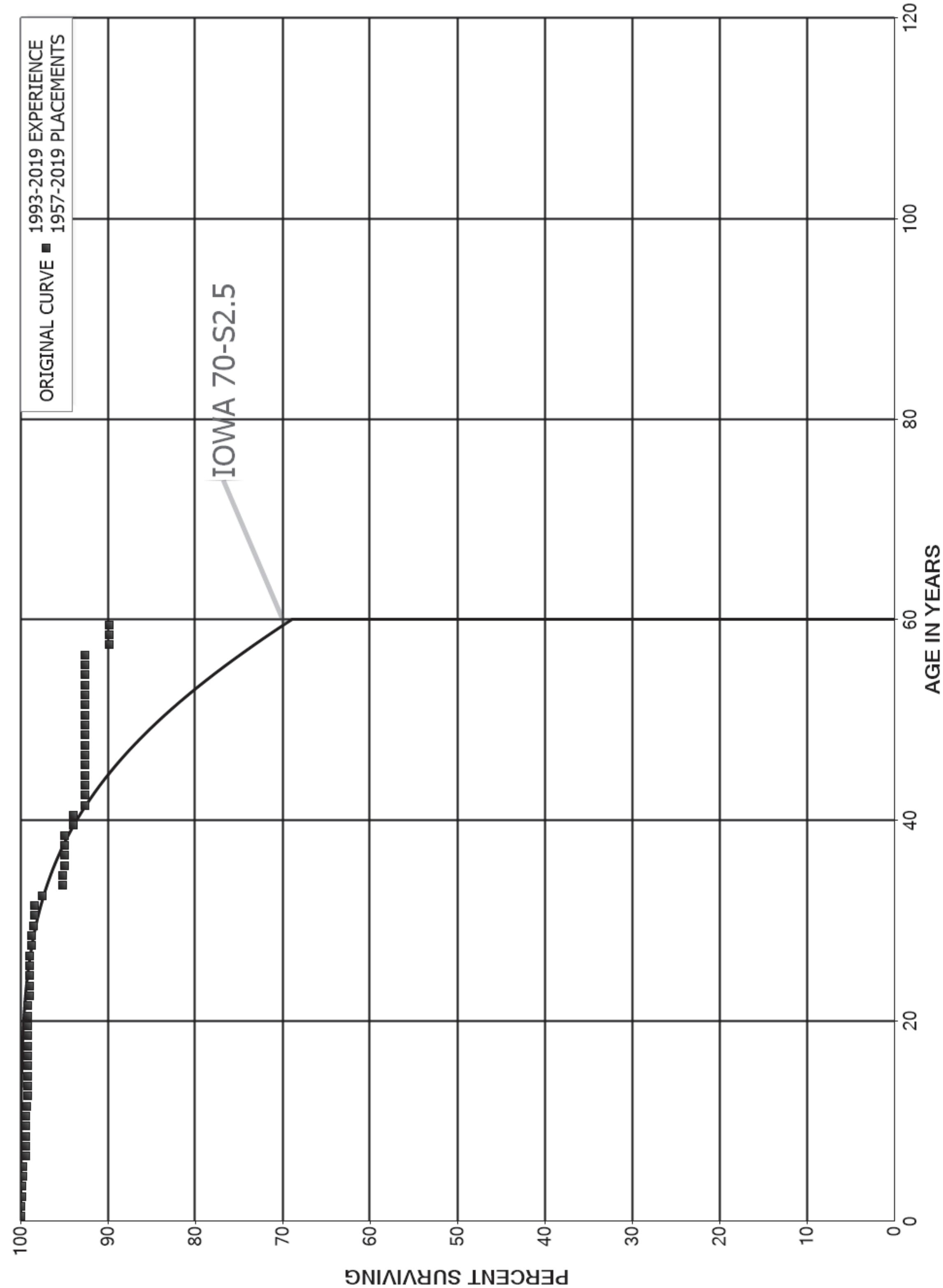
ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1957-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	11,995,552		0.0000	1.0000	99.91
40.5	11,995,539	7,875	0.0007	0.9993	99.91
41.5	11,691,615		0.0000	1.0000	99.84
42.5	11,677,806	150,744	0.0129	0.9871	99.84
43.5	11,151,729		0.0000	1.0000	98.56
44.5	5,029,876		0.0000	1.0000	98.56
45.5	5,028,936	752,155	0.1496	0.8504	98.56
46.5	3,604,696		0.0000	1.0000	83.81
47.5	3,603,774		0.0000	1.0000	83.81
48.5	3,602,589		0.0000	1.0000	83.81
49.5	3,602,589		0.0000	1.0000	83.81
50.5	3,601,515		0.0000	1.0000	83.81
51.5	3,600,697		0.0000	1.0000	83.81
52.5	3,557,041		0.0000	1.0000	83.81
53.5	2,853,944		0.0000	1.0000	83.81
54.5	2,853,944		0.0000	1.0000	83.81
55.5	2,853,944		0.0000	1.0000	83.81
56.5	2,756,825		0.0000	1.0000	83.81
57.5	1,895,670		0.0000	1.0000	83.81
58.5	1,895,486		0.0000	1.0000	83.81
59.5	1,024,740		0.0000	1.0000	83.81
60.5	1,016,477		0.0000	1.0000	83.81
61.5	532,902		0.0000	1.0000	83.81
62.5					83.81

EL PASO ELECTRIC COMPANY
ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1957-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	55,711,639	6,794	0.0001	0.9999	100.00
0.5	57,089,054		0.0000	1.0000	99.99
1.5	56,668,932	58,887	0.0010	0.9990	99.99
2.5	55,480,489		0.0000	1.0000	99.88
3.5	55,210,335	84,172	0.0015	0.9985	99.88
4.5	54,841,217		0.0000	1.0000	99.73
5.5	53,484,749	171,800	0.0032	0.9968	99.73
6.5	51,978,058		0.0000	1.0000	99.41
7.5	51,822,013		0.0000	1.0000	99.41
8.5	37,190,792	2,170	0.0001	0.9999	99.41
9.5	36,990,545	23,243	0.0006	0.9994	99.41
10.5	35,080,468	16,755	0.0005	0.9995	99.34
11.5	34,894,422	27,784	0.0008	0.9992	99.30
12.5	33,338,899		0.0000	1.0000	99.22
13.5	33,286,277		0.0000	1.0000	99.22
14.5	33,253,871		0.0000	1.0000	99.22
15.5	29,686,533		0.0000	1.0000	99.22
16.5	28,854,622	1,268	0.0000	1.0000	99.22
17.5	28,781,694		0.0000	1.0000	99.21
18.5	24,202,036		0.0000	1.0000	99.21
19.5	18,664,955		0.0000	1.0000	99.21
20.5	16,147,053		0.0000	1.0000	99.21
21.5	15,592,732	44,324	0.0028	0.9972	99.21
22.5	12,698,876		0.0000	1.0000	98.93
23.5	5,373,144		0.0000	1.0000	98.93
24.5	3,442,044		0.0000	1.0000	98.93
25.5	2,323,646		0.0000	1.0000	98.93
26.5	2,311,645	3,657	0.0016	0.9984	98.93
27.5	2,272,830		0.0000	1.0000	98.77
28.5	2,268,680	7,157	0.0032	0.9968	98.77
29.5	2,193,092	755	0.0003	0.9997	98.46
30.5	2,233,271		0.0000	1.0000	98.43
31.5	2,119,249	20,984	0.0099	0.9901	98.43
32.5	2,074,497	49,396	0.0238	0.9762	97.45
33.5	2,232,618		0.0000	1.0000	95.13
34.5	2,095,884	3,198	0.0015	0.9985	95.13
35.5	2,134,855		0.0000	1.0000	94.99
36.5	2,105,775		0.0000	1.0000	94.99
37.5	1,970,366		0.0000	1.0000	94.99
38.5	1,877,028	21,176	0.0113	0.9887	94.99

EL PASO ELECTRIC COMPANY

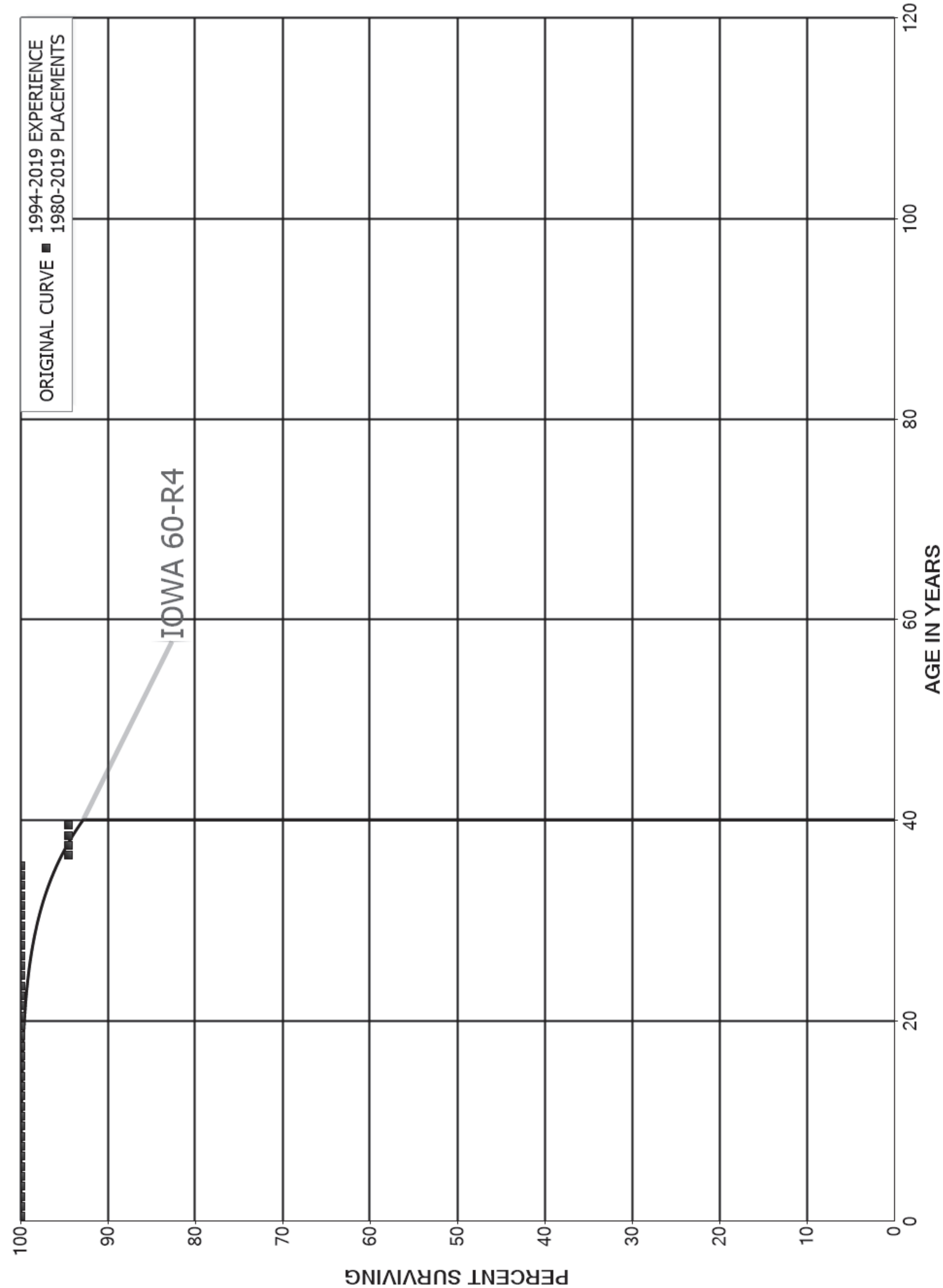
ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1957-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,731,966		0.0000	1.0000	93.92
40.5	1,535,750	21,176	0.0138	0.9862	93.92
41.5	1,465,168		0.0000	1.0000	92.62
42.5	1,436,014		0.0000	1.0000	92.62
43.5	1,339,002		0.0000	1.0000	92.62
44.5	828,631		0.0000	1.0000	92.62
45.5	817,748		0.0000	1.0000	92.62
46.5	499,956		0.0000	1.0000	92.62
47.5	492,196		0.0000	1.0000	92.62
48.5	492,196		0.0000	1.0000	92.62
49.5	491,260		0.0000	1.0000	92.62
50.5	487,309		0.0000	1.0000	92.62
51.5	419,221		0.0000	1.0000	92.62
52.5	408,339		0.0000	1.0000	92.62
53.5	348,076		0.0000	1.0000	92.62
54.5	344,862		0.0000	1.0000	92.62
55.5	342,566		0.0000	1.0000	92.62
56.5	337,746	10,200	0.0302	0.9698	92.62
57.5	286,612		0.0000	1.0000	89.82
58.5	269,098		0.0000	1.0000	89.82
59.5	268,745		0.0000	1.0000	89.82
60.5	71,428		0.0000	1.0000	89.82
61.5	52,277		0.0000	1.0000	89.82
62.5					89.82

EL PASO ELECTRIC COMPANY
ACCOUNT 341.00 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

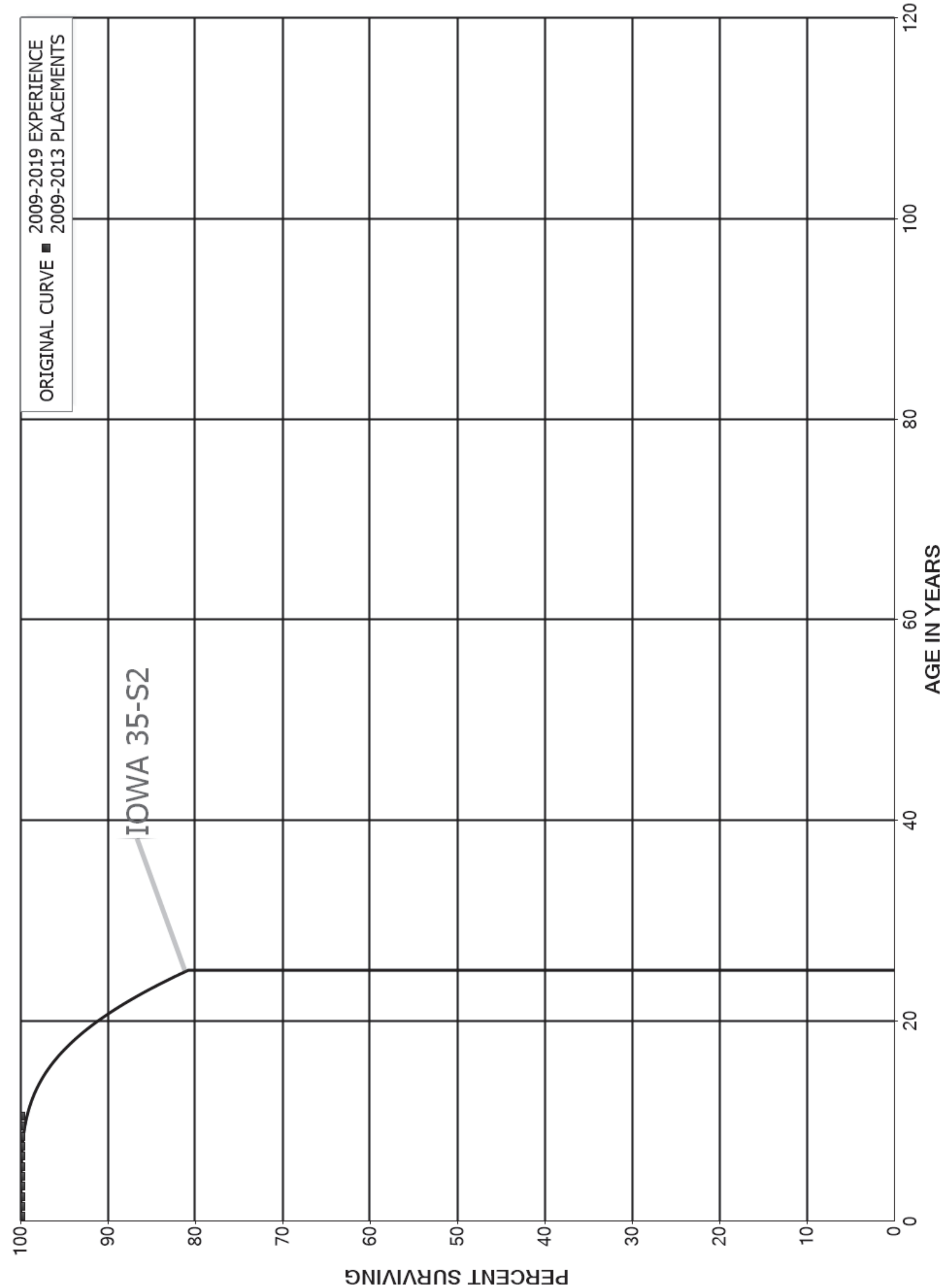
ACCOUNT 341.00 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1980-2019 EXPERIENCE BAND 1994-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	41,394,353		0.0000	1.0000	100.00
0.5	35,466,879		0.0000	1.0000	100.00
1.5	35,240,857		0.0000	1.0000	100.00
2.5	35,167,139		0.0000	1.0000	100.00
3.5	34,612,866		0.0000	1.0000	100.00
4.5	22,147,811		0.0000	1.0000	100.00
5.5	22,069,246		0.0000	1.0000	100.00
6.5	104,529		0.0000	1.0000	100.00
7.5	90,214		0.0000	1.0000	100.00
8.5	90,214		0.0000	1.0000	100.00
9.5	90,214		0.0000	1.0000	100.00
10.5	90,214		0.0000	1.0000	100.00
11.5	101,314		0.0000	1.0000	100.00
12.5	101,314		0.0000	1.0000	100.00
13.5	636,095		0.0000	1.0000	100.00
14.5	636,095		0.0000	1.0000	100.00
15.5	636,095		0.0000	1.0000	100.00
16.5	636,095		0.0000	1.0000	100.00
17.5	636,095		0.0000	1.0000	100.00
18.5	636,095		0.0000	1.0000	100.00
19.5	636,095		0.0000	1.0000	100.00
20.5	631,998		0.0000	1.0000	100.00
21.5	631,998		0.0000	1.0000	100.00
22.5	631,998		0.0000	1.0000	100.00
23.5	631,998		0.0000	1.0000	100.00
24.5	631,998		0.0000	1.0000	100.00
25.5	614,553		0.0000	1.0000	100.00
26.5	614,553		0.0000	1.0000	100.00
27.5	614,553		0.0000	1.0000	100.00
28.5	614,553		0.0000	1.0000	100.00
29.5	614,553		0.0000	1.0000	100.00
30.5	614,553		0.0000	1.0000	100.00
31.5	614,553		0.0000	1.0000	100.00
32.5	614,553		0.0000	1.0000	100.00
33.5	614,553		0.0000	1.0000	100.00
34.5	614,553		0.0000	1.0000	100.00
35.5	614,553	34,102	0.0555	0.9445	100.00
36.5	580,451		0.0000	1.0000	94.45
37.5	569,351		0.0000	1.0000	94.45
38.5	569,351		0.0000	1.0000	94.45
39.5					94.45

EL PASO ELECTRIC COMPANY
ACCOUNT 341.00 STRUCTURES AND IMPROVEMENTS - SOLAR
ORIGINAL AND SMOOTH SURVIVOR CURVES



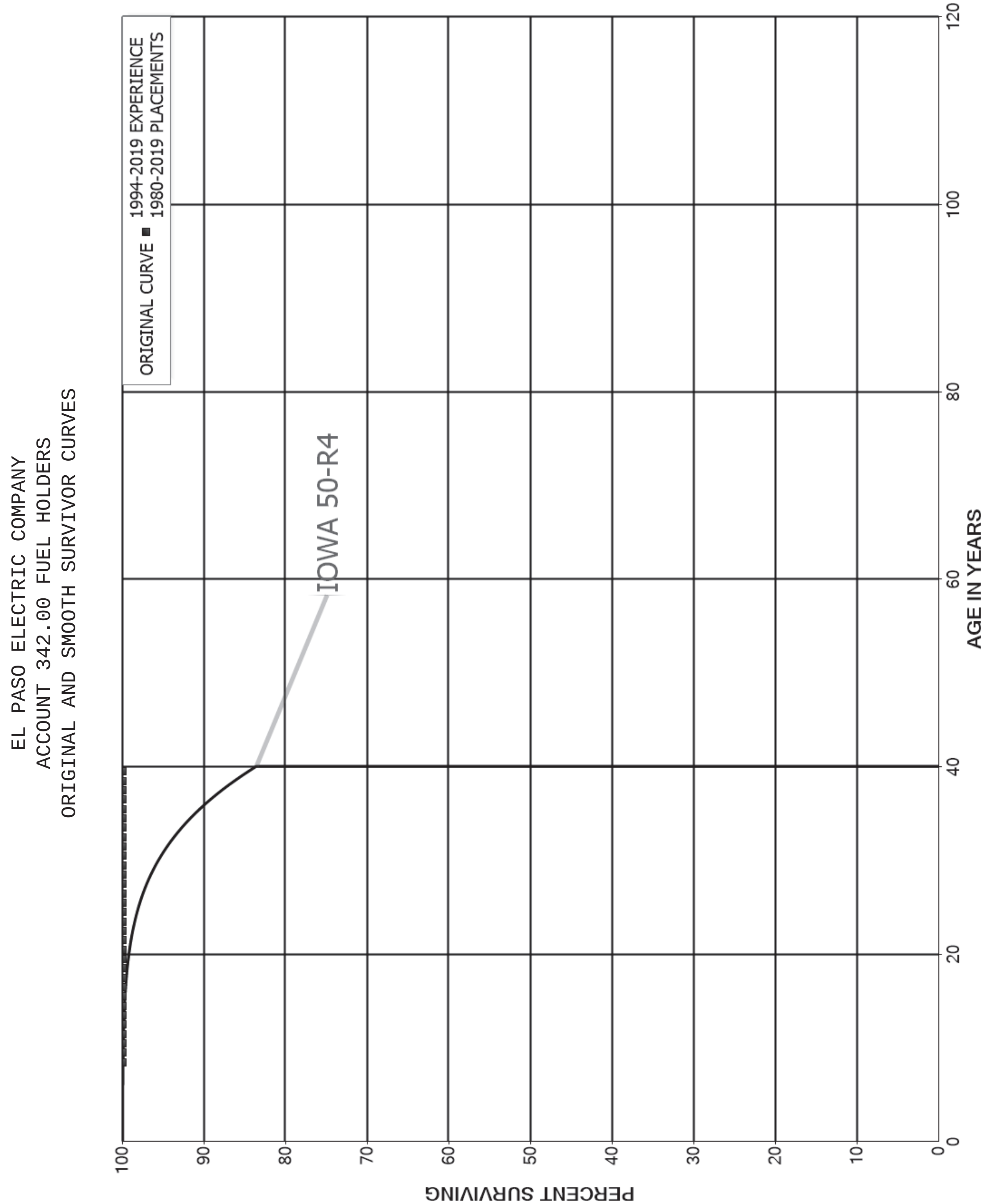
EL PASO ELECTRIC COMPANY

ACCOUNT 341.00 STRUCTURES AND IMPROVEMENTS - SOLAR

ORIGINAL LIFE TABLE

PLACEMENT BAND 2009-2013 EXPERIENCE BAND 2009-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	91,868		0.0000	1.0000	100.00
0.5	91,868		0.0000	1.0000	100.00
1.5	91,868		0.0000	1.0000	100.00
2.5	91,868		0.0000	1.0000	100.00
3.5	91,868		0.0000	1.0000	100.00
4.5	91,868		0.0000	1.0000	100.00
5.5	91,868		0.0000	1.0000	100.00
6.5	39,814		0.0000	1.0000	100.00
7.5	39,814		0.0000	1.0000	100.00
8.5	39,814		0.0000	1.0000	100.00
9.5	39,814		0.0000	1.0000	100.00
10.5					100.00


EL PASO ELECTRIC COMPANY
ACCOUNT 342.00 FUEL HOLDERS
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE ■ 1994-2019 EXPERIENCE
1980-2019 PLACEMENTS
IOWA 50-R4
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
120

EL PASO ELECTRIC COMPANY

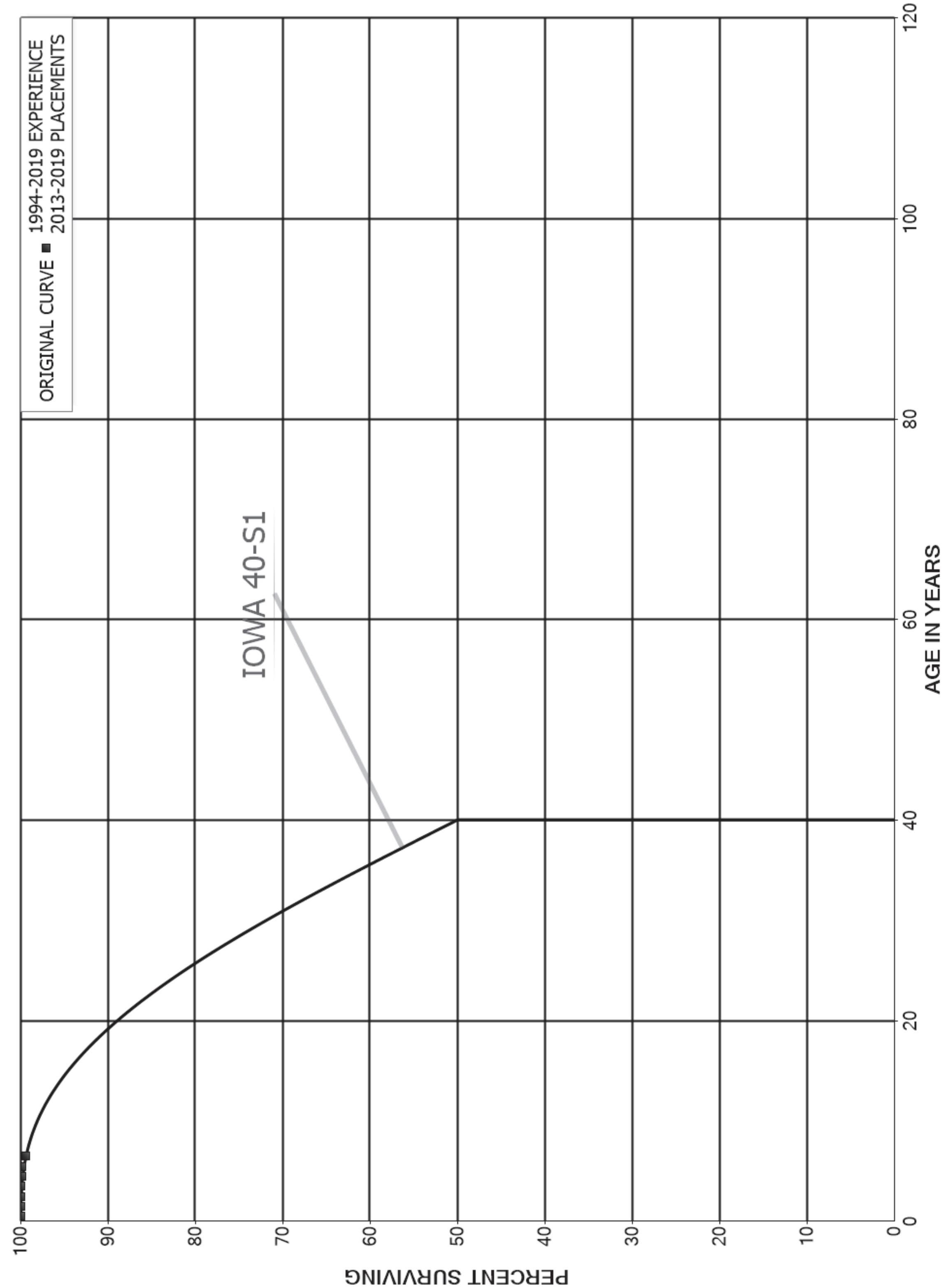
ACCOUNT 342.00 FUEL HOLDERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1980-2019 EXPERIENCE BAND 1994-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	24,677,004		0.0000		
0.5	18,807,875		0.0000		
1.5	18,676,577		0.0000		
2.5	18,605,616		0.0000		
3.5	8,889,095		0.0000		
4.5	3,118,540		0.0000		
5.5	3,118,540		0.0000		
6.5					
7.5					
8.5	5,333		0.0000	1.0000	100.00
9.5	5,333		0.0000	1.0000	100.00
10.5	5,333		0.0000	1.0000	100.00
11.5	5,333		0.0000	1.0000	100.00
12.5	213,173		0.0000	1.0000	100.00
13.5	480,893		0.0000	1.0000	100.00
14.5	480,893		0.0000	1.0000	100.00
15.5	480,893		0.0000	1.0000	100.00
16.5	480,893		0.0000	1.0000	100.00
17.5	480,893		0.0000	1.0000	100.00
18.5	480,893		0.0000	1.0000	100.00
19.5	480,893		0.0000	1.0000	100.00
20.5	480,893		0.0000	1.0000	100.00
21.5	480,893		0.0000	1.0000	100.00
22.5	480,893		0.0000	1.0000	100.00
23.5	480,893		0.0000	1.0000	100.00
24.5	480,893		0.0000	1.0000	100.00
25.5	480,893		0.0000	1.0000	100.00
26.5	480,893		0.0000	1.0000	100.00
27.5	480,893		0.0000	1.0000	100.00
28.5	480,893		0.0000	1.0000	100.00
29.5	480,893		0.0000	1.0000	100.00
30.5	480,893		0.0000	1.0000	100.00
31.5	480,893		0.0000	1.0000	100.00
32.5	480,893		0.0000	1.0000	100.00
33.5	480,893		0.0000	1.0000	100.00
34.5	475,560		0.0000	1.0000	100.00
35.5	475,560		0.0000	1.0000	100.00
36.5	475,560		0.0000	1.0000	100.00
37.5	475,560		0.0000	1.0000	100.00
38.5	267,720		0.0000	1.0000	100.00
39.5					100.00

EL PASO ELECTRIC COMPANY
ACCOUNT 343.00 PRIME MOVERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

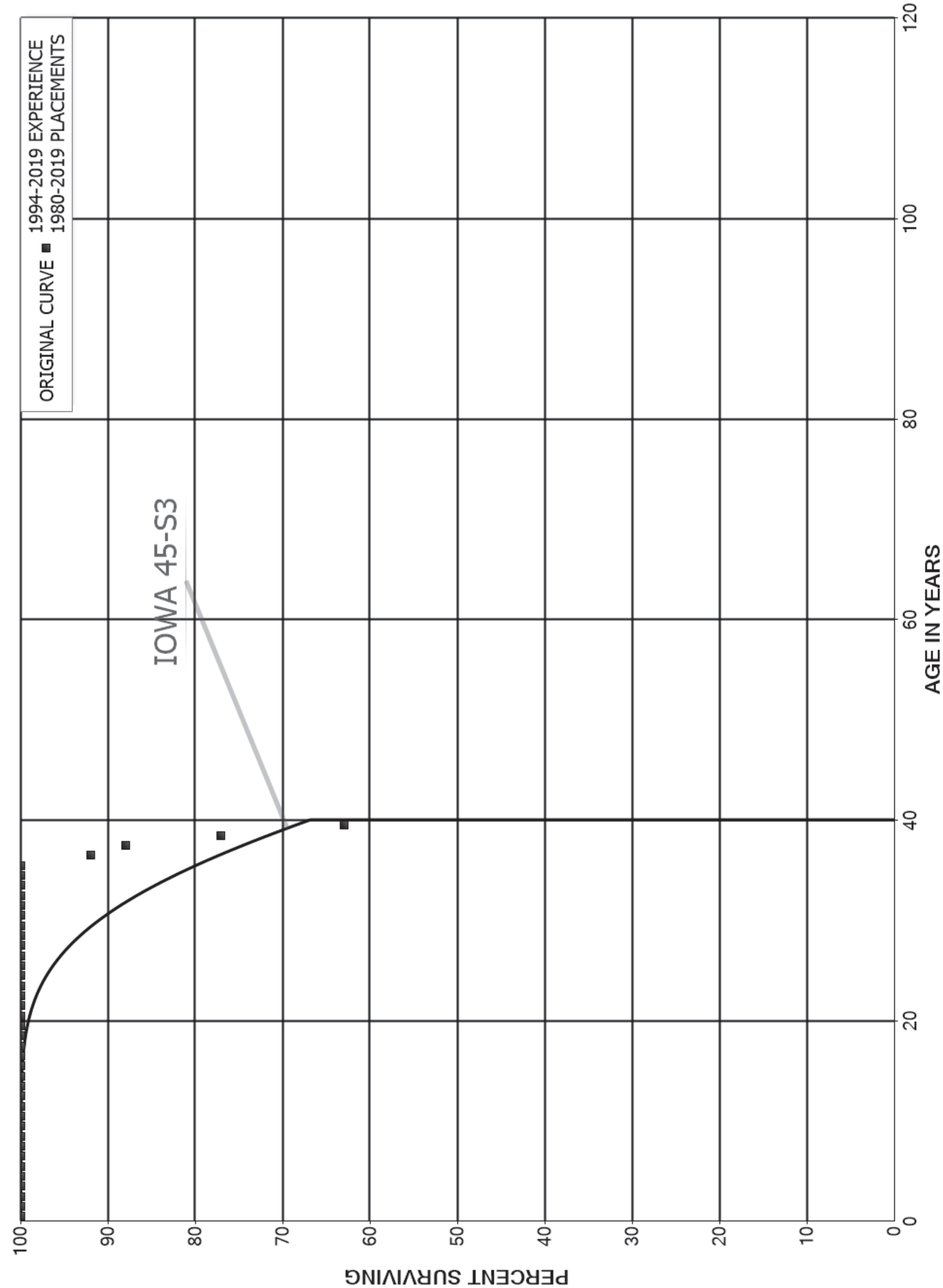
ACCOUNT 343.00 PRIME MOVERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 2013-2019 EXPERIENCE BAND 1994-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	372,476,668		0.0000	1.0000	100.00
0.5	300,844,291		0.0000	1.0000	100.00
1.5	294,828,681		0.0000	1.0000	100.00
2.5	293,160,261	277,389	0.0009	0.9991	100.00
3.5	172,302,034	204,330	0.0012	0.9988	99.91
4.5	55,323,486		0.0000	1.0000	99.79
5.5	55,323,486	203,794	0.0037	0.9963	99.79
6.5					99.42

EL PASO ELECTRIC COMPANY
ACCOUNT 344.00 GENERATORS
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

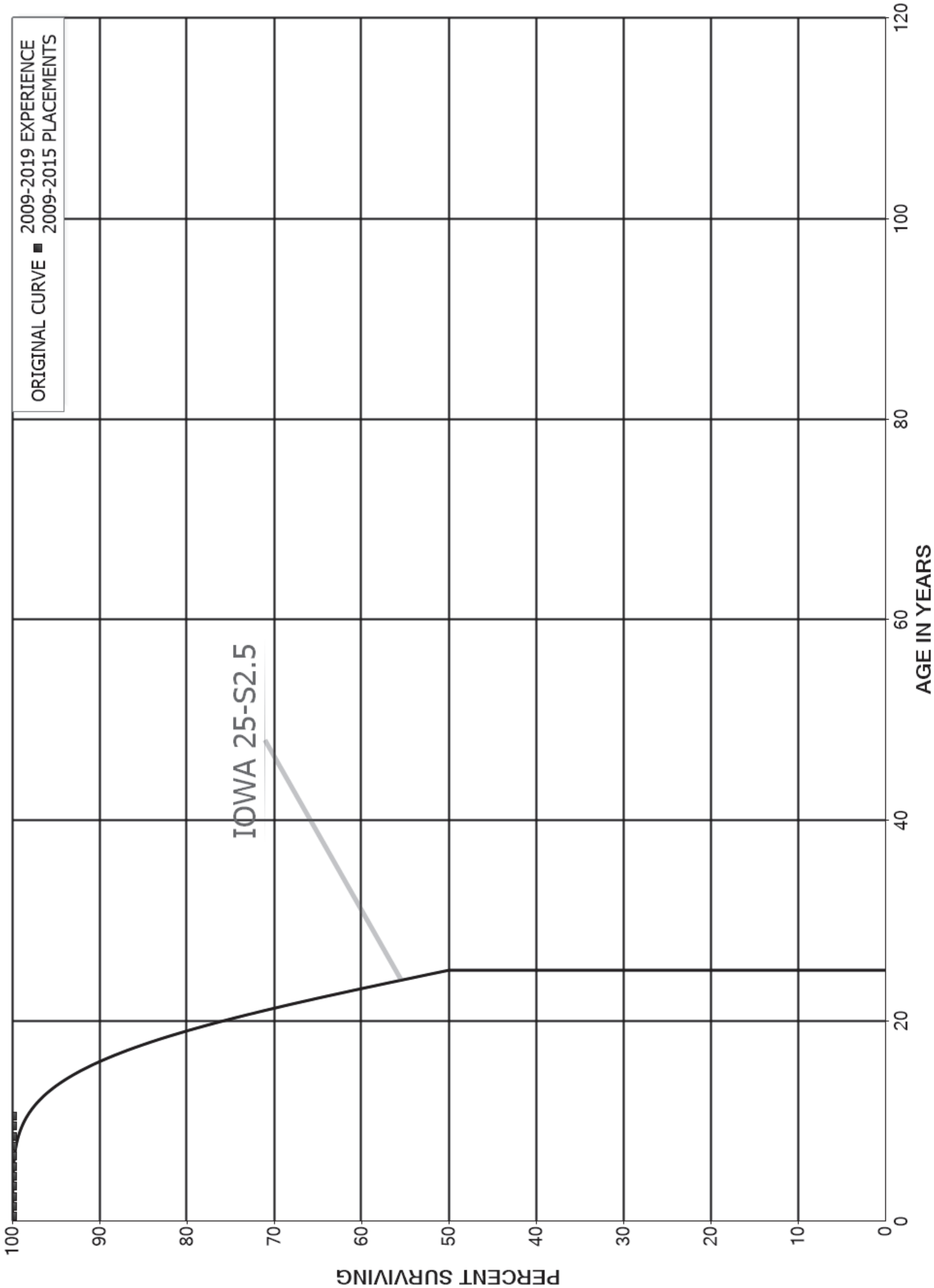
ACCOUNT 344.00 GENERATORS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1980-2019 EXPERIENCE BAND 1994-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	42,747,072		0.0000	1.0000	100.00
0.5	36,158,807		0.0000	1.0000	100.00
1.5	36,047,358		0.0000	1.0000	100.00
2.5	35,200,903		0.0000	1.0000	100.00
3.5	25,856,239		0.0000	1.0000	100.00
4.5	16,883,839		0.0000	1.0000	100.00
5.5	8,463,262		0.0000	1.0000	100.00
6.5	8,463,262		0.0000	1.0000	100.00
7.5	8,426,470		0.0000	1.0000	100.00
8.5	8,426,470		0.0000	1.0000	100.00
9.5	8,241,743		0.0000	1.0000	100.00
10.5	8,215,074		0.0000	1.0000	100.00
11.5	8,031,516		0.0000	1.0000	100.00
12.5	8,196,749		0.0000	1.0000	100.00
13.5	9,024,901		0.0000	1.0000	100.00
14.5	9,024,901		0.0000	1.0000	100.00
15.5	9,024,901		0.0000	1.0000	100.00
16.5	993,385		0.0000	1.0000	100.00
17.5	993,385		0.0000	1.0000	100.00
18.5	993,385		0.0000	1.0000	100.00
19.5	993,385		0.0000	1.0000	100.00
20.5	993,385		0.0000	1.0000	100.00
21.5	993,385		0.0000	1.0000	100.00
22.5	993,385		0.0000	1.0000	100.00
23.5	993,385		0.0000	1.0000	100.00
24.5	993,385		0.0000	1.0000	100.00
25.5	993,385		0.0000	1.0000	100.00
26.5	993,385		0.0000	1.0000	100.00
27.5	993,385		0.0000	1.0000	100.00
28.5	993,385		0.0000	1.0000	100.00
29.5	993,385		0.0000	1.0000	100.00
30.5	993,385		0.0000	1.0000	100.00
31.5	993,385		0.0000	1.0000	100.00
32.5	993,385		0.0000	1.0000	100.00
33.5	993,385		0.0000	1.0000	100.00
34.5	993,385		0.0000	1.0000	100.00
35.5	993,385	79,828	0.0804	0.9196	100.00
36.5	913,557	39,284	0.0430	0.9570	91.96
37.5	874,273	109,243	0.1250	0.8750	88.01
38.5	599,797	109,363	0.1823	0.8177	77.01
39.5					62.97

EL PASO ELECTRIC COMPANY
ACCOUNT 344.00 GENERATORS - SOLAR
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

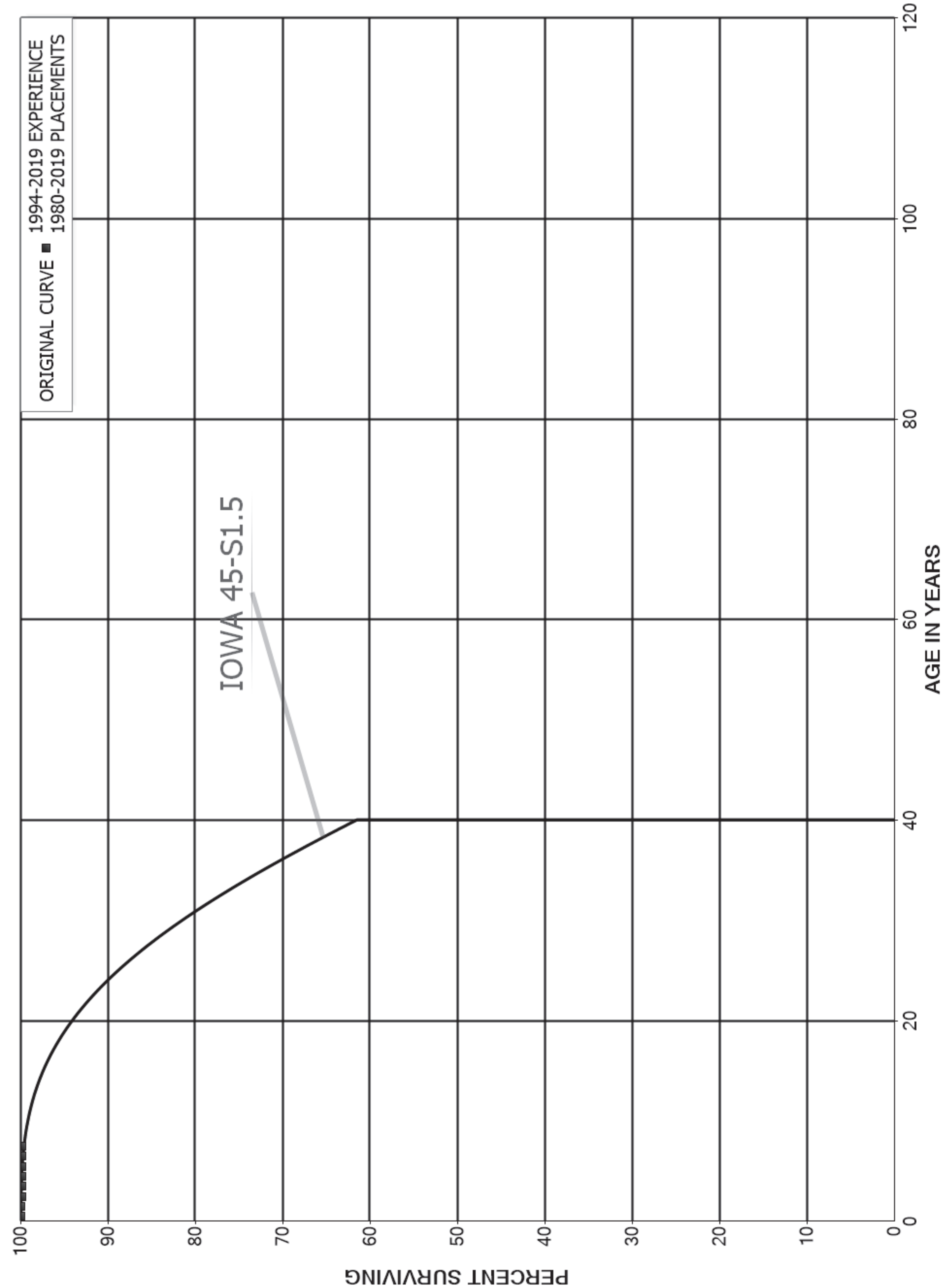
ACCOUNT 344.00 GENERATORS - SOLAR

ORIGINAL LIFE TABLE

PLACEMENT BAND 2009-2015 EXPERIENCE BAND 2009-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,187,262		0.0000	1.0000	100.00
0.5	1,187,262		0.0000	1.0000	100.00
1.5	1,187,262		0.0000	1.0000	100.00
2.5	1,187,262		0.0000	1.0000	100.00
3.5	1,187,262		0.0000	1.0000	100.00
4.5	944,430		0.0000	1.0000	100.00
5.5	944,430		0.0000	1.0000	100.00
6.5	896,809		0.0000	1.0000	100.00
7.5	587,576		0.0000	1.0000	100.00
8.5	226,663		0.0000	1.0000	100.00
9.5	226,663		0.0000	1.0000	100.00
10.5					100.00

EL PASO ELECTRIC COMPANY
ACCOUNT 345.00 ACCESSORY ELECTRIC EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

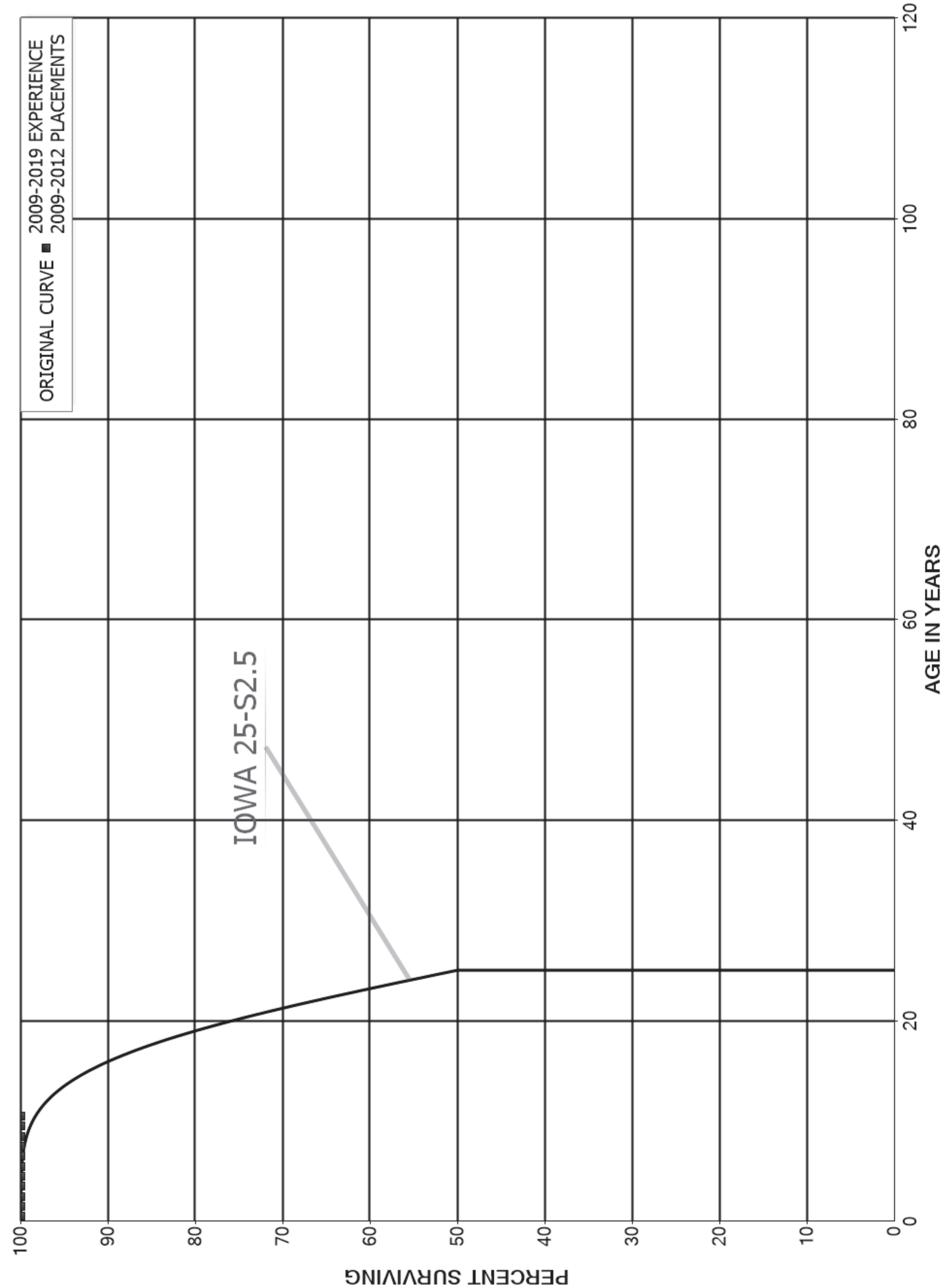
ACCOUNT 345.00 ACCESSORY ELECTRIC EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1980-2019 EXPERIENCE BAND 1994-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	27,489,985		0.0000	1.0000	100.00
0.5	23,431,573		0.0000	1.0000	100.00
1.5	23,385,719	48,946	0.0021	0.9979	100.00
2.5	22,837,263		0.0000	1.0000	99.79
3.5	17,720,443		0.0000	1.0000	99.79
4.5	5,253,019		0.0000	1.0000	99.79
5.5	5,202,416		0.0000	1.0000	99.79
6.5	536,392		0.0000	1.0000	99.79
7.5					99.79
8.5					
9.5					
10.5					
11.5					
12.5					
13.5	451,417		0.0000		
14.5	451,417		0.0000		
15.5	451,417		0.0000		
16.5	451,417		0.0000		
17.5	451,417		0.0000		
18.5	451,417		0.0000		
19.5	451,417		0.0000		
20.5	451,417		0.0000		
21.5	451,417		0.0000		
22.5	451,417		0.0000		
23.5	451,417		0.0000		
24.5	451,417		0.0000		
25.5	451,417		0.0000		
26.5	451,417		0.0000		
27.5	451,417		0.0000		
28.5	451,417		0.0000		
29.5	451,417		0.0000		
30.5	451,417		0.0000		
31.5	451,417		0.0000		
32.5	451,417		0.0000		
33.5	451,417		0.0000		
34.5	451,417		0.0000		
35.5	451,417		0.0000		
36.5	451,417		0.0000		
37.5	451,417		0.0000		
38.5	451,417		0.0000		
39.5					

EL PASO ELECTRIC COMPANY
ACCOUNT 345.00 ACCESSORY ELECTRIC EQUIPMENT - SOLAR
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

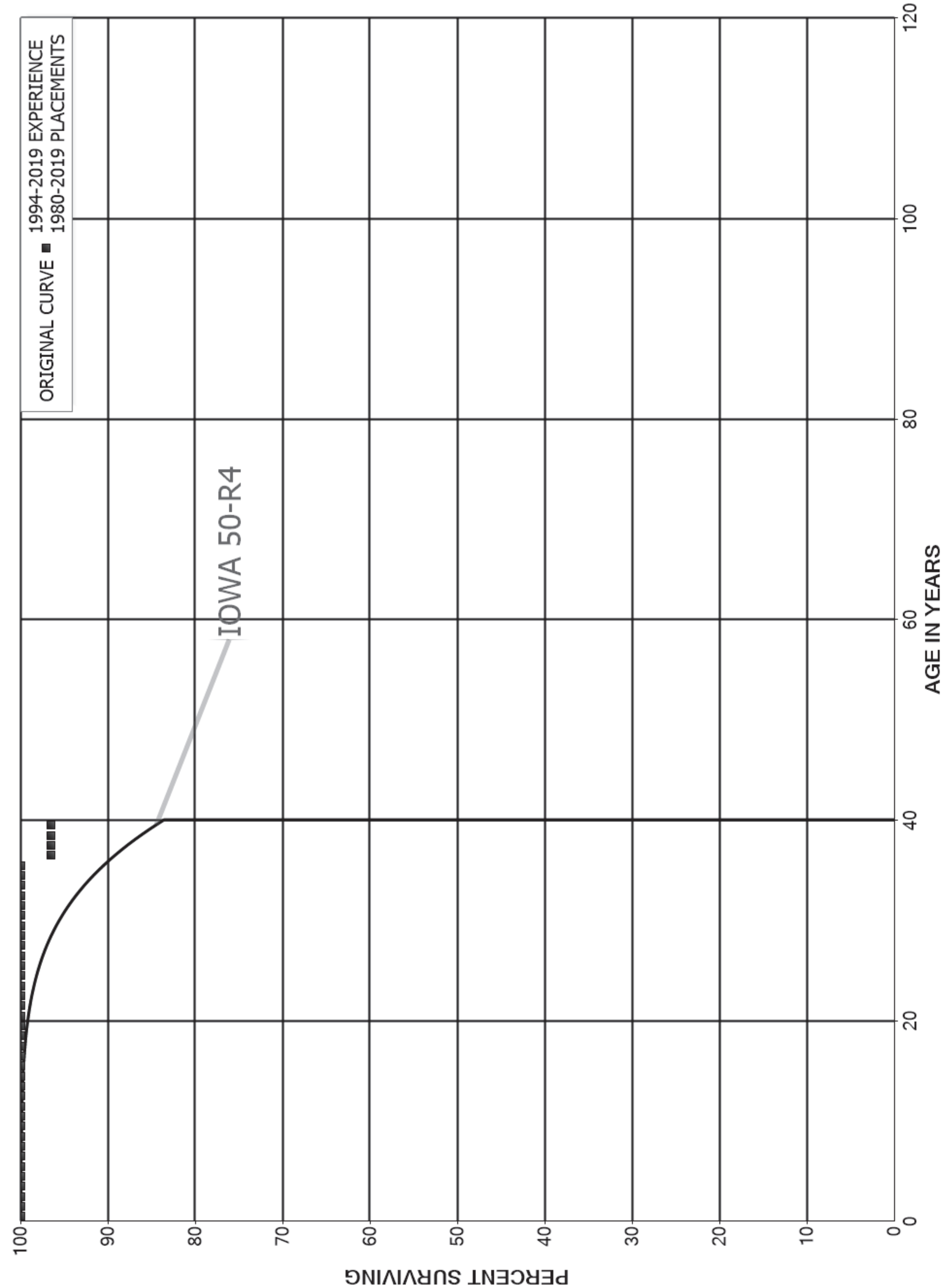
ACCOUNT 345.00 ACCESSORY ELECTRIC EQUIPMENT - SOLAR

ORIGINAL LIFE TABLE

PLACEMENT BAND 2009-2012 EXPERIENCE BAND 2009-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	167,360		0.0000	1.0000	100.00
0.5	167,360		0.0000	1.0000	100.00
1.5	167,360		0.0000	1.0000	100.00
2.5	167,360		0.0000	1.0000	100.00
3.5	167,360		0.0000	1.0000	100.00
4.5	167,360		0.0000	1.0000	100.00
5.5	167,360		0.0000	1.0000	100.00
6.5	167,360		0.0000	1.0000	100.00
7.5	105,887		0.0000	1.0000	100.00
8.5	48,070		0.0000	1.0000	100.00
9.5	48,070		0.0000	1.0000	100.00
10.5					100.00

EL PASO ELECTRIC COMPANY
ACCOUNT 346.00 MISCELLANEOUS POWER PLANT EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

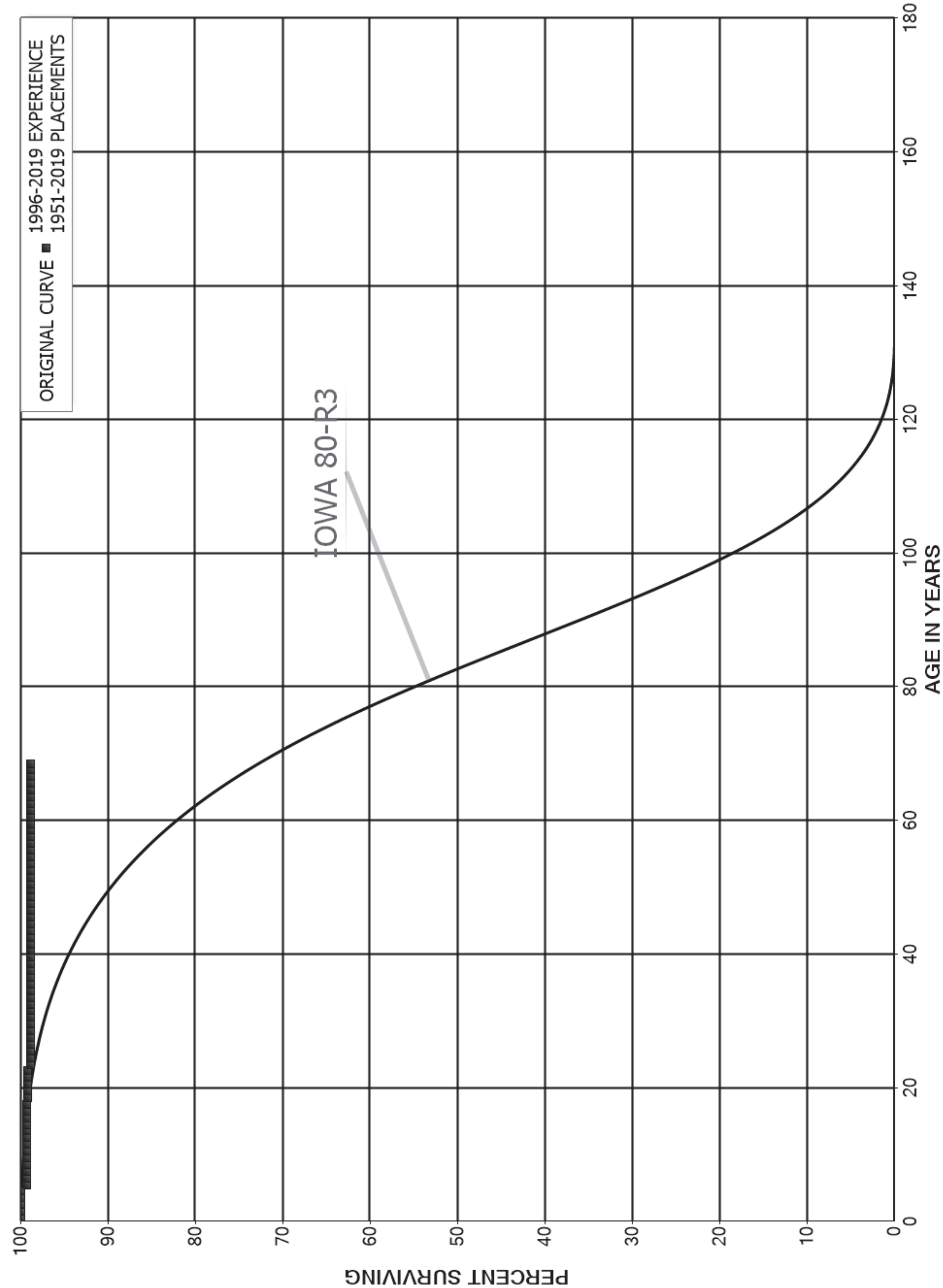
ACCOUNT 346.00 MISCELLANEOUS POWER PLANT EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1980-2019 EXPERIENCE BAND 1994-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	5,838,559		0.0000	1.0000	100.00
0.5	5,489,726		0.0000	1.0000	100.00
1.5	5,489,712		0.0000	1.0000	100.00
2.5	5,434,483		0.0000	1.0000	100.00
3.5	4,844,938		0.0000	1.0000	100.00
4.5	3,844,318		0.0000	1.0000	100.00
5.5	3,844,318		0.0000	1.0000	100.00
6.5	3,497,302		0.0000	1.0000	100.00
7.5	3,350,086		0.0000	1.0000	100.00
8.5	3,350,086		0.0000	1.0000	100.00
9.5	3,350,086		0.0000	1.0000	100.00
10.5	3,351,421		0.0000	1.0000	100.00
11.5	3,423,033		0.0000	1.0000	100.00
12.5	3,462,101		0.0000	1.0000	100.00
13.5	3,843,313		0.0000	1.0000	100.00
14.5	3,843,313		0.0000	1.0000	100.00
15.5	3,834,947		0.0000	1.0000	100.00
16.5	3,734,264		0.0000	1.0000	100.00
17.5	3,524,130		0.0000	1.0000	100.00
18.5	2,870,290		0.0000	1.0000	100.00
19.5	2,738,049		0.0000	1.0000	100.00
20.5	2,718,185		0.0000	1.0000	100.00
21.5	2,673,701		0.0000	1.0000	100.00
22.5	2,623,168		0.0000	1.0000	100.00
23.5	1,050,652		0.0000	1.0000	100.00
24.5	602,136		0.0000	1.0000	100.00
25.5	535,781		0.0000	1.0000	100.00
26.5	535,781		0.0000	1.0000	100.00
27.5	535,781		0.0000	1.0000	100.00
28.5	535,781		0.0000	1.0000	100.00
29.5	535,781		0.0000	1.0000	100.00
30.5	535,781		0.0000	1.0000	100.00
31.5	535,781		0.0000	1.0000	100.00
32.5	535,781		0.0000	1.0000	100.00
33.5	535,781		0.0000	1.0000	100.00
34.5	535,781		0.0000	1.0000	100.00
35.5	535,781	18,819	0.0351	0.9649	100.00
36.5	515,627		0.0000	1.0000	96.49
37.5	444,015		0.0000	1.0000	96.49
38.5	362,393		0.0000	1.0000	96.49
39.5					96.49

EL PASO ELECTRIC COMPANY
ACCOUNT 350.10 LAND RIGHTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 350.10 LAND RIGHTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1951-2019 EXPERIENCE BAND 1996-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	10,811,232	300	0.0000	1.0000	100.00
0.5	4,936,289	152	0.0000	1.0000	100.00
1.5	4,936,137		0.0000	1.0000	99.99
2.5	4,388,825		0.0000	1.0000	99.99
3.5	4,087,119		0.0000	1.0000	99.99
4.5	4,321,163	29,475	0.0068	0.9932	99.99
5.5	4,774,190		0.0000	1.0000	99.31
6.5	4,960,134		0.0000	1.0000	99.31
7.5	4,966,451		0.0000	1.0000	99.31
8.5	5,185,899		0.0000	1.0000	99.31
9.5	5,188,185		0.0000	1.0000	99.31
10.5	5,203,456		0.0000	1.0000	99.31
11.5	7,290,692		0.0000	1.0000	99.31
12.5	7,300,445		0.0000	1.0000	99.31
13.5	6,802,867	1,074	0.0002	0.9998	99.31
14.5	6,831,641		0.0000	1.0000	99.30
15.5	6,764,945		0.0000	1.0000	99.30
16.5	5,886,497	1,520	0.0003	0.9997	99.30
17.5	7,105,074	8,476	0.0012	0.9988	99.27
18.5	7,105,569		0.0000	1.0000	99.15
19.5	7,135,463	380	0.0001	0.9999	99.15
20.5	7,220,467		0.0000	1.0000	99.15
21.5	7,270,419		0.0000	1.0000	99.15
22.5	7,292,798	26,157	0.0036	0.9964	99.15
23.5	7,273,670		0.0000	1.0000	98.79
24.5	7,318,263		0.0000	1.0000	98.79
25.5	7,371,662		0.0000	1.0000	98.79
26.5	7,682,149		0.0000	1.0000	98.79
27.5	7,723,119		0.0000	1.0000	98.79
28.5	7,500,526		0.0000	1.0000	98.79
29.5	7,039,407		0.0000	1.0000	98.79
30.5	4,435,984		0.0000	1.0000	98.79
31.5	4,445,468		0.0000	1.0000	98.79
32.5	4,301,701		0.0000	1.0000	98.79
33.5	4,310,223		0.0000	1.0000	98.79
34.5	4,300,778		0.0000	1.0000	98.79
35.5	2,280,976		0.0000	1.0000	98.79
36.5	2,290,222		0.0000	1.0000	98.79
37.5	2,290,917		0.0000	1.0000	98.79
38.5	2,350,715		0.0000	1.0000	98.79

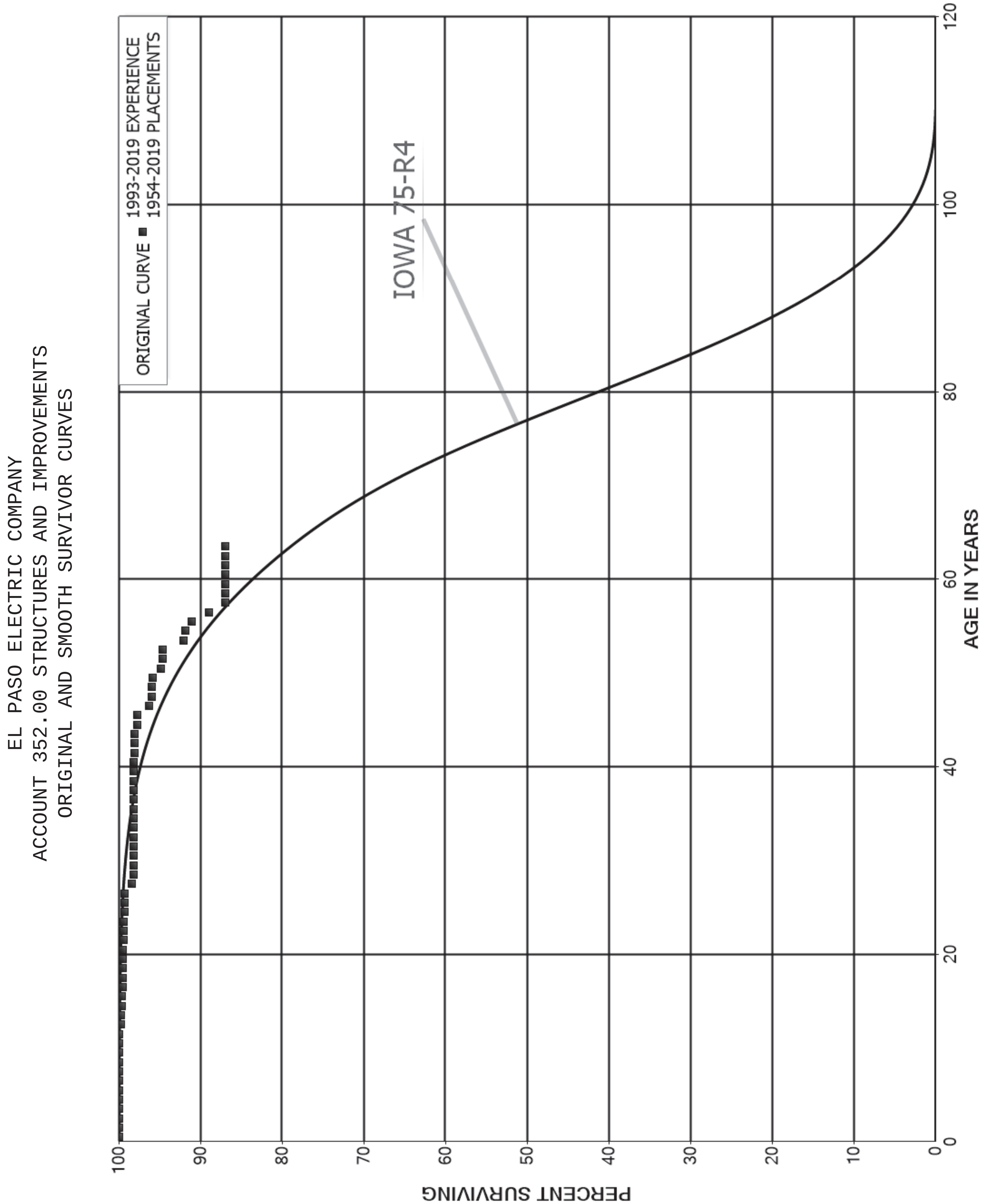
EL PASO ELECTRIC COMPANY

ACCOUNT 350.10 LAND RIGHTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1951-2019 EXPERIENCE BAND 1996-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,295,659		0.0000	1.0000	98.79
40.5	2,270,610		0.0000	1.0000	98.79
41.5	1,050,513		0.0000	1.0000	98.79
42.5	1,042,093		0.0000	1.0000	98.79
43.5	1,012,240		0.0000	1.0000	98.79
44.5	942,131		0.0000	1.0000	98.79
45.5	892,179		0.0000	1.0000	98.79
46.5	869,801		0.0000	1.0000	98.79
47.5	862,771		0.0000	1.0000	98.79
48.5	818,178		0.0000	1.0000	98.79
49.5	764,779		0.0000	1.0000	98.79
50.5	454,292		0.0000	1.0000	98.79
51.5	413,322		0.0000	1.0000	98.79
52.5	401,872		0.0000	1.0000	98.79
53.5	380,488		0.0000	1.0000	98.79
54.5	360,632		0.0000	1.0000	98.79
55.5	344,832		0.0000	1.0000	98.79
56.5	269,150		0.0000	1.0000	98.79
57.5	259,416		0.0000	1.0000	98.79
58.5	253,589		0.0000	1.0000	98.79
59.5	212,313		0.0000	1.0000	98.79
60.5	194,140		0.0000	1.0000	98.79
61.5	164,603		0.0000	1.0000	98.79
62.5	74,957		0.0000	1.0000	98.79
63.5	36,255		0.0000	1.0000	98.79
64.5	15,867		0.0000	1.0000	98.79
65.5	15,867		0.0000	1.0000	98.79
66.5	15,317		0.0000	1.0000	98.79
67.5	15,275		0.0000	1.0000	98.79
68.5					98.79


EL PASO ELECTRIC COMPANY
ACCOUNT 352.00 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE ■ 1993-2019 EXPERIENCE
1954-2019 PLACEMENTS
IOWA 75-R4
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
20
40
60
80
100
120

EL PASO ELECTRIC COMPANY

ACCOUNT 352.00 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1954-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	8,108,423	0	0.0000	1.0000	100.00
0.5	7,561,405	5,221	0.0007	0.9993	100.00
1.5	6,911,552	168	0.0000	1.0000	99.93
2.5	6,499,163		0.0000	1.0000	99.93
3.5	5,175,482		0.0000	1.0000	99.93
4.5	4,619,086	1,395	0.0003	0.9997	99.93
5.5	4,501,161		0.0000	1.0000	99.90
6.5	4,177,971		0.0000	1.0000	99.90
7.5	4,169,916		0.0000	1.0000	99.90
8.5	6,681,780	490	0.0001	0.9999	99.90
9.5	6,678,069	25	0.0000	1.0000	99.89
10.5	5,612,121	0	0.0000	1.0000	99.89
11.5	5,619,006	10,542	0.0019	0.9981	99.89
12.5	5,523,264	420	0.0001	0.9999	99.70
13.5	5,070,978	3,158	0.0006	0.9994	99.70
14.5	5,020,977		0.0000	1.0000	99.63
15.5	5,020,837	5,349	0.0011	0.9989	99.63
16.5	4,947,002		0.0000	1.0000	99.53
17.5	4,607,715		0.0000	1.0000	99.53
18.5	4,602,098		0.0000	1.0000	99.53
19.5	4,415,294		0.0000	1.0000	99.53
20.5	4,409,719	5,790	0.0013	0.9987	99.53
21.5	4,404,868	687	0.0002	0.9998	99.40
22.5	4,352,647	838	0.0002	0.9998	99.38
23.5	4,351,809	2,088	0.0005	0.9995	99.36
24.5	4,145,235	1,764	0.0004	0.9996	99.31
25.5	4,179,339	1,554	0.0004	0.9996	99.27
26.5	4,185,041	37,398	0.0089	0.9911	99.24
27.5	4,035,791	4,965	0.0012	0.9988	98.35
28.5	4,026,763	435	0.0001	0.9999	98.23
29.5	4,042,418		0.0000	1.0000	98.22
30.5	3,765,548	150	0.0000	1.0000	98.22
31.5	3,748,456	477	0.0001	0.9999	98.21
32.5	3,786,099		0.0000	1.0000	98.20
33.5	3,431,773		0.0000	1.0000	98.20
34.5	3,398,802		0.0000	1.0000	98.20
35.5	199,368		0.0000	1.0000	98.20
36.5	233,219		0.0000	1.0000	98.20
37.5	231,780		0.0000	1.0000	98.20
38.5	227,205		0.0000	1.0000	98.20

EL PASO ELECTRIC COMPANY

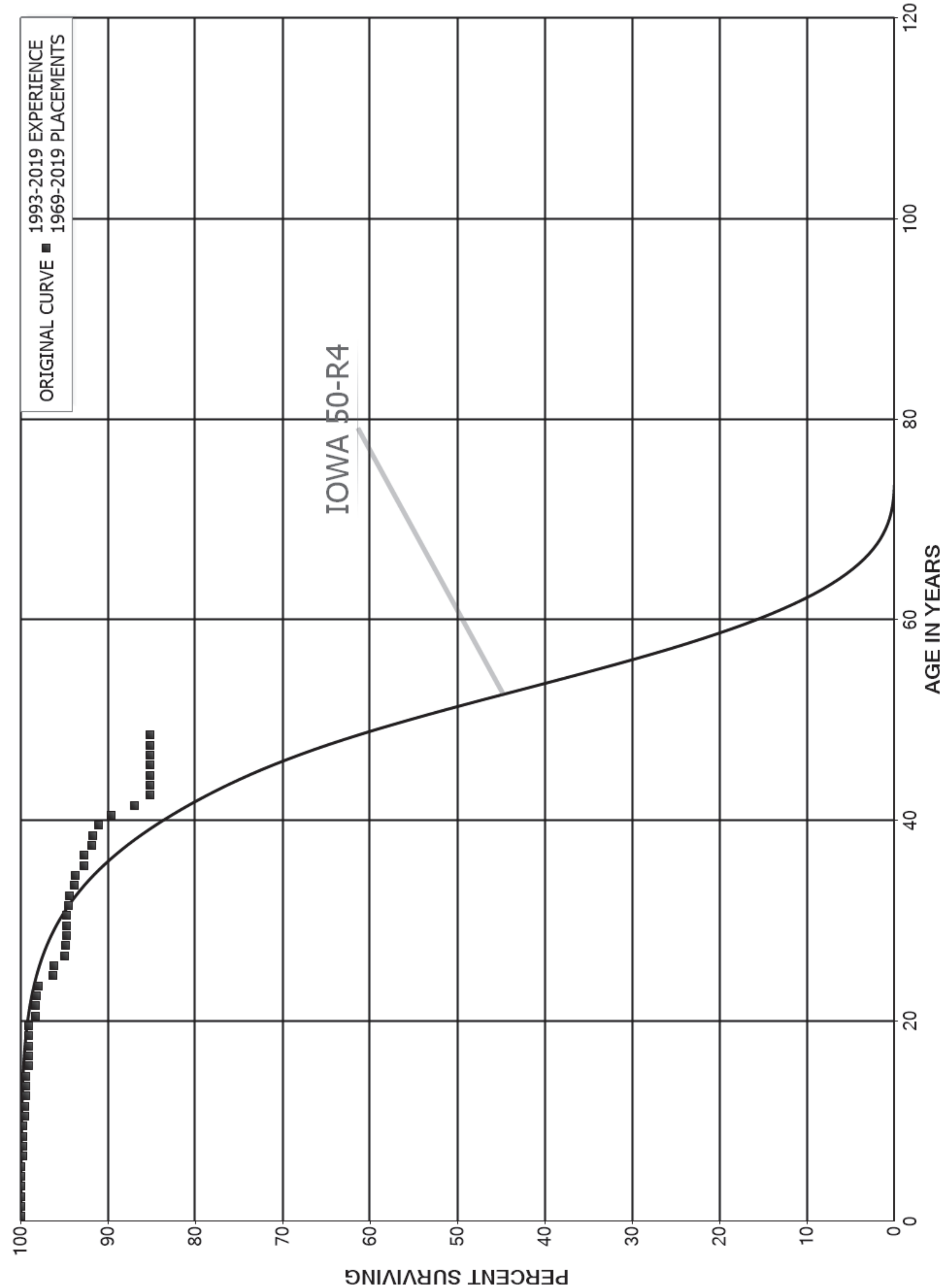
ACCOUNT 352.00 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1954-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	227,205		0.0000	1.0000	98.20
40.5	227,205	294	0.0013	0.9987	98.20
41.5	226,911	48	0.0002	0.9998	98.07
42.5	226,863		0.0000	1.0000	98.05
43.5	226,863	749	0.0033	0.9967	98.05
44.5	226,114		0.0000	1.0000	97.73
45.5	226,114	3,389	0.0150	0.9850	97.73
46.5	222,725	684	0.0031	0.9969	96.26
47.5	219,222		0.0000	1.0000	95.97
48.5	218,766	317	0.0014	0.9986	95.97
49.5	218,449	2,276	0.0104	0.9896	95.83
50.5	216,173	426	0.0020	0.9980	94.83
51.5	215,747		0.0000	1.0000	94.64
52.5	183,261	5,002	0.0273	0.9727	94.64
53.5	171,687	464	0.0027	0.9973	92.06
54.5	171,223	1,388	0.0081	0.9919	91.81
55.5	166,793	3,951	0.0237	0.9763	91.07
56.5	140,983	3,121	0.0221	0.9779	88.91
57.5	133,772		0.0000	1.0000	86.94
58.5	133,772		0.0000	1.0000	86.94
59.5	85,726		0.0000	1.0000	86.94
60.5	81,267		0.0000	1.0000	86.94
61.5	67,932		0.0000	1.0000	86.94
62.5	29,981		0.0000	1.0000	86.94
63.5					86.94

EL PASO ELECTRIC COMPANY
ACCOUNT 353.00 STATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 353.00 STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1969-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	125,067,807		0.0000	1.0000	100.00
0.5	123,381,785	3,520	0.0000	1.0000	100.00
1.5	119,973,354	1,874	0.0000	1.0000	100.00
2.5	114,067,017	10,443	0.0001	0.9999	100.00
3.5	106,098,721	1,247	0.0000	1.0000	99.99
4.5	98,012,081	7,501	0.0001	0.9999	99.99
5.5	98,507,346	289,681	0.0029	0.9971	99.98
6.5	93,945,324	46	0.0000	1.0000	99.68
7.5	90,191,602	1,165	0.0000	1.0000	99.68
8.5	111,721,431	521	0.0000	1.0000	99.68
9.5	111,030,618	181,379	0.0016	0.9984	99.68
10.5	103,071,046	64,442	0.0006	0.9994	99.52
11.5	90,459,870	30,920	0.0003	0.9997	99.46
12.5	91,565,937	69,676	0.0008	0.9992	99.42
13.5	90,874,522	369	0.0000	1.0000	99.35
14.5	94,475,246	254,631	0.0027	0.9973	99.35
15.5	92,769,320	25,833	0.0003	0.9997	99.08
16.5	85,138,709	1,882	0.0000	1.0000	99.05
17.5	84,118,567	10,119	0.0001	0.9999	99.05
18.5	84,350,858	1,565	0.0000	1.0000	99.04
19.5	79,802,075	626,509	0.0079	0.9921	99.04
20.5	80,269,127	506	0.0000	1.0000	98.26
21.5	80,808,087	111,260	0.0014	0.9986	98.26
22.5	73,579,963	163,280	0.0022	0.9978	98.12
23.5	73,331,768	1,250,013	0.0170	0.9830	97.90
24.5	71,739,864	23,121	0.0003	0.9997	96.24
25.5	70,900,678	935,034	0.0132	0.9868	96.20
26.5	69,965,644	91,742	0.0013	0.9987	94.94
27.5	69,628,184	71,847	0.0010	0.9990	94.81
28.5	69,069,682	1,282	0.0000	1.0000	94.71
29.5	64,567,954	10,227	0.0002	0.9998	94.71
30.5	46,253,006	75,192	0.0016	0.9984	94.70
31.5	46,137,531	70,396	0.0015	0.9985	94.54
32.5	42,338,532	261,251	0.0062	0.9938	94.40
33.5	41,712,188	26,157	0.0006	0.9994	93.82
34.5	41,239,758	471,144	0.0114	0.9886	93.76
35.5	10,632,523	605	0.0001	0.9999	92.69
36.5	10,564,176	99,040	0.0094	0.9906	92.68
37.5	9,990,821	13,126	0.0013	0.9987	91.81
38.5	9,522,704	68,151	0.0072	0.9928	91.69

EL PASO ELECTRIC COMPANY

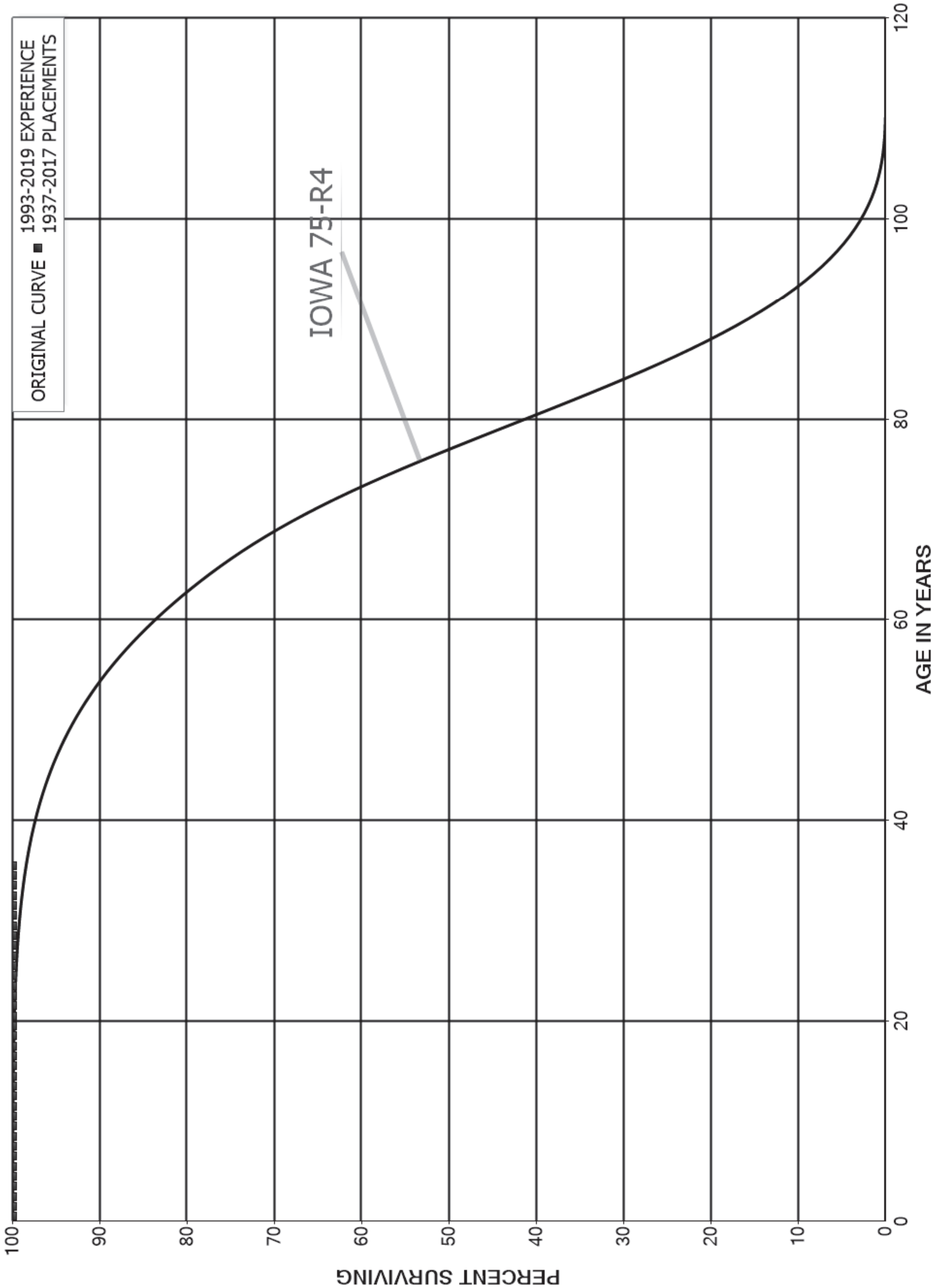
ACCOUNT 353.00 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1969-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	7,704,316	123,831	0.0161	0.9839	91.03
40.5	7,408,332	218,419	0.0295	0.9705	89.57
41.5	4,031,385	80,148	0.0199	0.9801	86.93
42.5	3,951,237	96	0.0000	1.0000	85.20
43.5	3,291,692	170	0.0001	0.9999	85.20
44.5	3,279,082	62	0.0000	1.0000	85.20
45.5	2,821,871		0.0000	1.0000	85.19
46.5	1,991,746		0.0000	1.0000	85.19
47.5	526,623		0.0000	1.0000	85.19
48.5					85.19

EL PASO ELECTRIC COMPANY
ACCOUNT 354.00 STEEL TOWERS AND FIXTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 354.00 STEEL TOWERS AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1937-2017 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	6,639,885		0.0000	1.0000	100.00
0.5	6,639,885		0.0000	1.0000	100.00
1.5	7,346,448		0.0000	1.0000	100.00
2.5	4,065,497		0.0000	1.0000	100.00
3.5	21,529,011		0.0000	1.0000	100.00
4.5	21,529,011		0.0000	1.0000	100.00
5.5	21,586,712		0.0000	1.0000	100.00
6.5	21,225,178		0.0000	1.0000	100.00
7.5	20,116,152		0.0000	1.0000	100.00
8.5	24,076,010	3	0.0000	1.0000	100.00
9.5	24,076,007		0.0000	1.0000	100.00
10.5	23,859,860		0.0000	1.0000	100.00
11.5	23,859,860		0.0000	1.0000	100.00
12.5	23,859,860		0.0000	1.0000	100.00
13.5	23,854,780		0.0000	1.0000	100.00
14.5	23,854,780		0.0000	1.0000	100.00
15.5	23,854,780	6,809	0.0003	0.9997	100.00
16.5	23,847,971		0.0000	1.0000	99.97
17.5	23,847,971		0.0000	1.0000	99.97
18.5	23,847,971		0.0000	1.0000	99.97
19.5	23,589,552		0.0000	1.0000	99.97
20.5	23,589,552		0.0000	1.0000	99.97
21.5	23,546,865		0.0000	1.0000	99.97
22.5	23,543,054		0.0000	1.0000	99.97
23.5	23,543,054		0.0000	1.0000	99.97
24.5	23,537,706		0.0000	1.0000	99.97
25.5	23,537,706		0.0000	1.0000	99.97
26.5	23,537,706		0.0000	1.0000	99.97
27.5	23,537,706		0.0000	1.0000	99.97
28.5	22,831,143		0.0000	1.0000	99.97
29.5	22,831,143		0.0000	1.0000	99.97
30.5	4,077,938		0.0000	1.0000	99.97
31.5	4,077,938		0.0000	1.0000	99.97
32.5	4,020,237		0.0000	1.0000	99.97
33.5	4,016,829		0.0000	1.0000	99.97
34.5	4,016,755		0.0000	1.0000	99.97
35.5					99.97
36.5					
37.5					
38.5					

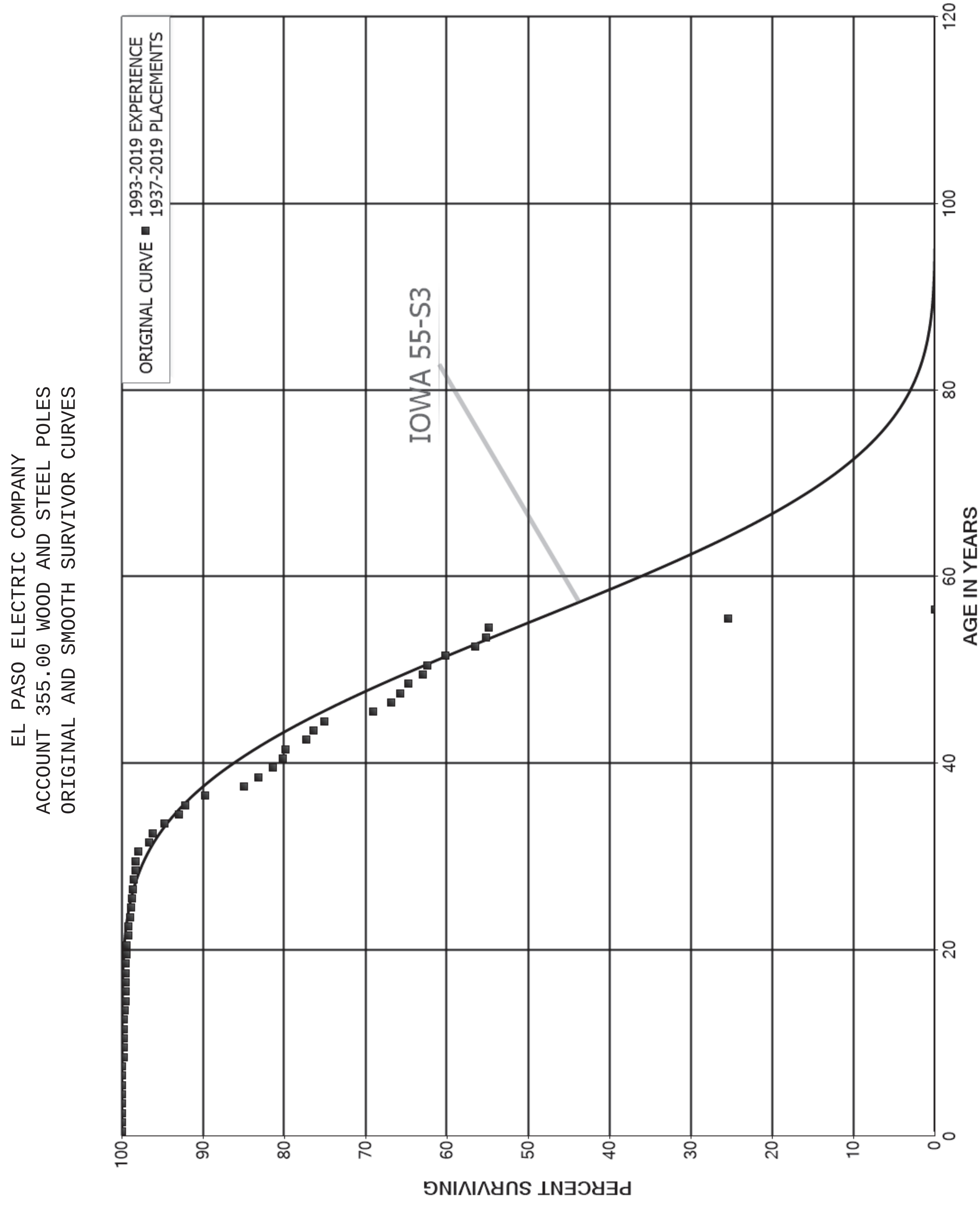
EL PASO ELECTRIC COMPANY

ACCOUNT 354.00 STEEL TOWERS AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1937-2017 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5					
40.5					
41.5					
42.5					
43.5					
44.5					
45.5					
46.5					
47.5					
48.5					
49.5					
50.5					
51.5					
52.5					
53.5					
54.5					
55.5	3,046		0.0000		
56.5	3,046		0.0000		
57.5	3,046		0.0000		
58.5	3,046	3,046	1.0000		
59.5					


EL PASO ELECTRIC COMPANY
ACCOUNT 355.00 WOOD AND STEEL POLES
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE ■ 1993-2019 EXPERIENCE
1937-2019 PLACEMENTS
IOWA 55-S3
PERCENT SURVIVING
AGE IN YEARS
0
10
20
30
40
50
60
70
80
90
100
120

EL PASO ELECTRIC COMPANY

ACCOUNT 355.00 WOOD AND STEEL POLES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1937-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	119,943,603	823	0.0000	1.0000	100.00
0.5	109,990,092	5,784	0.0001	0.9999	100.00
1.5	96,389,164	2,272	0.0000	1.0000	99.99
2.5	87,925,443	3,901	0.0000	1.0000	99.99
3.5	102,671,533	2,254	0.0000	1.0000	99.99
4.5	89,833,174	3,714	0.0000	1.0000	99.99
5.5	88,263,555	5,894	0.0001	0.9999	99.98
6.5	72,980,151	25,585	0.0004	0.9996	99.97
7.5	64,015,975	120,946	0.0019	0.9981	99.94
8.5	68,260,857	3,139	0.0000	1.0000	99.75
9.5	66,831,254	6,792	0.0001	0.9999	99.75
10.5	66,269,446	4,194	0.0001	0.9999	99.74
11.5	61,580,818	2,511	0.0000	1.0000	99.73
12.5	61,406,534	97,187	0.0016	0.9984	99.73
13.5	61,482,060	12,331	0.0002	0.9998	99.57
14.5	66,355,396	8,713	0.0001	0.9999	99.55
15.5	61,752,917	24,864	0.0004	0.9996	99.53
16.5	60,714,102	4,019	0.0001	0.9999	99.49
17.5	60,255,579	4,915	0.0001	0.9999	99.49
18.5	60,141,477	32,067	0.0005	0.9995	99.48
19.5	58,963,935	24,971	0.0004	0.9996	99.43
20.5	57,794,195	133,984	0.0023	0.9977	99.38
21.5	56,368,358	8,111	0.0001	0.9999	99.15
22.5	54,508,535	86,213	0.0016	0.9984	99.14
23.5	51,935,380	59,872	0.0012	0.9988	98.98
24.5	50,968,334	65,576	0.0013	0.9987	98.87
25.5	48,953,784	60,462	0.0012	0.9988	98.74
26.5	46,132,210	68,461	0.0015	0.9985	98.62
27.5	46,141,067	69,643	0.0015	0.9985	98.47
28.5	45,103,322	18,663	0.0004	0.9996	98.32
29.5	44,224,590	176,624	0.0040	0.9960	98.28
30.5	23,339,270	310,832	0.0133	0.9867	97.89
31.5	23,028,499	103,934	0.0045	0.9955	96.59
32.5	22,158,192	327,471	0.0148	0.9852	96.15
33.5	21,885,577	407,789	0.0186	0.9814	94.73
34.5	21,595,484	195,198	0.0090	0.9910	92.97
35.5	12,657,933	326,147	0.0258	0.9742	92.13
36.5	12,477,234	666,435	0.0534	0.9466	89.75
37.5	11,782,492	252,045	0.0214	0.9786	84.96
38.5	11,399,709	241,971	0.0212	0.9788	83.14

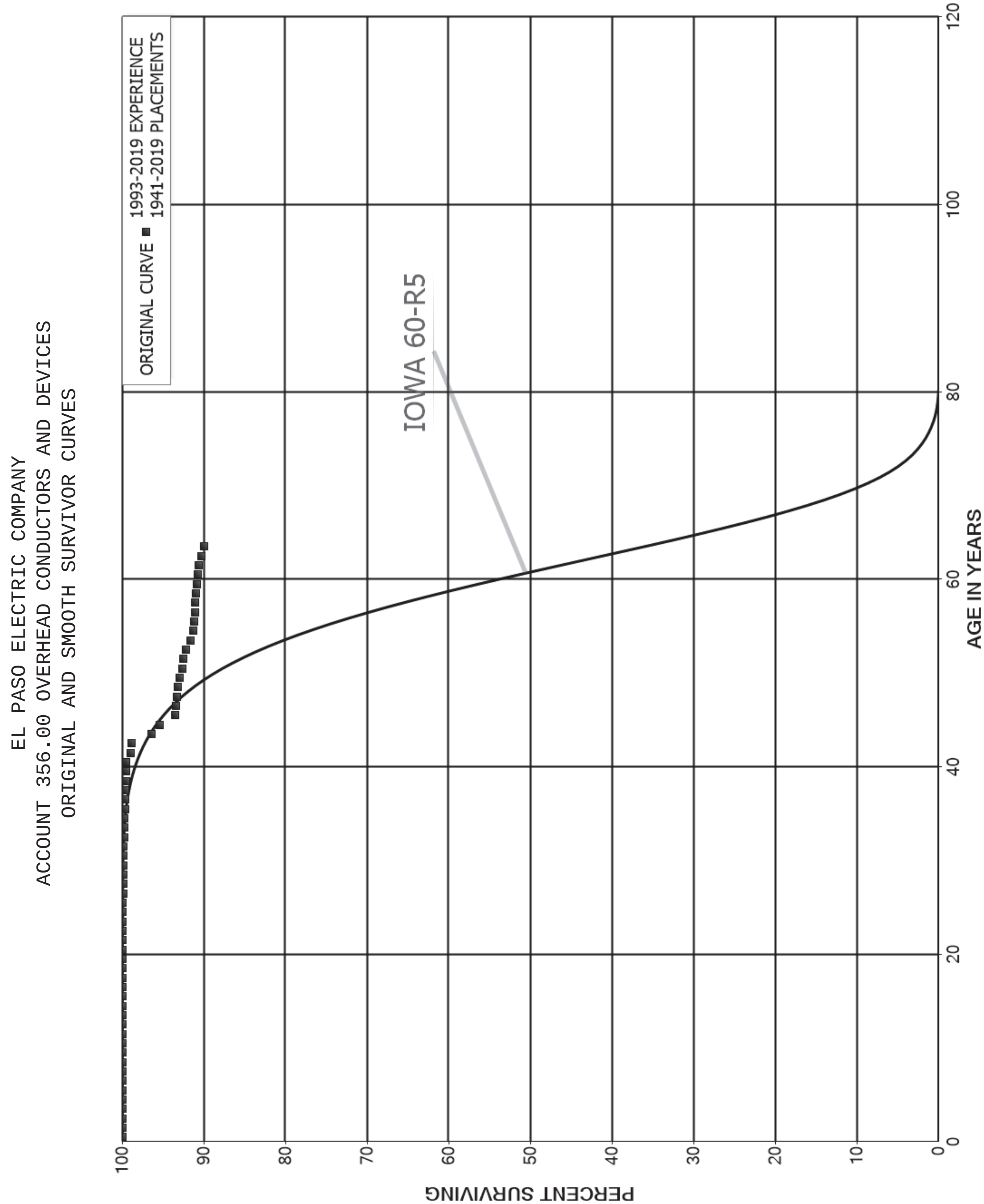
EL PASO ELECTRIC COMPANY

ACCOUNT 355.00 WOOD AND STEEL POLES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1937-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	10,750,901	158,571	0.0147	0.9853	81.38
40.5	10,394,019	50,572	0.0049	0.9951	80.18
41.5	5,199,481	166,251	0.0320	0.9680	79.79
42.5	4,996,312	51,987	0.0104	0.9896	77.23
43.5	4,821,398	89,065	0.0185	0.9815	76.43
44.5	4,386,495	348,829	0.0795	0.9205	75.02
45.5	3,846,288	123,074	0.0320	0.9680	69.05
46.5	3,631,124	61,006	0.0168	0.9832	66.84
47.5	3,541,191	54,891	0.0155	0.9845	65.72
48.5	3,305,589	87,632	0.0265	0.9735	64.70
49.5	3,006,858	27,834	0.0093	0.9907	62.99
50.5	402,926	14,038	0.0348	0.9652	62.40
51.5	239,638	14,913	0.0622	0.9378	60.23
52.5	181,879	4,139	0.0228	0.9772	56.48
53.5	54,178	364	0.0067	0.9933	55.20
54.5	562	302	0.5374	0.4626	54.82
55.5	567	567	1.0000		25.36
56.5					


EL PASO ELECTRIC COMPANY
ACCOUNT 356.00 OVERHEAD CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE ■ 1993-2019 EXPERIENCE
1941-2019 PLACEMENTS
IOWA 60-R5
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
AGE IN YEARS
0
20
40
60
80
100
120

EL PASO ELECTRIC COMPANY

ACCOUNT 356.00 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1941-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	37,130,703	74	0.0000	1.0000	100.00
0.5	36,274,644	723	0.0000	1.0000	100.00
1.5	36,881,807	339	0.0000	1.0000	100.00
2.5	36,735,606	248	0.0000	1.0000	100.00
3.5	63,229,141	353	0.0000	1.0000	100.00
4.5	56,982,661	797	0.0000	1.0000	100.00
5.5	57,783,965	369	0.0000	1.0000	99.99
6.5	52,500,290	4,083	0.0001	0.9999	99.99
7.5	52,548,878	305	0.0000	1.0000	99.99
8.5	62,700,553	15,747	0.0003	0.9997	99.99
9.5	62,310,752	812	0.0000	1.0000	99.96
10.5	61,916,385	15,511	0.0003	0.9997	99.96
11.5	57,020,862	227	0.0000	1.0000	99.93
12.5	57,295,950	1,040	0.0000	1.0000	99.93
13.5	57,409,383	431	0.0000	1.0000	99.93
14.5	63,722,385	1,390	0.0000	1.0000	99.93
15.5	62,164,974	13,640	0.0002	0.9998	99.93
16.5	61,816,251	187	0.0000	1.0000	99.91
17.5	62,027,451	151	0.0000	1.0000	99.91
18.5	62,128,749	124	0.0000	1.0000	99.91
19.5	62,079,752	309	0.0000	1.0000	99.91
20.5	61,975,597	926	0.0000	1.0000	99.91
21.5	61,350,363	1,431	0.0000	1.0000	99.90
22.5	60,087,186		0.0000	1.0000	99.90
23.5	62,761,294	2,401	0.0000	1.0000	99.90
24.5	62,517,012	4,367	0.0001	0.9999	99.90
25.5	62,463,173	3,992	0.0001	0.9999	99.89
26.5	59,404,758	858	0.0000	1.0000	99.88
27.5	59,505,121	11,603	0.0002	0.9998	99.88
28.5	58,023,920	6,964	0.0001	0.9999	99.86
29.5	57,515,559	1,486	0.0000	1.0000	99.85
30.5	25,352,994	5,077	0.0002	0.9998	99.85
31.5	25,371,981	13,380	0.0005	0.9995	99.83
32.5	24,071,047	4,600	0.0002	0.9998	99.78
33.5	24,117,396	755	0.0000	1.0000	99.76
34.5	24,129,708	20,884	0.0009	0.9991	99.75
35.5	14,373,832	636	0.0000	1.0000	99.67
36.5	14,669,872	7,305	0.0005	0.9995	99.66
37.5	14,746,512	9,757	0.0007	0.9993	99.61
38.5	14,654,961	7,115	0.0005	0.9995	99.55

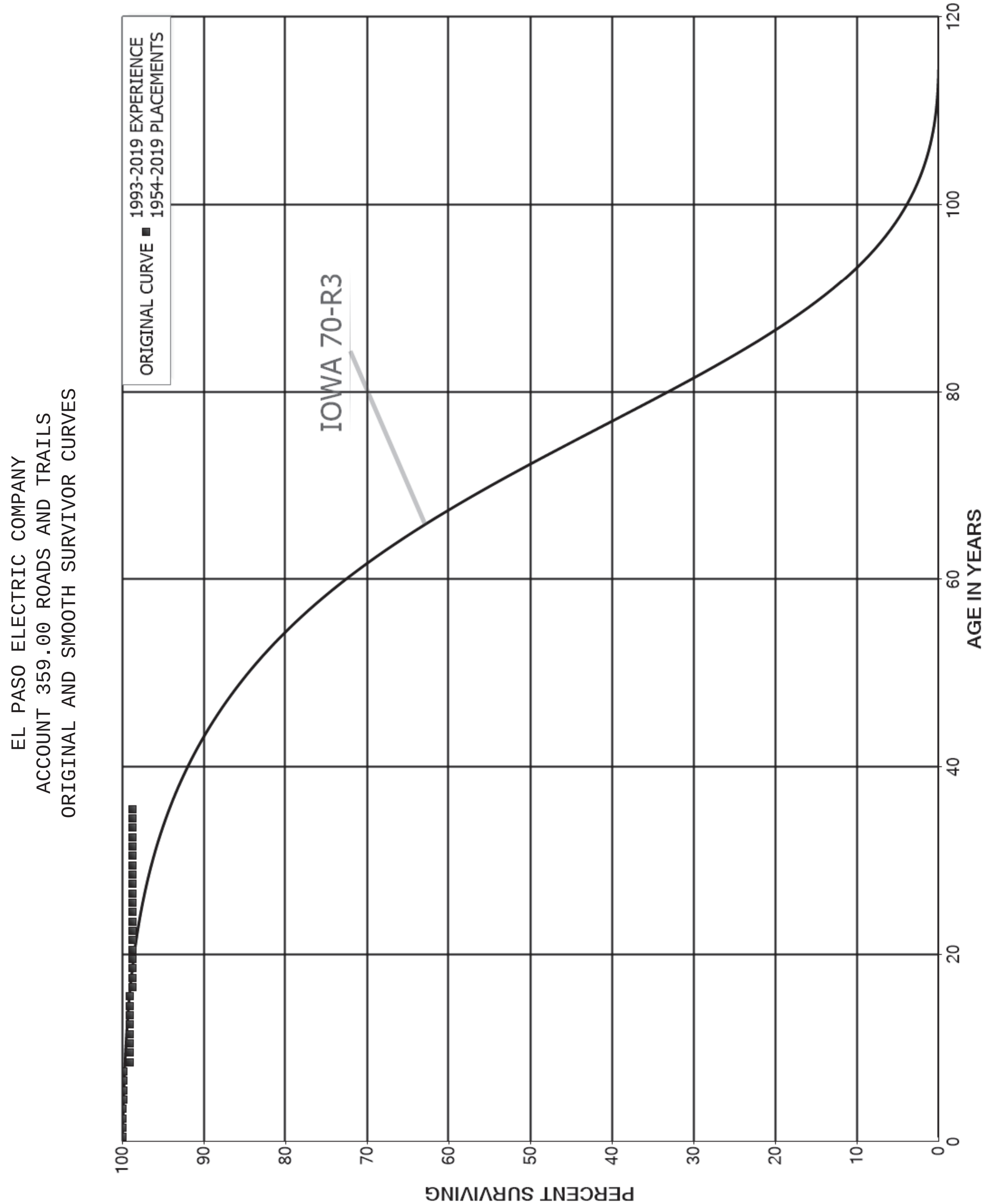
EL PASO ELECTRIC COMPANY

ACCOUNT 356.00 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1941-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	14,380,984	908	0.0001	0.9999	99.50
40.5	14,261,057	82,065	0.0058	0.9942	99.49
41.5	8,044,440	2,802	0.0003	0.9997	98.92
42.5	8,002,933	205,363	0.0257	0.9743	98.89
43.5	7,715,623	76,080	0.0099	0.9901	96.35
44.5	7,426,012	143,309	0.0193	0.9807	95.40
45.5	7,173,179	15,656	0.0022	0.9978	93.56
46.5	7,071,433	6,838	0.0010	0.9990	93.35
47.5	7,060,264	9,753	0.0014	0.9986	93.26
48.5	6,912,388	15,343	0.0022	0.9978	93.13
49.5	6,656,994	19,541	0.0029	0.9971	92.93
50.5	2,260,928	3,417	0.0015	0.9985	92.65
51.5	2,191,311	7,201	0.0033	0.9967	92.51
52.5	2,133,882	14,493	0.0068	0.9932	92.21
53.5	1,923,329	7,020	0.0036	0.9964	91.58
54.5	1,818,010	618	0.0003	0.9997	91.25
55.5	1,739,384	2,170	0.0012	0.9988	91.22
56.5	1,317,527	646	0.0005	0.9995	91.11
57.5	1,257,211	1,116	0.0009	0.9991	91.06
58.5	1,225,741	2,064	0.0017	0.9983	90.98
59.5	1,051,041	1,123	0.0011	0.9989	90.83
60.5	990,508	722	0.0007	0.9993	90.73
61.5	854,819	3,067	0.0036	0.9964	90.66
62.5	146,908	636	0.0043	0.9957	90.34
63.5					89.95


EL PASO ELECTRIC COMPANY
ACCOUNT 359.00 ROADS AND TRAILS
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE ■ 1993-2019 EXPERIENCE
1954-2019 PLACEMENTS
IOWA 70-R3
PERCENT SURVIVING
AGE IN YEARS
0
10
20
30
40
50
60
70
80
90
100
0
20
40
60
80
100
120

EL PASO ELECTRIC COMPANY

ACCOUNT 359.00 ROADS AND TRAILS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1954-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	3,256,681		0.0000	1.0000	100.00
0.5	2,297,469	1,646	0.0007	0.9993	100.00
1.5	2,034,806		0.0000	1.0000	99.93
2.5	2,017,741		0.0000	1.0000	99.93
3.5	898,665	534	0.0006	0.9994	99.93
4.5	898,131		0.0000	1.0000	99.87
5.5	898,131		0.0000	1.0000	99.87
6.5	898,131		0.0000	1.0000	99.87
7.5	898,131	7,327	0.0082	0.9918	99.87
8.5	1,099,259		0.0000	1.0000	99.05
9.5	1,099,259		0.0000	1.0000	99.05
10.5	1,021,745		0.0000	1.0000	99.05
11.5	1,021,745		0.0000	1.0000	99.05
12.5	1,021,745		0.0000	1.0000	99.05
13.5	1,021,745		0.0000	1.0000	99.05
14.5	1,021,745		0.0000	1.0000	99.05
15.5	1,021,745	3,758	0.0037	0.9963	99.05
16.5	1,017,986		0.0000	1.0000	98.69
17.5	1,017,986		0.0000	1.0000	98.69
18.5	1,017,986		0.0000	1.0000	98.69
19.5	779,495		0.0000	1.0000	98.69
20.5	481,341		0.0000	1.0000	98.69
21.5	481,341		0.0000	1.0000	98.69
22.5	318,852		0.0000	1.0000	98.69
23.5	318,852		0.0000	1.0000	98.69
24.5	318,852		0.0000	1.0000	98.69
25.5	318,852		0.0000	1.0000	98.69
26.5	318,852		0.0000	1.0000	98.69
27.5	204,696		0.0000	1.0000	98.69
28.5	204,696		0.0000	1.0000	98.69
29.5	204,696		0.0000	1.0000	98.69
30.5	204,696		0.0000	1.0000	98.69
31.5	204,696		0.0000	1.0000	98.69
32.5	204,696		0.0000	1.0000	98.69
33.5	204,696		0.0000	1.0000	98.69
34.5	204,696		0.0000	1.0000	98.69
35.5					98.69
36.5					
37.5					
38.5	748		0.0000		

EL PASO ELECTRIC COMPANY

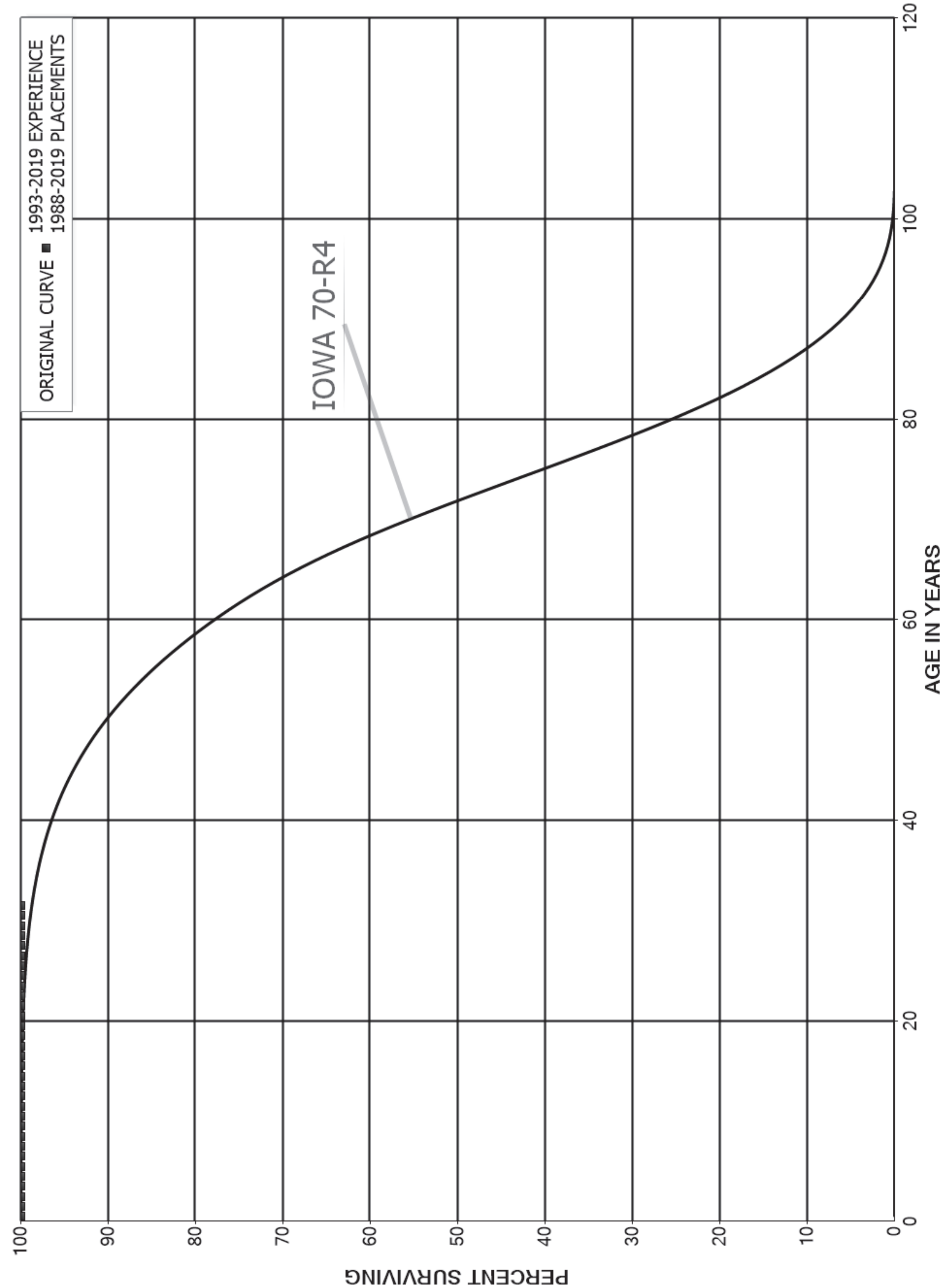
ACCOUNT 359.00 ROADS AND TRAILS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1954-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	748		0.0000		
40.5	748		0.0000		
41.5	748		0.0000		
42.5	748		0.0000		
43.5	748		0.0000		
44.5	748		0.0000		
45.5	748	748	1.0000		
46.5					

EL PASO ELECTRIC COMPANY
ACCOUNT 360.10 LAND RIGHTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

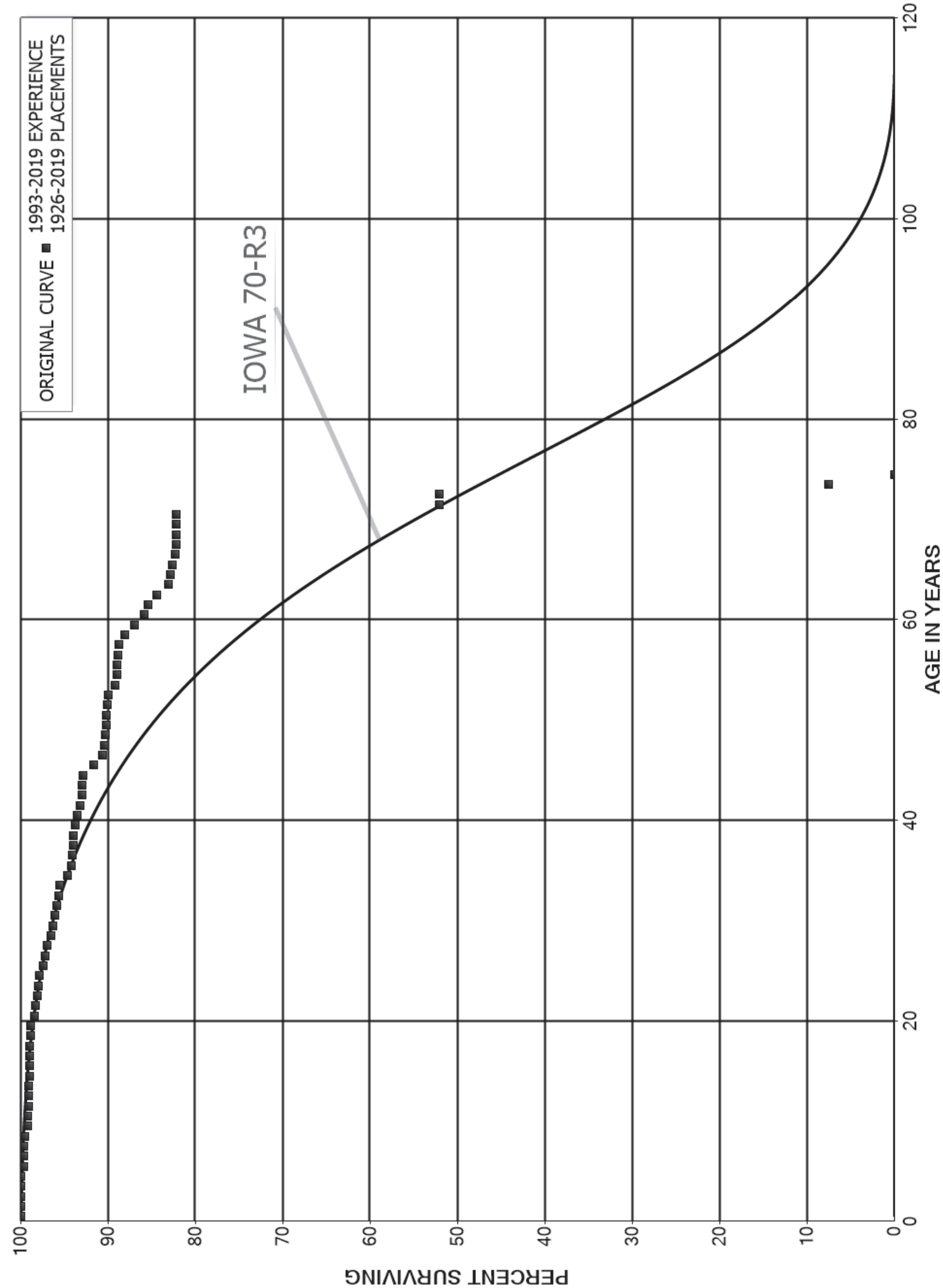
ACCOUNT 360.10 LAND RIGHTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1988-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,100,824		0.0000	1.0000	100.00
0.5	2,112,727		0.0000	1.0000	100.00
1.5	2,155,349		0.0000	1.0000	100.00
2.5	2,188,432		0.0000	1.0000	100.00
3.5	2,229,981		0.0000	1.0000	100.00
4.5	2,262,349		0.0000	1.0000	100.00
5.5	2,262,349		0.0000	1.0000	100.00
6.5	2,262,349		0.0000	1.0000	100.00
7.5	2,262,349		0.0000	1.0000	100.00
8.5	2,262,349		0.0000	1.0000	100.00
9.5	931,700		0.0000	1.0000	100.00
10.5	931,700		0.0000	1.0000	100.00
11.5	931,700		0.0000	1.0000	100.00
12.5	931,700		0.0000	1.0000	100.00
13.5	931,700		0.0000	1.0000	100.00
14.5	842,722		0.0000	1.0000	100.00
15.5	590,595		0.0000	1.0000	100.00
16.5	547,314		0.0000	1.0000	100.00
17.5	544,493		0.0000	1.0000	100.00
18.5	537,110		0.0000	1.0000	100.00
19.5	530,194		0.0000	1.0000	100.00
20.5	520,083		0.0000	1.0000	100.00
21.5	513,156		0.0000	1.0000	100.00
22.5	499,137		0.0000	1.0000	100.00
23.5	495,847		0.0000	1.0000	100.00
24.5	484,595		0.0000	1.0000	100.00
25.5	479,066		0.0000	1.0000	100.00
26.5	477,972		0.0000	1.0000	100.00
27.5	151,036		0.0000	1.0000	100.00
28.5	108,415		0.0000	1.0000	100.00
29.5	75,332		0.0000	1.0000	100.00
30.5	33,783		0.0000	1.0000	100.00
31.5					100.00

EL PASO ELECTRIC COMPANY
ACCOUNT 361.00 STRUCTURES AND IMPROVEMENTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 361.00 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1926-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	19,833,342		0.0000	1.0000	100.00
0.5	14,985,156		0.0000	1.0000	100.00
1.5	12,305,174	7,509	0.0006	0.9994	100.00
2.5	8,743,949	235	0.0000	1.0000	99.94
3.5	6,744,197		0.0000	1.0000	99.94
4.5	6,484,356	18,726	0.0029	0.9971	99.94
5.5	6,405,056		0.0000	1.0000	99.65
6.5	5,139,061	2,565	0.0005	0.9995	99.65
7.5	4,633,379	2,724	0.0006	0.9994	99.60
8.5	4,642,689	18,598	0.0040	0.9960	99.54
9.5	2,701,133	153	0.0001	0.9999	99.14
10.5	2,723,770	1,221	0.0004	0.9996	99.14
11.5	2,688,570		0.0000	1.0000	99.09
12.5	3,114,629	521	0.0002	0.9998	99.09
13.5	2,940,075	2,448	0.0008	0.9992	99.07
14.5	2,920,316		0.0000	1.0000	98.99
15.5	2,766,850	349	0.0001	0.9999	98.99
16.5	2,751,895	1,604	0.0006	0.9994	98.98
17.5	2,797,734	1,697	0.0006	0.9994	98.92
18.5	2,794,830	11	0.0000	1.0000	98.86
19.5	1,998,990	10,332	0.0052	0.9948	98.86
20.5	2,008,083	1,778	0.0009	0.9991	98.35
21.5	2,006,770	3,884	0.0019	0.9981	98.26
22.5	2,005,341	1,325	0.0007	0.9993	98.07
23.5	2,024,840	3,523	0.0017	0.9983	98.01
24.5	2,033,752	8,614	0.0042	0.9958	97.84
25.5	1,914,947	4,193	0.0022	0.9978	97.42
26.5	1,806,716	5,603	0.0031	0.9969	97.21
27.5	1,738,113	8,179	0.0047	0.9953	96.91
28.5	1,740,896	3,977	0.0023	0.9977	96.45
29.5	1,697,186	2,229	0.0013	0.9987	96.23
30.5	1,530,943	4,625	0.0030	0.9970	96.11
31.5	1,541,338	2,913	0.0019	0.9981	95.82
32.5	1,388,240	2,010	0.0014	0.9986	95.63
33.5	1,246,038	11,465	0.0092	0.9908	95.50
34.5	1,188,663	5,638	0.0047	0.9953	94.62
35.5	1,137,508	1,779	0.0016	0.9984	94.17
36.5	1,042,438	629	0.0006	0.9994	94.02
37.5	1,074,007	799	0.0007	0.9993	93.96
38.5	1,033,770	1,372	0.0013	0.9987	93.89

EL PASO ELECTRIC COMPANY

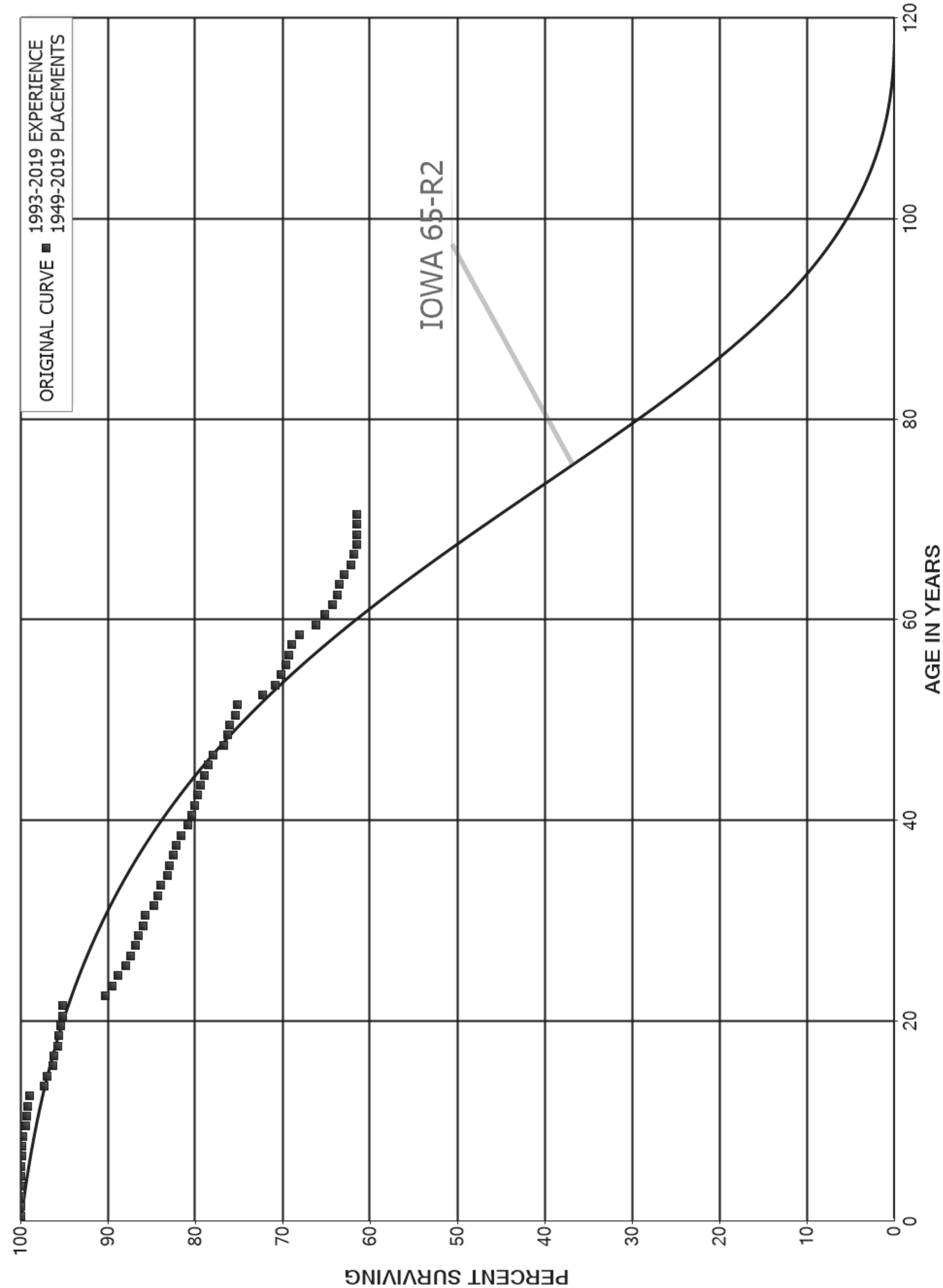
ACCOUNT 361.00 STRUCTURES AND IMPROVEMENTS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1926-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	608,243	1,918	0.0032	0.9968	93.77
40.5	596,880	1,975	0.0033	0.9967	93.47
41.5	587,668	1,097	0.0019	0.9981	93.16
42.5	581,965	393	0.0007	0.9993	92.99
43.5	562,599	758	0.0013	0.9987	92.93
44.5	525,167	6,516	0.0124	0.9876	92.80
45.5	466,384	5,182	0.0111	0.9889	91.65
46.5	411,646	1,259	0.0031	0.9969	90.63
47.5	394,400	447	0.0011	0.9989	90.36
48.5	389,848	151	0.0004	0.9996	90.25
49.5	362,803	305	0.0008	0.9992	90.22
50.5	341,021	372	0.0011	0.9989	90.14
51.5	303,013	515	0.0017	0.9983	90.04
52.5	273,746	2,287	0.0084	0.9916	89.89
53.5	271,694	486	0.0018	0.9982	89.14
54.5	269,855	205	0.0008	0.9992	88.98
55.5	261,387	352	0.0013	0.9987	88.91
56.5	251,435	301	0.0012	0.9988	88.79
57.5	236,020	1,619	0.0069	0.9931	88.69
58.5	217,607	2,734	0.0126	0.9874	88.08
59.5	208,716	2,814	0.0135	0.9865	86.97
60.5	203,982	907	0.0044	0.9956	85.80
61.5	190,513	2,267	0.0119	0.9881	85.42
62.5	184,365	2,843	0.0154	0.9846	84.40
63.5	124,775	360	0.0029	0.9971	83.10
64.5	61,554	218	0.0035	0.9965	82.86
65.5	55,998	182	0.0032	0.9968	82.57
66.5	50,095	78	0.0015	0.9985	82.30
67.5	40,236	17	0.0004	0.9996	82.17
68.5	21,676	1	0.0001	0.9999	82.14
69.5	15,416		0.0000	1.0000	82.13
70.5	10,117	3,700	0.3657	0.6343	82.13
71.5	989		0.0000	1.0000	52.09
72.5	367	314	0.8556	0.1444	52.09
73.5	53	53	1.0000		7.52
74.5					

EL PASO ELECTRIC COMPANY
ACCOUNT 362.00 STATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 362.00 STATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1949-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	248,828,114	5,778	0.0000	1.0000	100.00
0.5	201,849,775	4,784	0.0000	1.0000	100.00
1.5	176,409,889	18,582	0.0001	0.9999	100.00
2.5	165,161,928	1,958	0.0000	1.0000	99.98
3.5	161,826,959	62,406	0.0004	0.9996	99.98
4.5	154,548,514	62,318	0.0004	0.9996	99.95
5.5	139,248,866	30,881	0.0002	0.9998	99.90
6.5	126,903,879	82,346	0.0006	0.9994	99.88
7.5	112,196,449	140,311	0.0013	0.9987	99.82
8.5	108,902,705	294,340	0.0027	0.9973	99.69
9.5	104,297,485	142,182	0.0014	0.9986	99.42
10.5	91,740,879	130,114	0.0014	0.9986	99.29
11.5	81,733,466	126,518	0.0015	0.9985	99.15
12.5	82,480,744	1,465,394	0.0178	0.9822	98.99
13.5	75,916,167	190,667	0.0025	0.9975	97.23
14.5	72,817,079	547,480	0.0075	0.9925	96.99
15.5	63,288,093	70,888	0.0011	0.9989	96.26
16.5	58,627,728	249,502	0.0043	0.9957	96.15
17.5	58,421,777	100,452	0.0017	0.9983	95.74
18.5	57,373,743	111,758	0.0019	0.9981	95.58
19.5	52,937,449	123,542	0.0023	0.9977	95.39
20.5	52,603,940	11,976	0.0002	0.9998	95.17
21.5	49,537,435	2,516,789	0.0508	0.9492	95.15
22.5	47,755,815	407,437	0.0085	0.9915	90.32
23.5	44,599,419	334,541	0.0075	0.9925	89.54
24.5	42,812,608	454,915	0.0106	0.9894	88.87
25.5	37,854,351	215,488	0.0057	0.9943	87.93
26.5	33,965,172	245,080	0.0072	0.9928	87.43
27.5	33,459,976	129,983	0.0039	0.9961	86.80
28.5	31,712,819	185,504	0.0058	0.9942	86.46
29.5	29,127,131	96,301	0.0033	0.9967	85.95
30.5	31,869,456	342,589	0.0107	0.9893	85.67
31.5	32,202,120	156,140	0.0048	0.9952	84.75
32.5	30,513,599	143,418	0.0047	0.9953	84.34
33.5	30,495,791	278,167	0.0091	0.9909	83.94
34.5	29,497,777	97,430	0.0033	0.9967	83.18
35.5	29,199,281	136,642	0.0047	0.9953	82.90
36.5	26,795,173	94,829	0.0035	0.9965	82.51
37.5	27,537,745	221,448	0.0080	0.9920	82.22
38.5	26,911,602	225,936	0.0084	0.9916	81.56

EL PASO ELECTRIC COMPANY

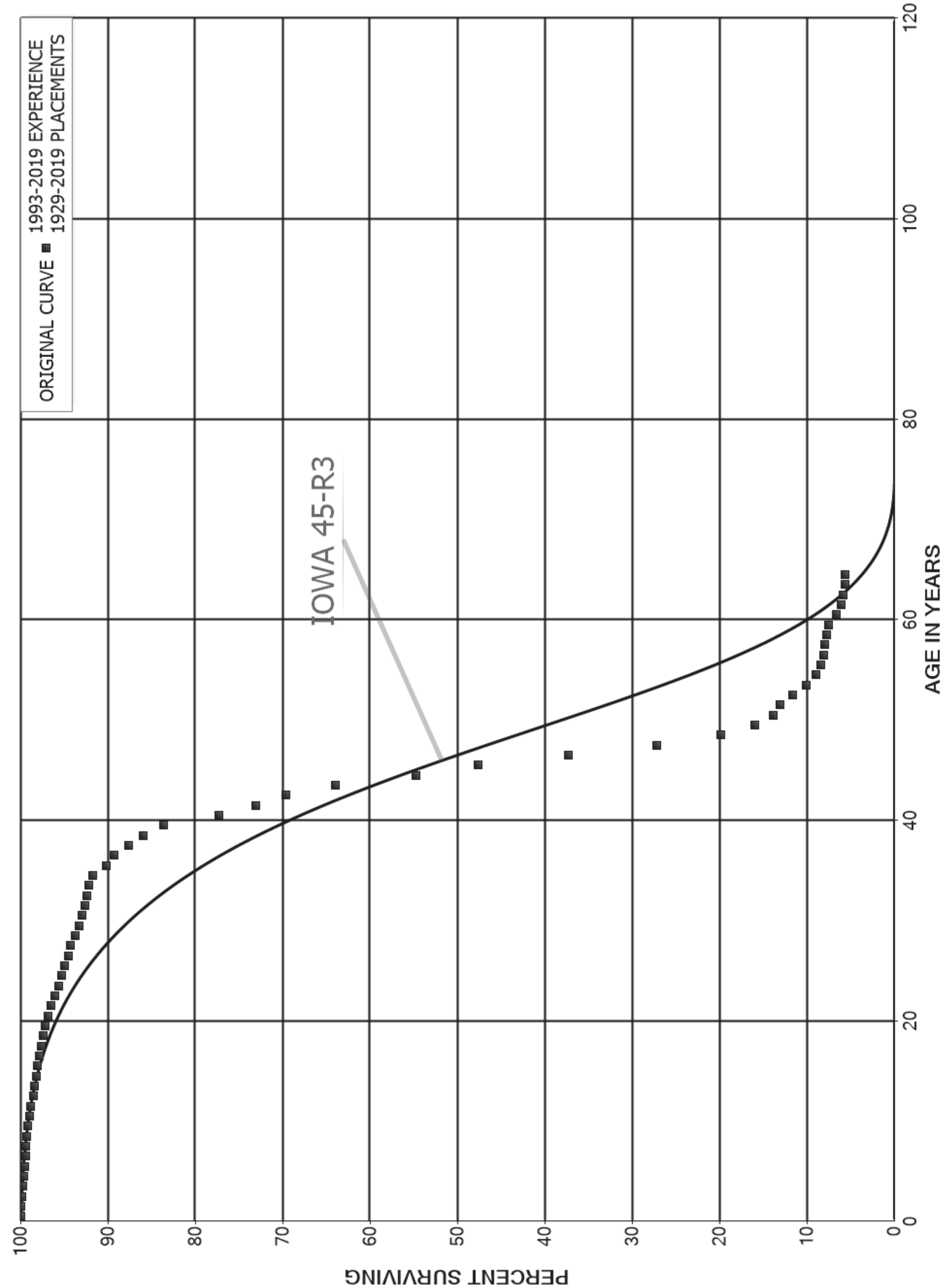
ACCOUNT 362.00 STATION EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1949-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	25,096,668	157,313	0.0063	0.9937	80.88
40.5	25,010,695	90,831	0.0036	0.9964	80.37
41.5	23,825,171	94,048	0.0039	0.9961	80.08
42.5	23,705,122	122,967	0.0052	0.9948	79.76
43.5	21,787,906	118,797	0.0055	0.9945	79.35
44.5	20,026,479	112,787	0.0056	0.9944	78.91
45.5	19,198,028	127,441	0.0066	0.9934	78.47
46.5	18,948,452	299,804	0.0158	0.9842	77.95
47.5	17,890,985	94,512	0.0053	0.9947	76.72
48.5	17,128,820	62,561	0.0037	0.9963	76.31
49.5	16,435,498	135,240	0.0082	0.9918	76.03
50.5	15,602,745	36,825	0.0024	0.9976	75.41
51.5	14,512,462	574,110	0.0396	0.9604	75.23
52.5	13,619,252	265,583	0.0195	0.9805	72.25
53.5	12,853,322	128,814	0.0100	0.9900	70.84
54.5	12,431,615	91,519	0.0074	0.9926	70.13
55.5	11,939,540	55,073	0.0046	0.9954	69.62
56.5	11,796,546	61,008	0.0052	0.9948	69.30
57.5	5,749,888	74,318	0.0129	0.9871	68.94
58.5	4,769,299	133,887	0.0281	0.9719	68.05
59.5	4,133,619	59,613	0.0144	0.9856	66.14
60.5	3,582,340	47,699	0.0133	0.9867	65.18
61.5	3,349,527	32,003	0.0096	0.9904	64.31
62.5	2,942,965	10,065	0.0034	0.9966	63.70
63.5	2,273,680	17,268	0.0076	0.9924	63.48
64.5	1,120,932	13,770	0.0123	0.9877	63.00
65.5	877,104	4,754	0.0054	0.9946	62.23
66.5	485,016	2,860	0.0059	0.9941	61.89
67.5	301,737	39	0.0001	0.9999	61.52
68.5	287,268		0.0000	1.0000	61.52
69.5	132,785		0.0000	1.0000	61.52
70.5					61.52

EL PASO ELECTRIC COMPANY
ACCOUNT 364.00 POLES, TOWERS AND FIXTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 364.00 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1929-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	158,336,334	17,009	0.0001	0.9999	100.00
0.5	150,803,878	118,714	0.0008	0.9992	99.99
1.5	145,169,448	142,642	0.0010	0.9990	99.91
2.5	138,213,021	121,574	0.0009	0.9991	99.81
3.5	131,797,614	87,825	0.0007	0.9993	99.72
4.5	125,576,909	123,902	0.0010	0.9990	99.66
5.5	120,653,080	136,718	0.0011	0.9989	99.56
6.5	116,230,405	73,914	0.0006	0.9994	99.45
7.5	110,594,999	101,720	0.0009	0.9991	99.38
8.5	104,370,279	146,783	0.0014	0.9986	99.29
9.5	99,823,893	158,950	0.0016	0.9984	99.15
10.5	94,936,650	110,461	0.0012	0.9988	98.99
11.5	89,510,956	322,481	0.0036	0.9964	98.88
12.5	84,029,680	113,055	0.0013	0.9987	98.52
13.5	81,242,298	161,873	0.0020	0.9980	98.39
14.5	73,044,418	110,954	0.0015	0.9985	98.19
15.5	67,222,187	150,991	0.0022	0.9978	98.05
16.5	63,816,432	130,750	0.0020	0.9980	97.83
17.5	60,571,636	151,347	0.0025	0.9975	97.62
18.5	56,586,813	146,469	0.0026	0.9974	97.38
19.5	51,583,644	179,104	0.0035	0.9965	97.13
20.5	47,266,897	149,860	0.0032	0.9968	96.79
21.5	44,189,978	181,973	0.0041	0.9959	96.48
22.5	41,329,487	194,097	0.0047	0.9953	96.09
23.5	38,660,783	155,194	0.0040	0.9960	95.64
24.5	35,344,616	127,463	0.0036	0.9964	95.25
25.5	33,496,308	151,583	0.0045	0.9955	94.91
26.5	31,871,910	80,067	0.0025	0.9975	94.48
27.5	30,324,992	166,748	0.0055	0.9945	94.24
28.5	28,325,852	117,204	0.0041	0.9959	93.72
29.5	26,821,682	102,790	0.0038	0.9962	93.34
30.5	24,943,755	83,224	0.0033	0.9967	92.98
31.5	23,278,279	60,810	0.0026	0.9974	92.67
32.5	21,596,391	69,924	0.0032	0.9968	92.43
33.5	19,880,660	89,082	0.0045	0.9955	92.13
34.5	18,235,018	299,425	0.0164	0.9836	91.71
35.5	16,514,280	168,885	0.0102	0.9898	90.21
36.5	15,189,285	275,761	0.0182	0.9818	89.29
37.5	13,366,431	267,296	0.0200	0.9800	87.66
38.5	11,967,365	315,706	0.0264	0.9736	85.91

EL PASO ELECTRIC COMPANY

ACCOUNT 364.00 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1929-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	10,499,272	800,965	0.0763	0.9237	83.65
40.5	8,486,915	463,385	0.0546	0.9454	77.26
41.5	6,999,879	332,343	0.0475	0.9525	73.05
42.5	6,222,523	505,089	0.0812	0.9188	69.58
43.5	5,250,320	753,967	0.1436	0.8564	63.93
44.5	4,078,355	532,597	0.1306	0.8694	54.75
45.5	3,189,283	689,920	0.2163	0.7837	47.60
46.5	2,323,492	631,160	0.2716	0.7284	37.30
47.5	1,549,466	417,886	0.2697	0.7303	27.17
48.5	1,112,963	220,918	0.1985	0.8015	19.84
49.5	813,602	106,002	0.1303	0.8697	15.90
50.5	639,473	36,522	0.0571	0.9429	13.83
51.5	556,252	62,341	0.1121	0.8879	13.04
52.5	449,534	59,682	0.1328	0.8672	11.58
53.5	379,136	40,926	0.1079	0.8921	10.04
54.5	334,682	22,317	0.0667	0.9333	8.96
55.5	309,799	12,192	0.0394	0.9606	8.36
56.5	297,313	4,180	0.0141	0.9859	8.03
57.5	294,910	7,313	0.0248	0.9752	7.92
58.5	289,774	6,236	0.0215	0.9785	7.72
59.5	285,394	35,177	0.1233	0.8767	7.56
60.5	227,527	20,177	0.0887	0.9113	6.63
61.5	181,646	6,512	0.0359	0.9641	6.04
62.5	147,953	5,402	0.0365	0.9635	5.82
63.5	116,150	1,002	0.0086	0.9914	5.61
64.5	77,269	215	0.0028	0.9972	5.56
65.5	77,053	6,080	0.0789	0.9211	5.54
66.5	70,966	46	0.0006	0.9994	5.11
67.5	68,103		0.0000	1.0000	5.10
68.5	55,281		0.0000	1.0000	5.10
69.5	44,681		0.0000	1.0000	5.10
70.5	41,081		0.0000	1.0000	5.10
71.5	41,081		0.0000	1.0000	5.10
72.5	41,081		0.0000	1.0000	5.10
73.5	40,419		0.0000	1.0000	5.10
74.5	40,419		0.0000	1.0000	5.10
75.5	34,859		0.0000	1.0000	5.10
76.5	30,508		0.0000	1.0000	5.10
77.5	29,120		0.0000	1.0000	5.10
78.5	28,481		0.0000	1.0000	5.10

EL PASO ELECTRIC COMPANY

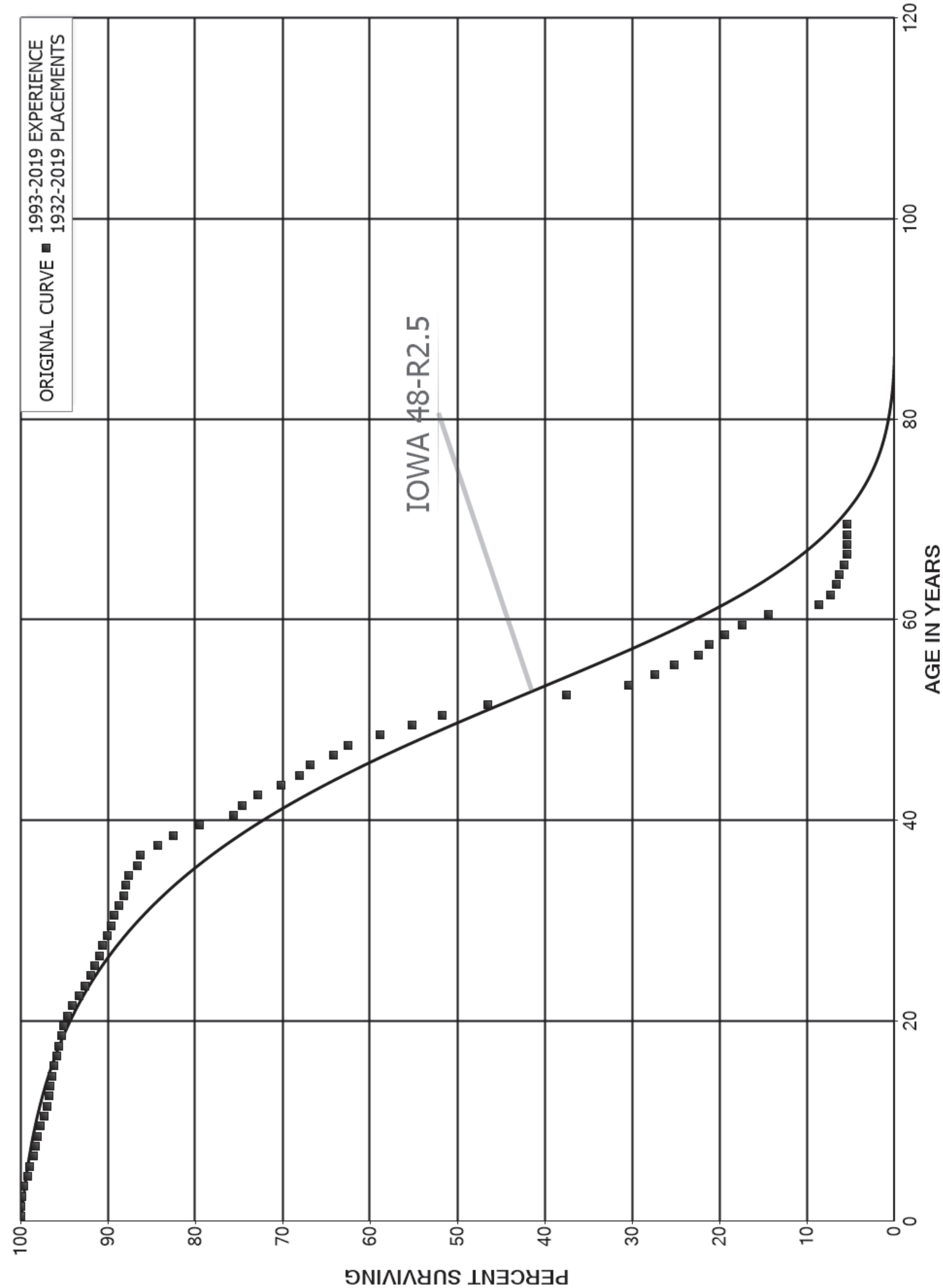
ACCOUNT 364.00 POLES, TOWERS AND FIXTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1929-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	25,109		0.0000	1.0000	5.10
80.5	22,844		0.0000	1.0000	5.10
81.5	22,454		0.0000	1.0000	5.10
82.5	20,842		0.0000	1.0000	5.10
83.5	17,829		0.0000	1.0000	5.10
84.5	16,052		0.0000	1.0000	5.10
85.5	13,875		0.0000	1.0000	5.10
86.5	12,019		0.0000	1.0000	5.10
87.5	10,315		0.0000	1.0000	5.10
88.5	8,410		0.0000	1.0000	5.10
89.5	3,280		0.0000	1.0000	5.10
90.5					5.10

EL PASO ELECTRIC COMPANY
ACCOUNT 365.00 OVERHEAD CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 365.00 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1932-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	100,306,062	20,146	0.0002	0.9998	100.00
0.5	92,048,327	72,144	0.0008	0.9992	99.98
1.5	86,231,131	79,840	0.0009	0.9991	99.90
2.5	82,712,476	115,488	0.0014	0.9986	99.81
3.5	73,941,599	327,961	0.0044	0.9956	99.67
4.5	69,655,058	229,759	0.0033	0.9967	99.23
5.5	65,050,747	230,578	0.0035	0.9965	98.90
6.5	62,273,666	140,208	0.0023	0.9977	98.55
7.5	59,251,789	178,716	0.0030	0.9970	98.33
8.5	55,040,551	192,429	0.0035	0.9965	98.03
9.5	52,431,534	211,528	0.0040	0.9960	97.69
10.5	49,992,193	161,995	0.0032	0.9968	97.29
11.5	46,572,562	101,664	0.0022	0.9978	96.98
12.5	43,484,113	87,975	0.0020	0.9980	96.77
13.5	42,285,067	76,064	0.0018	0.9982	96.57
14.5	38,278,980	89,314	0.0023	0.9977	96.40
15.5	35,759,482	135,980	0.0038	0.9962	96.17
16.5	34,444,998	71,744	0.0021	0.9979	95.81
17.5	33,405,405	97,548	0.0029	0.9971	95.61
18.5	31,491,511	97,443	0.0031	0.9969	95.33
19.5	30,378,950	136,904	0.0045	0.9955	95.03
20.5	28,194,994	146,428	0.0052	0.9948	94.61
21.5	26,497,577	248,564	0.0094	0.9906	94.11
22.5	24,959,604	151,897	0.0061	0.9939	93.23
23.5	23,633,161	179,123	0.0076	0.9924	92.66
24.5	21,908,697	119,268	0.0054	0.9946	91.96
25.5	21,263,467	105,786	0.0050	0.9950	91.46
26.5	20,712,669	89,589	0.0043	0.9957	91.01
27.5	19,509,336	110,204	0.0056	0.9944	90.61
28.5	18,383,306	110,127	0.0060	0.9940	90.10
29.5	17,514,651	60,749	0.0035	0.9965	89.56
30.5	16,703,089	97,518	0.0058	0.9942	89.25
31.5	15,966,454	91,164	0.0057	0.9943	88.73
32.5	15,307,124	46,732	0.0031	0.9969	88.22
33.5	14,596,159	59,688	0.0041	0.9959	87.95
34.5	13,724,506	145,348	0.0106	0.9894	87.59
35.5	12,884,269	61,809	0.0048	0.9952	86.67
36.5	12,391,743	277,348	0.0224	0.9776	86.25
37.5	11,331,299	239,235	0.0211	0.9789	84.32
38.5	10,374,989	379,141	0.0365	0.9635	82.54

EL PASO ELECTRIC COMPANY

ACCOUNT 365.00 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1932-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	9,398,378	456,882	0.0486	0.9514	79.52
40.5	8,101,123	112,055	0.0138	0.9862	75.66
41.5	7,169,084	168,434	0.0235	0.9765	74.61
42.5	6,767,544	251,523	0.0372	0.9628	72.86
43.5	6,080,743	184,804	0.0304	0.9696	70.15
44.5	5,412,969	93,844	0.0173	0.9827	68.02
45.5	4,930,757	196,580	0.0399	0.9601	66.84
46.5	4,384,300	114,618	0.0261	0.9739	64.17
47.5	3,988,905	230,231	0.0577	0.9423	62.50
48.5	3,740,756	234,205	0.0626	0.9374	58.89
49.5	3,125,612	194,242	0.0621	0.9379	55.20
50.5	2,582,607	265,146	0.1027	0.8973	51.77
51.5	2,033,406	393,010	0.1933	0.8067	46.46
52.5	1,467,450	275,197	0.1875	0.8125	37.48
53.5	1,065,268	104,941	0.0985	0.9015	30.45
54.5	877,604	74,388	0.0848	0.9152	27.45
55.5	713,993	77,194	0.1081	0.8919	25.12
56.5	587,997	33,255	0.0566	0.9434	22.41
57.5	475,397	38,055	0.0800	0.9200	21.14
58.5	382,963	41,141	0.1074	0.8926	19.45
59.5	344,218	59,154	0.1719	0.8281	17.36
60.5	287,676	114,800	0.3991	0.6009	14.38
61.5	135,102	20,556	0.1522	0.8478	8.64
62.5	114,546	11,139	0.0972	0.9028	7.32
63.5	103,407	5,676	0.0549	0.9451	6.61
64.5	97,731	9,046	0.0926	0.9074	6.25
65.5	88,684	3,884	0.0438	0.9562	5.67
66.5	82,583	980	0.0119	0.9881	5.42
67.5	75,549	2	0.0000	1.0000	5.36
68.5	62,581		0.0000	1.0000	5.36
69.5	62,581		0.0000	1.0000	5.36
70.5	54,634		0.0000	1.0000	5.36
71.5	32,760		0.0000	1.0000	5.36
72.5	32,760		0.0000	1.0000	5.36
73.5	32,760		0.0000	1.0000	5.36
74.5	32,760		0.0000	1.0000	5.36
75.5	32,760		0.0000	1.0000	5.36
76.5	29,212		0.0000	1.0000	5.36
77.5	29,212		0.0000	1.0000	5.36
78.5	27,597		0.0000	1.0000	5.36

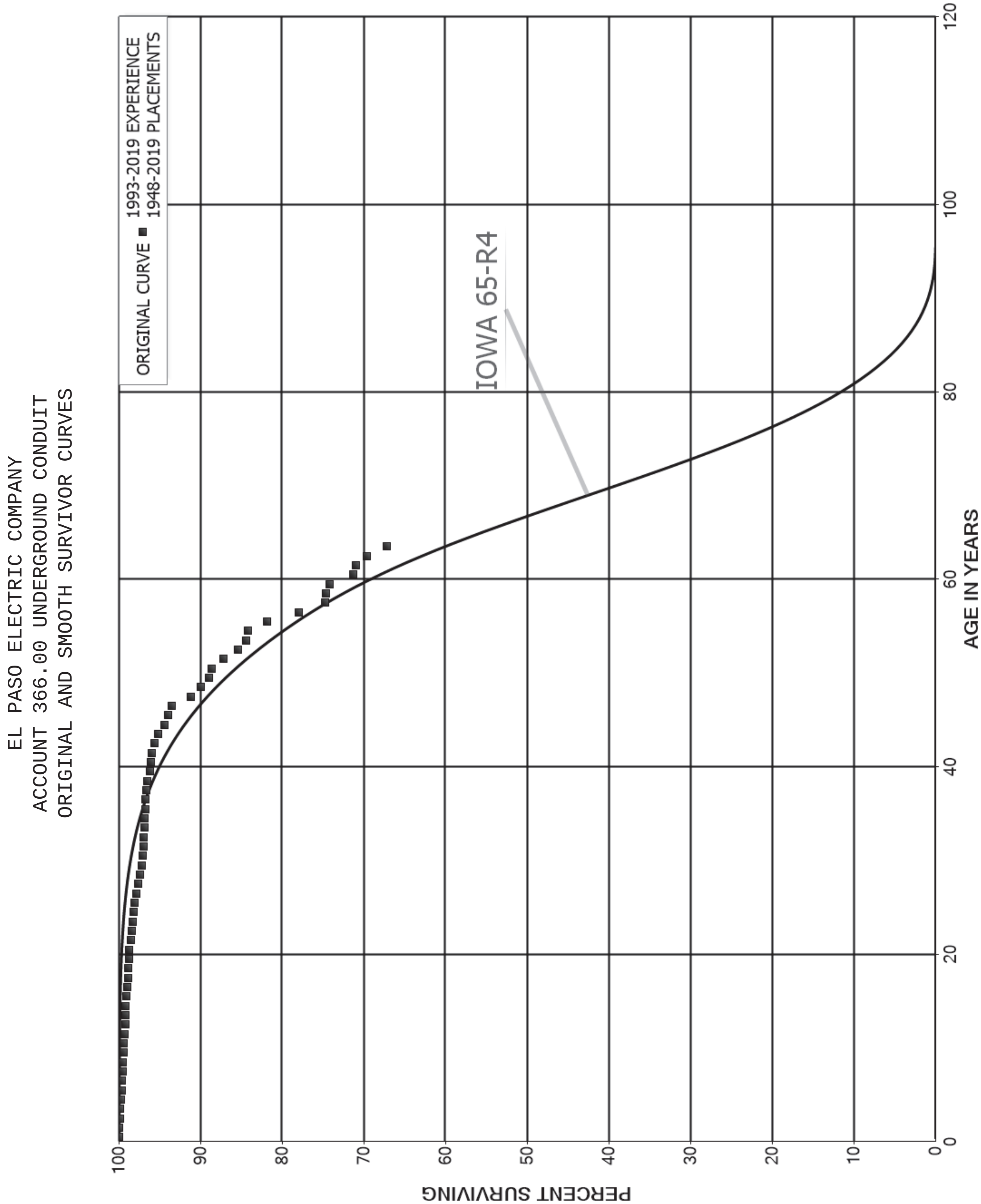
EL PASO ELECTRIC COMPANY

ACCOUNT 365.00 OVERHEAD CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1932-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	22,619		0.0000	1.0000	5.36
80.5	20,025		0.0000	1.0000	5.36
81.5	17,160		0.0000	1.0000	5.36
82.5	11,403		0.0000	1.0000	5.36
83.5	8,271		0.0000	1.0000	5.36
84.5	5,423		0.0000	1.0000	5.36
85.5	3,870		0.0000	1.0000	5.36
86.5	1,770		0.0000	1.0000	5.36
87.5					5.36


EL PASO ELECTRIC COMPANY
ACCOUNT 366.00 UNDERGROUND CONDUIT
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE ■ 1993-2019 EXPERIENCE
1948-2019 PLACEMENTS
IOWA 65-R4
PERCENT SURVIVING
AGE IN YEARS
0
10
20
30
40
50
60
70
80
90
100
120

EL PASO ELECTRIC COMPANY

ACCOUNT 366.00 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1948-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	123,775,207	19,148	0.0002	0.9998	100.00
0.5	117,342,859	80,380	0.0007	0.9993	99.98
1.5	112,780,532	57,901	0.0005	0.9995	99.92
2.5	108,800,246	79,075	0.0007	0.9993	99.86
3.5	103,589,990	58,458	0.0006	0.9994	99.79
4.5	100,981,880	72,839	0.0007	0.9993	99.74
5.5	96,504,446	68,399	0.0007	0.9993	99.66
6.5	92,937,492	58,177	0.0006	0.9994	99.59
7.5	89,570,213	47,615	0.0005	0.9995	99.53
8.5	88,157,941	51,301	0.0006	0.9994	99.48
9.5	86,590,707	59,638	0.0007	0.9993	99.42
10.5	82,364,298	54,602	0.0007	0.9993	99.35
11.5	77,698,441	58,637	0.0008	0.9992	99.29
12.5	71,522,842	33,614	0.0005	0.9995	99.21
13.5	67,174,028	24,979	0.0004	0.9996	99.16
14.5	61,129,159	38,555	0.0006	0.9994	99.13
15.5	53,571,898	48,244	0.0009	0.9991	99.06
16.5	48,879,296	55,889	0.0011	0.9989	98.98
17.5	44,198,503	27,633	0.0006	0.9994	98.86
18.5	40,960,411	29,632	0.0007	0.9993	98.80
19.5	37,436,926	19,316	0.0005	0.9995	98.73
20.5	33,253,414	47,398	0.0014	0.9986	98.68
21.5	28,806,342	29,485	0.0010	0.9990	98.54
22.5	26,647,700	40,706	0.0015	0.9985	98.44
23.5	24,046,716	35,370	0.0015	0.9985	98.29
24.5	21,586,692	28,768	0.0013	0.9987	98.14
25.5	20,067,013	29,120	0.0015	0.9985	98.01
26.5	18,986,208	46,445	0.0024	0.9976	97.87
27.5	17,975,477	41,221	0.0023	0.9977	97.63
28.5	16,938,469	34,983	0.0021	0.9979	97.41
29.5	15,803,917	18,308	0.0012	0.9988	97.20
30.5	14,635,597	19,878	0.0014	0.9986	97.09
31.5	13,385,775	4,992	0.0004	0.9996	96.96
32.5	11,981,315	8,984	0.0007	0.9993	96.92
33.5	10,766,242	6,116	0.0006	0.9994	96.85
34.5	9,452,771	2,491	0.0003	0.9997	96.80
35.5	7,911,386	5,138	0.0006	0.9994	96.77
36.5	7,020,899	3,944	0.0006	0.9994	96.71
37.5	6,327,334	8,935	0.0014	0.9986	96.65
38.5	5,502,588	16,590	0.0030	0.9970	96.52

EL PASO ELECTRIC COMPANY

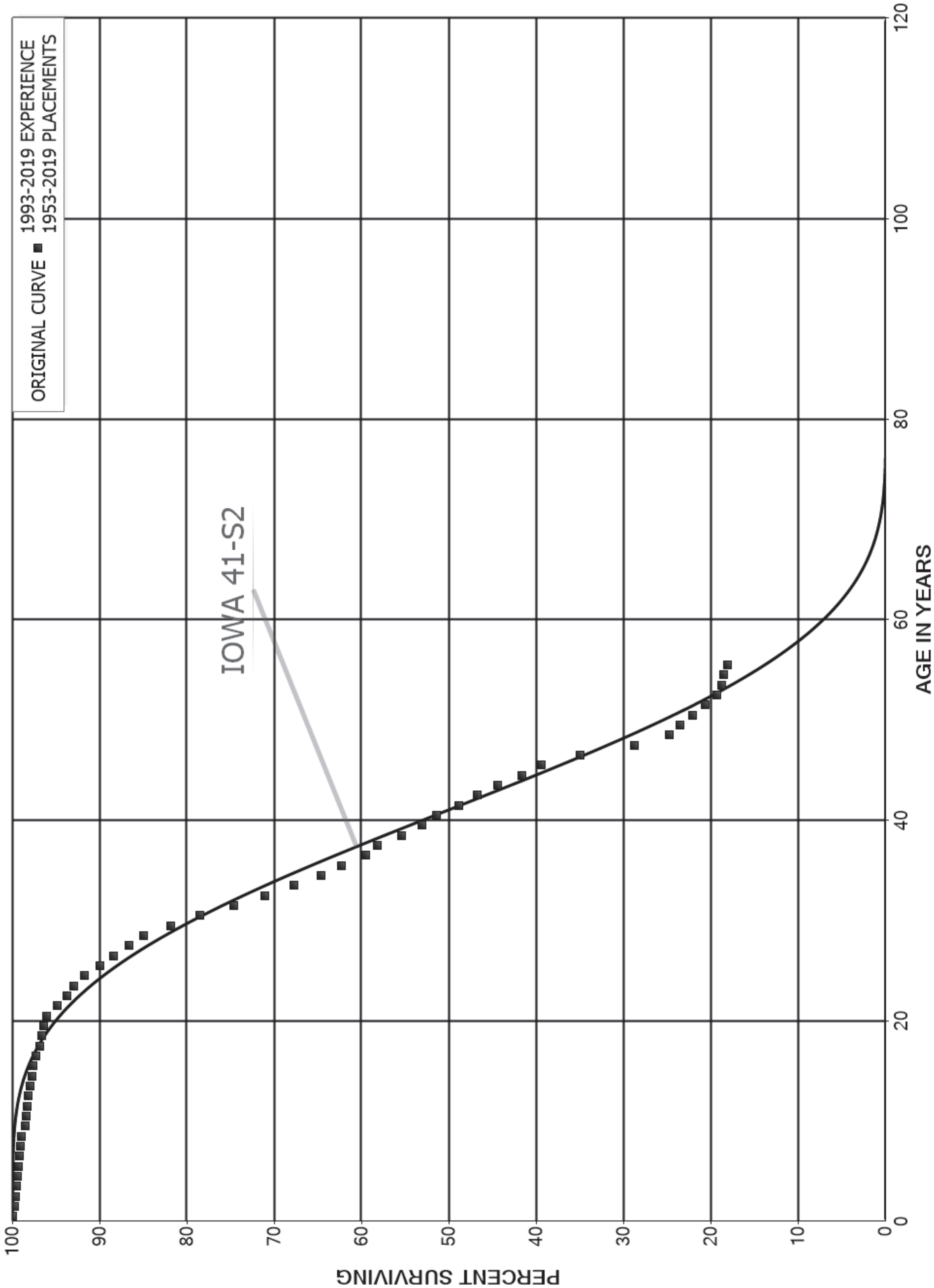
ACCOUNT 366.00 UNDERGROUND CONDUIT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1948-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	4,597,122	8,884	0.0019	0.9981	96.23
40.5	3,869,267	3,598	0.0009	0.9991	96.04
41.5	3,140,855	11,566	0.0037	0.9963	95.95
42.5	2,784,009	12,598	0.0045	0.9955	95.60
43.5	2,094,506	15,805	0.0075	0.9925	95.16
44.5	1,766,345	9,461	0.0054	0.9946	94.45
45.5	986,344	4,712	0.0048	0.9952	93.94
46.5	682,270	16,550	0.0243	0.9757	93.49
47.5	661,912	8,820	0.0133	0.9867	91.22
48.5	631,803	7,594	0.0120	0.9880	90.01
49.5	508,909	2,007	0.0039	0.9961	88.93
50.5	336,089	5,172	0.0154	0.9846	88.58
51.5	300,922	6,164	0.0205	0.9795	87.21
52.5	282,699	3,359	0.0119	0.9881	85.43
53.5	252,967	623	0.0025	0.9975	84.41
54.5	172,372	4,906	0.0285	0.9715	84.20
55.5	159,640	7,488	0.0469	0.9531	81.81
56.5	138,762	5,766	0.0416	0.9584	77.97
57.5	62,391	136	0.0022	0.9978	74.73
58.5	57,499	306	0.0053	0.9947	74.57
59.5	48,225	1,879	0.0390	0.9610	74.17
60.5	45,322	241	0.0053	0.9947	71.28
61.5	21,596	402	0.0186	0.9814	70.90
62.5	3,438	121	0.0352	0.9648	69.58
63.5	3,317	5	0.0014	0.9986	67.13
64.5	3,313	4	0.0011	0.9989	67.04
65.5	3,309	3	0.0010	0.9990	66.97
66.5	72	2	0.0293	0.9707	66.90
67.5					64.94

EL PASO ELECTRIC COMPANY
ACCOUNT 367.00 UNDERGROUND CONDUCTORS AND DEVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 367.00 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1953-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	159,625,916	42,382	0.0003	0.9997	100.00
0.5	151,240,617	430,807	0.0028	0.9972	99.97
1.5	141,455,474	149,841	0.0011	0.9989	99.69
2.5	130,847,361	101,544	0.0008	0.9992	99.58
3.5	131,938,187	116,032	0.0009	0.9991	99.51
4.5	122,576,070	156,865	0.0013	0.9987	99.42
5.5	111,565,565	87,855	0.0008	0.9992	99.29
6.5	103,471,551	104,195	0.0010	0.9990	99.21
7.5	98,309,449	169,844	0.0017	0.9983	99.11
8.5	94,190,811	418,373	0.0044	0.9956	98.94
9.5	92,115,229	72,928	0.0008	0.9992	98.50
10.5	85,345,960	119,587	0.0014	0.9986	98.42
11.5	78,560,184	130,039	0.0017	0.9983	98.29
12.5	71,257,273	156,434	0.0022	0.9978	98.12
13.5	63,954,434	84,976	0.0013	0.9987	97.91
14.5	55,562,184	120,278	0.0022	0.9978	97.78
15.5	47,363,015	127,722	0.0027	0.9973	97.57
16.5	43,925,720	197,272	0.0045	0.9955	97.30
17.5	39,854,045	85,441	0.0021	0.9979	96.87
18.5	36,357,678	110,705	0.0030	0.9970	96.66
19.5	33,038,373	99,229	0.0030	0.9970	96.36
20.5	29,382,492	392,894	0.0134	0.9866	96.07
21.5	25,222,338	271,089	0.0107	0.9893	94.79
22.5	22,074,778	188,722	0.0085	0.9915	93.77
23.5	19,959,154	259,851	0.0130	0.9870	92.97
24.5	17,266,864	329,828	0.0191	0.9809	91.76
25.5	14,978,573	267,957	0.0179	0.9821	90.01
26.5	13,669,294	268,365	0.0196	0.9804	88.40
27.5	12,436,098	246,392	0.0198	0.9802	86.66
28.5	11,149,236	411,460	0.0369	0.9631	84.94
29.5	9,978,488	398,765	0.0400	0.9600	81.81
30.5	8,729,389	441,372	0.0506	0.9494	78.54
31.5	7,420,899	347,544	0.0468	0.9532	74.57
32.5	6,496,560	308,270	0.0475	0.9525	71.08
33.5	5,697,214	263,575	0.0463	0.9537	67.70
34.5	4,705,955	163,851	0.0348	0.9652	64.57
35.5	3,940,634	176,630	0.0448	0.9552	62.32
36.5	3,280,255	73,520	0.0224	0.9776	59.53
37.5	2,913,935	138,593	0.0476	0.9524	58.20
38.5	2,200,681	94,326	0.0429	0.9571	55.43

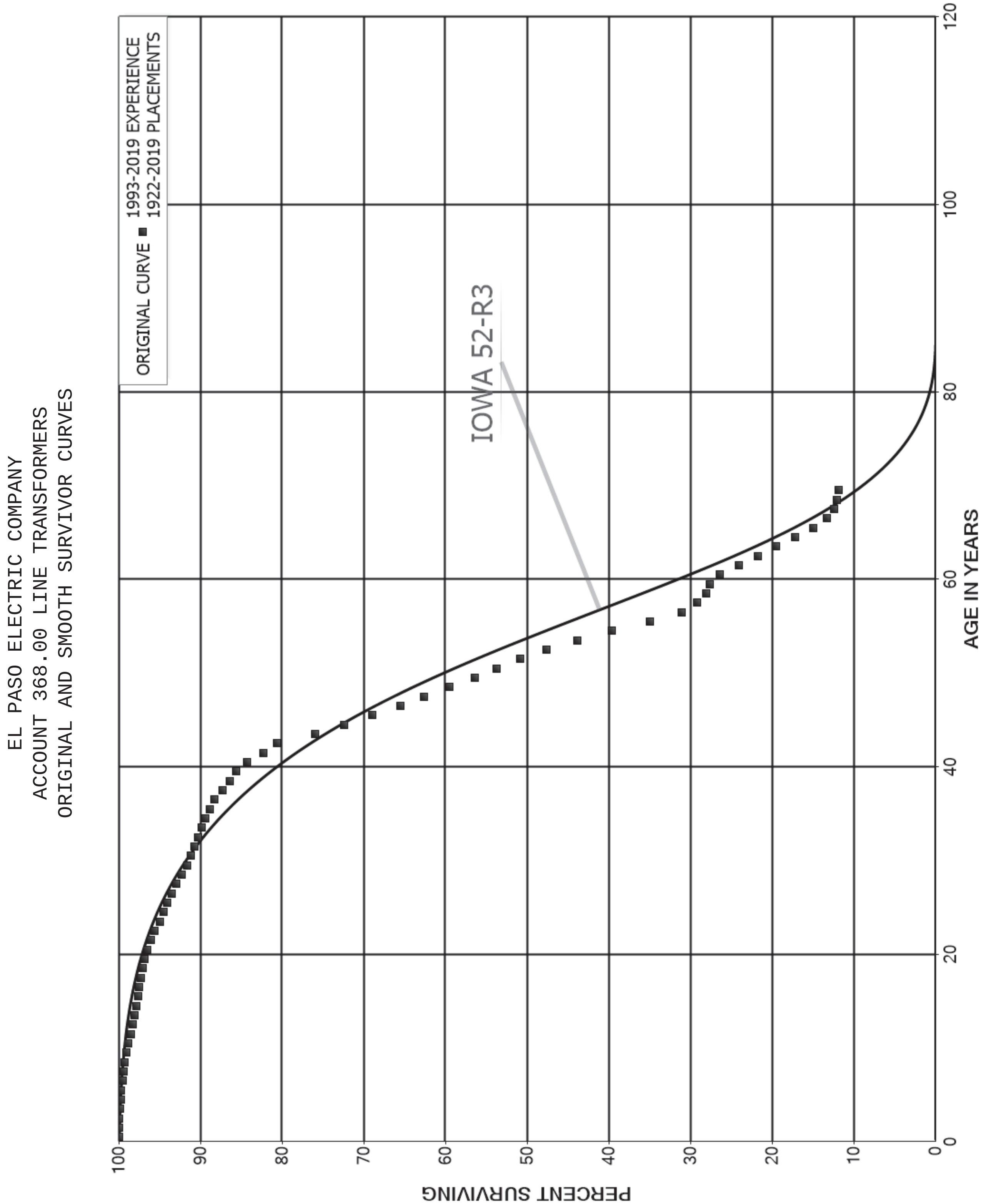
EL PASO ELECTRIC COMPANY

ACCOUNT 367.00 UNDERGROUND CONDUCTORS AND DEVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1953-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,630,014	49,764	0.0305	0.9695	53.05
40.5	1,272,365	64,721	0.0509	0.9491	51.43
41.5	985,171	42,156	0.0428	0.9572	48.82
42.5	858,437	42,907	0.0500	0.9500	46.73
43.5	699,672	43,430	0.0621	0.9379	44.39
44.5	503,359	27,479	0.0546	0.9454	41.64
45.5	405,117	45,113	0.1114	0.8886	39.36
46.5	360,004	64,136	0.1782	0.8218	34.98
47.5	295,868	41,529	0.1404	0.8596	28.75
48.5	254,339	12,484	0.0491	0.9509	24.71
49.5	172,760	10,210	0.0591	0.9409	23.50
50.5	135,727	8,914	0.0657	0.9343	22.11
51.5	107,711	7,313	0.0679	0.9321	20.66
52.5	41,880	1,060	0.0253	0.9747	19.26
53.5	16,926	233	0.0138	0.9862	18.77
54.5	2,327	57	0.0246	0.9754	18.51
55.5					18.05


EL PASO ELECTRIC COMPANY
ACCOUNT 368.00 LINE TRANSFORMERS
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE ■ 1993-2019 EXPERIENCE
1922-2019 PLACEMENTS
IOWA 52-R3
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
20
40
60
80
100
120

EL PASO ELECTRIC COMPANY

ACCOUNT 368.00 LINE TRANSFORMERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1922-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	250,255,874	25,461	0.0001	0.9999	100.00
0.5	239,642,495	87,071	0.0004	0.9996	99.99
1.5	229,660,691	86,859	0.0004	0.9996	99.95
2.5	216,467,338	174,984	0.0008	0.9992	99.92
3.5	197,366,871	168,412	0.0009	0.9991	99.83
4.5	188,385,946	112,768	0.0006	0.9994	99.75
5.5	178,560,713	265,637	0.0015	0.9985	99.69
6.5	170,462,326	201,310	0.0012	0.9988	99.54
7.5	155,380,240	261,451	0.0017	0.9983	99.42
8.5	142,145,496	247,221	0.0017	0.9983	99.26
9.5	134,314,248	404,255	0.0030	0.9970	99.08
10.5	121,189,068	305,910	0.0025	0.9975	98.79
11.5	108,750,761	321,868	0.0030	0.9970	98.54
12.5	93,451,890	208,167	0.0022	0.9978	98.25
13.5	88,095,527	169,746	0.0019	0.9981	98.03
14.5	74,220,022	140,346	0.0019	0.9981	97.84
15.5	74,531,419	134,567	0.0018	0.9982	97.65
16.5	72,299,555	108,520	0.0015	0.9985	97.48
17.5	69,080,962	201,248	0.0029	0.9971	97.33
18.5	65,829,140	172,771	0.0026	0.9974	97.05
19.5	64,240,841	174,559	0.0027	0.9973	96.79
20.5	61,237,441	275,817	0.0045	0.9955	96.53
21.5	57,109,979	304,060	0.0053	0.9947	96.09
22.5	50,377,430	309,496	0.0061	0.9939	95.58
23.5	50,050,028	262,131	0.0052	0.9948	94.99
24.5	45,833,523	223,921	0.0049	0.9951	94.50
25.5	41,326,526	239,719	0.0058	0.9942	94.04
26.5	41,271,116	247,300	0.0060	0.9940	93.49
27.5	39,478,002	278,582	0.0071	0.9929	92.93
28.5	37,526,723	273,066	0.0073	0.9927	92.27
29.5	35,381,232	152,367	0.0043	0.9957	91.60
30.5	33,844,310	191,426	0.0057	0.9943	91.21
31.5	31,680,219	136,844	0.0043	0.9957	90.69
32.5	29,736,622	152,322	0.0051	0.9949	90.30
33.5	27,291,788	136,781	0.0050	0.9950	89.84
34.5	25,483,857	169,781	0.0067	0.9933	89.39
35.5	23,700,596	140,430	0.0059	0.9941	88.79
36.5	22,030,588	238,479	0.0108	0.9892	88.27
37.5	20,384,167	221,552	0.0109	0.9891	87.31
38.5	19,055,427	156,278	0.0082	0.9918	86.36

EL PASO ELECTRIC COMPANY

ACCOUNT 368.00 LINE TRANSFORMERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1922-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	17,620,860	277,254	0.0157	0.9843	85.65
40.5	16,036,886	379,233	0.0236	0.9764	84.31
41.5	14,174,861	295,654	0.0209	0.9791	82.31
42.5	12,785,236	732,825	0.0573	0.9427	80.60
43.5	11,213,441	529,701	0.0472	0.9528	75.98
44.5	10,098,378	481,882	0.0477	0.9523	72.39
45.5	8,592,439	427,818	0.0498	0.9502	68.93
46.5	7,379,104	327,806	0.0444	0.9556	65.50
47.5	6,653,846	329,501	0.0495	0.9505	62.59
48.5	6,026,084	314,762	0.0522	0.9478	59.49
49.5	5,436,113	261,034	0.0480	0.9520	56.38
50.5	4,909,472	258,752	0.0527	0.9473	53.68
51.5	4,447,746	285,736	0.0642	0.9358	50.85
52.5	3,943,194	314,206	0.0797	0.9203	47.58
53.5	3,465,539	329,222	0.0950	0.9050	43.79
54.5	2,938,554	350,087	0.1191	0.8809	39.63
55.5	2,452,153	266,974	0.1089	0.8911	34.91
56.5	2,111,324	129,770	0.0615	0.9385	31.11
57.5	1,811,400	69,005	0.0381	0.9619	29.20
58.5	1,592,128	26,989	0.0170	0.9830	28.08
59.5	1,457,508	65,204	0.0447	0.9553	27.61
60.5	1,260,010	109,975	0.0873	0.9127	26.37
61.5	1,059,141	105,123	0.0993	0.9007	24.07
62.5	927,845	94,088	0.1014	0.8986	21.68
63.5	819,746	96,966	0.1183	0.8817	19.48
64.5	723,857	92,803	0.1282	0.8718	17.18
65.5	617,292	71,533	0.1159	0.8841	14.98
66.5	494,079	30,621	0.0620	0.9380	13.24
67.5	420,792	11,825	0.0281	0.9719	12.42
68.5	372,336	6,315	0.0170	0.9830	12.07
69.5	337,154	9,993	0.0296	0.9704	11.87
70.5	299,557	4,399	0.0147	0.9853	11.51
71.5	263,924	16,470	0.0624	0.9376	11.35
72.5	221,365	11,666	0.0527	0.9473	10.64
73.5	185,943	11,058	0.0595	0.9405	10.08
74.5	158,247	10,739	0.0679	0.9321	9.48
75.5	146,838	14,933	0.1017	0.8983	8.83
76.5	130,972	11,467	0.0876	0.9124	7.94
77.5	117,934	8,028	0.0681	0.9319	7.24
78.5	102,134	7,016	0.0687	0.9313	6.75

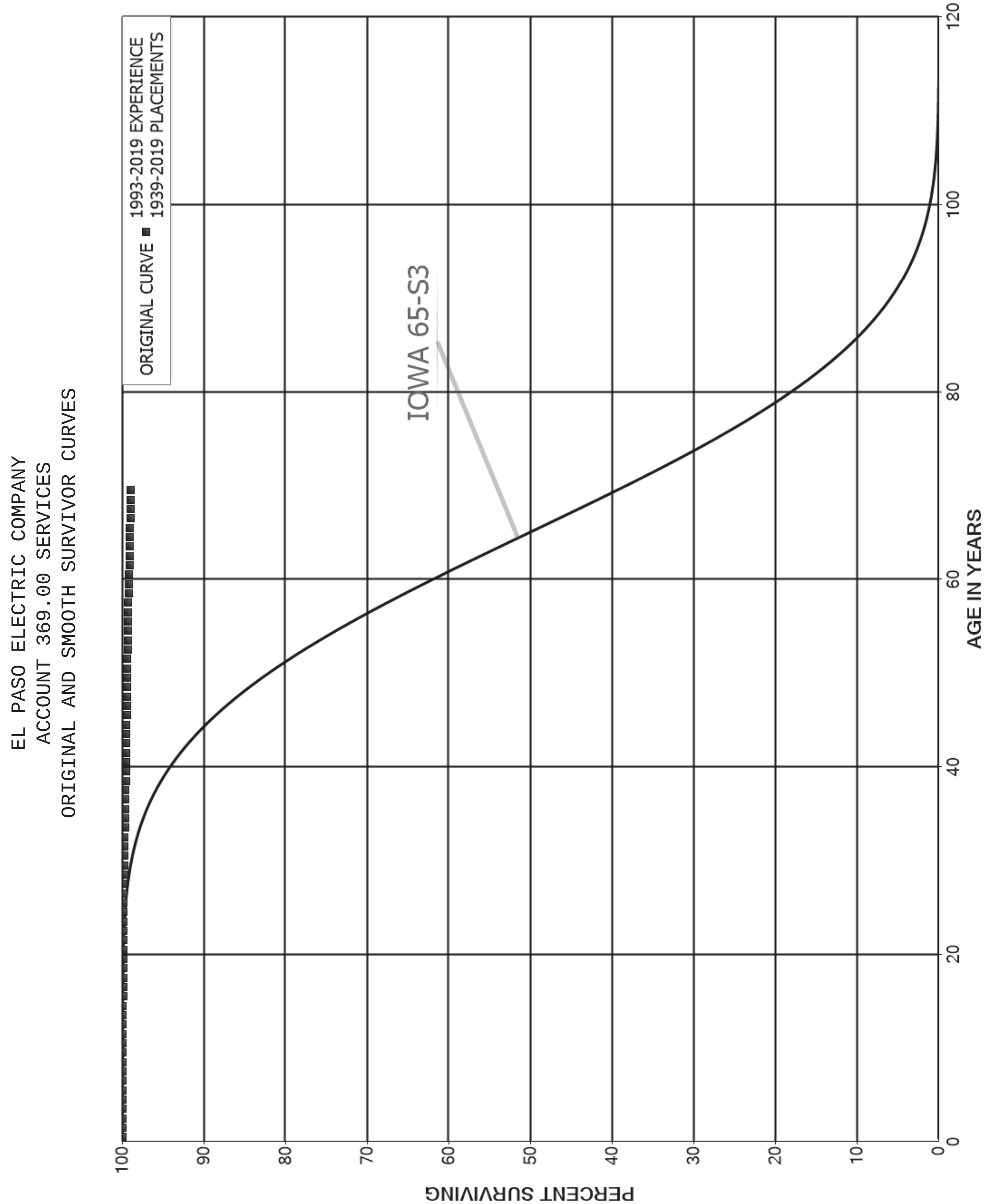
EL PASO ELECTRIC COMPANY

ACCOUNT 368.00 LINE TRANSFORMERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1922-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	90,702	4,897	0.0540	0.9460	6.28
80.5	81,210	2,298	0.0283	0.9717	5.95
81.5	74,628	4,188	0.0561	0.9439	5.78
82.5	64,054	6,367	0.0994	0.9006	5.45
83.5	53,173	6,892	0.1296	0.8704	4.91
84.5	43,513	4,359	0.1002	0.8998	4.27
85.5	37,315	5,965	0.1599	0.8401	3.85
86.5	30,506	7,542	0.2472	0.7528	3.23
87.5	22,419	4,945	0.2206	0.7794	2.43
88.5	15,722	1,211	0.0770	0.9230	1.90
89.5	11,715	725	0.0619	0.9381	1.75
90.5	8,081	416	0.0515	0.9485	1.64
91.5	6,183	162	0.0262	0.9738	1.56
92.5	3,970	55	0.0138	0.9862	1.52
93.5	944	11	0.0118	0.9882	1.50
94.5					1.48


EL PASO ELECTRIC COMPANY
ACCOUNT 369.00 SERVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES
ORIGINAL CURVE ■ 1993-2019 EXPERIENCE
1939-2019 PLACEMENTS
IOWA 65-S3
PERCENT SURVIVING
AGE IN YEARS
0
10
20
30
40
50
60
70
80
90
100
0
20
40
60
80
100
120

EL PASO ELECTRIC COMPANY

ACCOUNT 369.00 SERVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1939-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	36,412,174		0.0000	1.0000	100.00
0.5	34,097,281	62	0.0000	1.0000	100.00
1.5	32,057,282	1,887	0.0001	0.9999	100.00
2.5	29,894,422	3,466	0.0001	0.9999	99.99
3.5	29,937,724	5,082	0.0002	0.9998	99.98
4.5	25,845,175	5,199	0.0002	0.9998	99.97
5.5	26,645,730	1,852	0.0001	0.9999	99.95
6.5	26,660,695		0.0000	1.0000	99.94
7.5	26,523,419	721	0.0000	1.0000	99.94
8.5	26,825,885	2,894	0.0001	0.9999	99.94
9.5	26,907,791	1,834	0.0001	0.9999	99.92
10.5	27,712,033	2,000	0.0001	0.9999	99.92
11.5	28,418,407	1,088	0.0000	1.0000	99.91
12.5	26,520,597	878	0.0000	1.0000	99.91
13.5	27,323,187	1,972	0.0001	0.9999	99.90
14.5	23,897,443	2,431	0.0001	0.9999	99.90
15.5	23,555,785	537	0.0000	1.0000	99.89
16.5	23,084,509	945	0.0000	1.0000	99.88
17.5	22,599,720	1,878	0.0001	0.9999	99.88
18.5	22,283,692	613	0.0000	1.0000	99.87
19.5	21,677,625	1,078	0.0000	1.0000	99.87
20.5	21,458,768	176	0.0000	1.0000	99.86
21.5	20,690,503	1,961	0.0001	0.9999	99.86
22.5	19,211,573	3,298	0.0002	0.9998	99.85
23.5	19,502,088	2,752	0.0001	0.9999	99.84
24.5	18,449,211	2,580	0.0001	0.9999	99.82
25.5	17,176,052	2,274	0.0001	0.9999	99.81
26.5	17,369,719	2,472	0.0001	0.9999	99.80
27.5	16,712,975	3,222	0.0002	0.9998	99.78
28.5	16,159,625	3,633	0.0002	0.9998	99.76
29.5	15,483,832	3,539	0.0002	0.9998	99.74
30.5	14,816,165	3,235	0.0002	0.9998	99.72
31.5	14,255,505	2,469	0.0002	0.9998	99.69
32.5	13,563,270	2,192	0.0002	0.9998	99.68
33.5	12,816,390	2,698	0.0002	0.9998	99.66
34.5	11,972,980	2,468	0.0002	0.9998	99.64
35.5	10,957,727	2,464	0.0002	0.9998	99.62
36.5	10,019,778	2,352	0.0002	0.9998	99.60
37.5	9,541,463	1,437	0.0002	0.9998	99.57
38.5	8,943,563	1,080	0.0001	0.9999	99.56

EL PASO ELECTRIC COMPANY

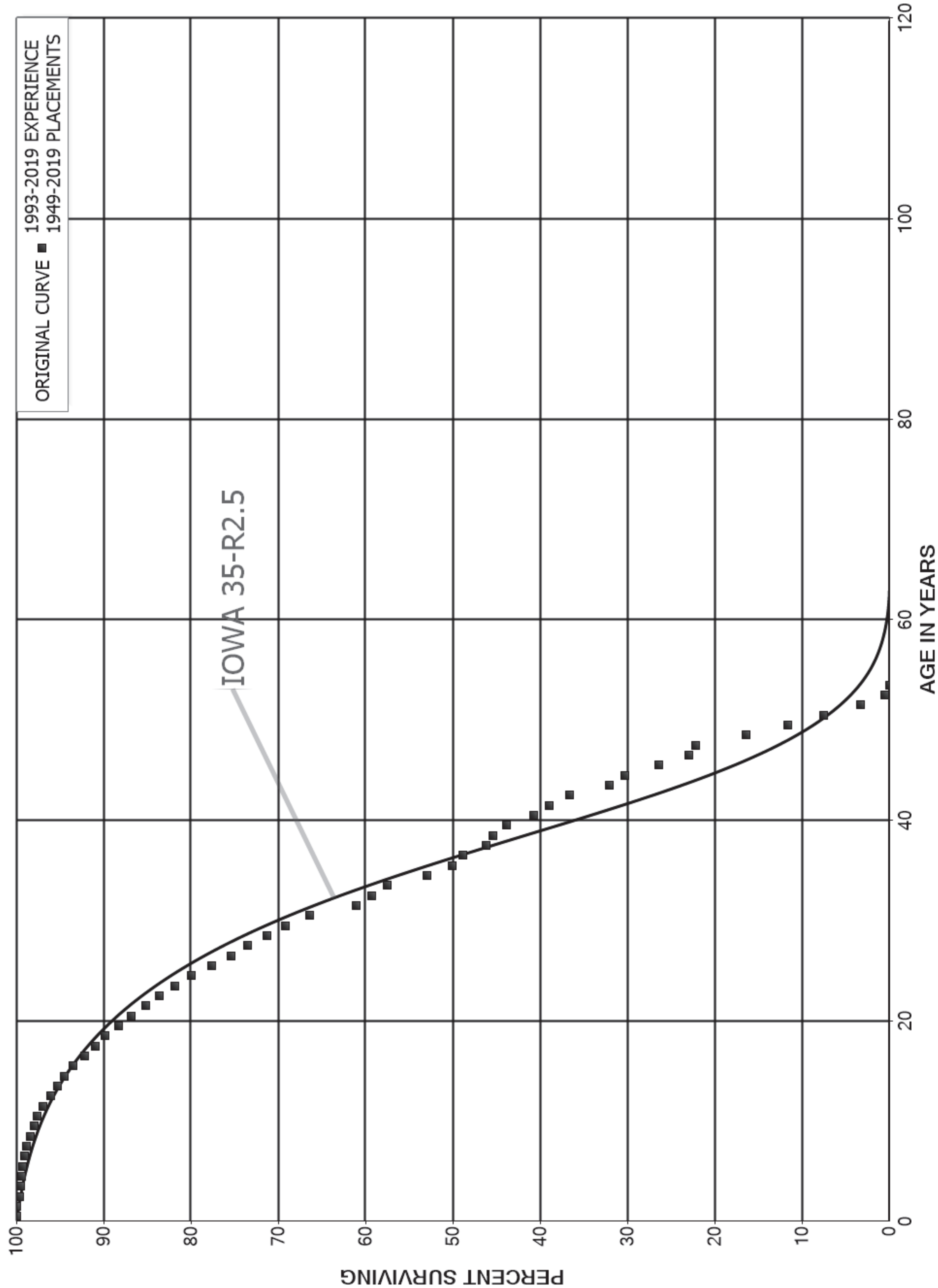
ACCOUNT 369.00 SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1939-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	8,175,545	1,713	0.0002	0.9998	99.55
40.5	7,453,724	1,276	0.0002	0.9998	99.53
41.5	6,728,989	1,020	0.0002	0.9998	99.51
42.5	6,040,841	738	0.0001	0.9999	99.49
43.5	5,616,537	990	0.0002	0.9998	99.48
44.5	5,304,091	959	0.0002	0.9998	99.46
45.5	4,775,785	724	0.0002	0.9998	99.45
46.5	4,380,142	729	0.0002	0.9998	99.43
47.5	4,058,641	621	0.0002	0.9998	99.41
48.5	3,824,654	605	0.0002	0.9998	99.40
49.5	3,505,412	585	0.0002	0.9998	99.38
50.5	3,218,959	469	0.0001	0.9999	99.37
51.5	2,998,414	532	0.0002	0.9998	99.35
52.5	2,773,128	555	0.0002	0.9998	99.34
53.5	2,582,944	346	0.0001	0.9999	99.32
54.5	2,386,262	488	0.0002	0.9998	99.30
55.5	2,195,790	626	0.0003	0.9997	99.28
56.5	2,042,859	393	0.0002	0.9998	99.25
57.5	1,869,883	351	0.0002	0.9998	99.23
58.5	1,689,323	1,000	0.0006	0.9994	99.22
59.5	1,576,031	353	0.0002	0.9998	99.16
60.5	1,417,280	334	0.0002	0.9998	99.13
61.5	1,213,864	248	0.0002	0.9998	99.11
62.5	1,088,483	235	0.0002	0.9998	99.09
63.5	974,287	234	0.0002	0.9998	99.07
64.5	649,654	132	0.0002	0.9998	99.05
65.5	534,893	160	0.0003	0.9997	99.03
66.5	426,470	138	0.0003	0.9997	99.00
67.5	345,871	106	0.0003	0.9997	98.96
68.5	269,679	79	0.0003	0.9997	98.93
69.5	193,708	45	0.0002	0.9998	98.90
70.5	150,970	32	0.0002	0.9998	98.88
71.5	111,974	39	0.0004	0.9996	98.86
72.5	83,511	57	0.0007	0.9993	98.83
73.5	64,357	43	0.0007	0.9993	98.76
74.5	54,110	40	0.0007	0.9993	98.69
75.5	47,966	2	0.0000	1.0000	98.62
76.5	45,377	4	0.0001	0.9999	98.62
77.5	38,356	9	0.0002	0.9998	98.61
78.5	23,664	7	0.0003	0.9997	98.58
79.5	11,853	7	0.0006	0.9994	98.55
80.5					98.49

EL PASO ELECTRIC COMPANY
ACCOUNT 370.00 METERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 370.00 METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1949-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	54,377,344	4,984	0.0001	0.9999	100.00
0.5	51,564,513	23,721	0.0005	0.9995	99.99
1.5	50,510,840	181,511	0.0036	0.9964	99.94
2.5	48,567,229	36,054	0.0007	0.9993	99.59
3.5	46,134,651	48,681	0.0011	0.9989	99.51
4.5	44,179,768	68,623	0.0016	0.9984	99.41
5.5	43,913,582	84,552	0.0019	0.9981	99.25
6.5	35,804,849	91,764	0.0026	0.9974	99.06
7.5	36,630,322	133,198	0.0036	0.9964	98.81
8.5	37,099,508	166,883	0.0045	0.9955	98.45
9.5	37,515,727	162,741	0.0043	0.9957	98.01
10.5	29,726,839	177,322	0.0060	0.9940	97.58
11.5	29,843,104	288,951	0.0097	0.9903	97.00
12.5	30,079,336	230,787	0.0077	0.9923	96.06
13.5	27,845,828	229,765	0.0083	0.9917	95.32
14.5	23,754,419	268,155	0.0113	0.9887	94.54
15.5	24,005,848	345,776	0.0144	0.9856	93.47
16.5	22,890,951	277,916	0.0121	0.9879	92.12
17.5	21,337,882	281,344	0.0132	0.9868	91.00
18.5	18,729,628	311,058	0.0166	0.9834	89.80
19.5	16,950,637	274,425	0.0162	0.9838	88.31
20.5	15,347,992	293,119	0.0191	0.9809	86.88
21.5	14,361,806	278,855	0.0194	0.9806	85.22
22.5	12,713,918	267,881	0.0211	0.9789	83.57
23.5	12,545,088	284,909	0.0227	0.9773	81.81
24.5	11,976,252	352,517	0.0294	0.9706	79.95
25.5	10,546,353	294,762	0.0279	0.9721	77.60
26.5	10,196,775	265,898	0.0261	0.9739	75.43
27.5	9,430,138	277,769	0.0295	0.9705	73.46
28.5	8,399,356	249,144	0.0297	0.9703	71.30
29.5	7,442,959	300,878	0.0404	0.9596	69.18
30.5	6,587,688	532,567	0.0808	0.9192	66.39
31.5	5,300,307	148,056	0.0279	0.9721	61.02
32.5	4,656,723	138,159	0.0297	0.9703	59.31
33.5	4,064,197	326,932	0.0804	0.9196	57.55
34.5	3,259,447	174,894	0.0537	0.9463	52.92
35.5	2,755,944	67,200	0.0244	0.9756	50.08
36.5	2,412,174	131,688	0.0546	0.9454	48.86
37.5	1,909,977	33,123	0.0173	0.9827	46.20
38.5	1,760,960	62,635	0.0356	0.9644	45.39

EL PASO ELECTRIC COMPANY

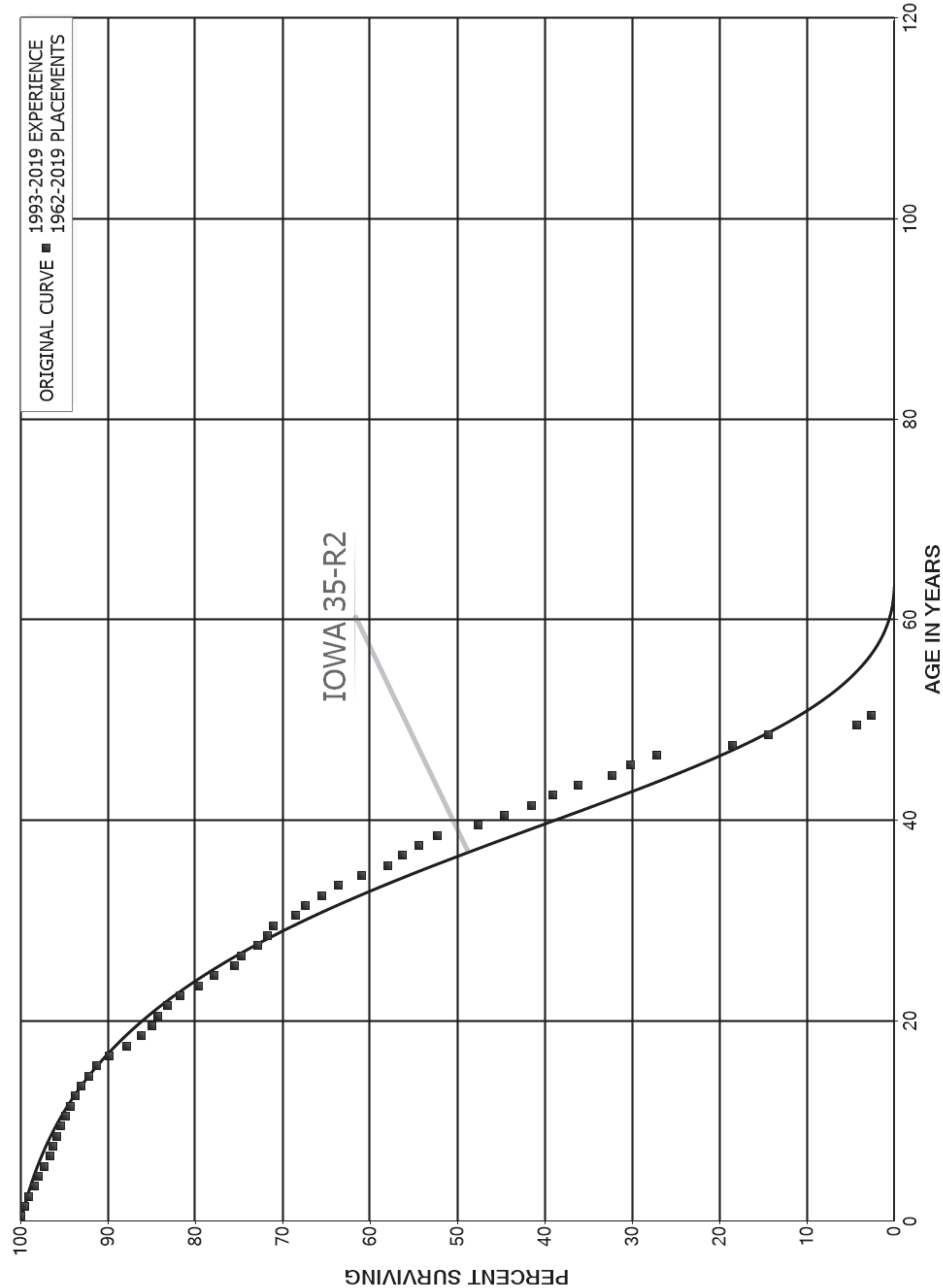
ACCOUNT 370.00 METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1949-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,494,570	106,018	0.0709	0.9291	43.78
40.5	1,199,167	52,504	0.0438	0.9562	40.67
41.5	1,043,531	61,014	0.0585	0.9415	38.89
42.5	853,023	107,114	0.1256	0.8744	36.62
43.5	632,790	34,164	0.0540	0.9460	32.02
44.5	503,790	64,386	0.1278	0.8722	30.29
45.5	365,134	48,565	0.1330	0.8670	26.42
46.5	237,262	7,904	0.0333	0.9667	22.91
47.5	160,841	41,767	0.2597	0.7403	22.14
48.5	49,910	14,604	0.2926	0.7074	16.39
49.5	32,836	11,443	0.3485	0.6515	11.60
50.5	21,393	11,956	0.5589	0.4411	7.56
51.5	9,437	8,016	0.8494	0.1506	3.33
52.5	1,421	1,421	1.0000		0.50
53.5					

EL PASO ELECTRIC COMPANY
ACCOUNT 371.00 INSTALLATIONS ON CUSTOMERS' PREMISES
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 371.00 INSTALLATIONS ON CUSTOMERS' PREMISES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1962-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	13,839,749	7,170	0.0005	0.9995	100.00
0.5	13,744,170	53,461	0.0039	0.9961	99.95
1.5	13,404,791	69,799	0.0052	0.9948	99.56
2.5	12,750,091	82,735	0.0065	0.9935	99.04
3.5	12,220,229	57,848	0.0047	0.9953	98.40
4.5	11,980,089	75,805	0.0063	0.9937	97.93
5.5	11,636,021	79,605	0.0068	0.9932	97.31
6.5	11,270,604	42,282	0.0038	0.9962	96.65
7.5	10,956,368	52,203	0.0048	0.9952	96.28
8.5	10,620,049	48,150	0.0045	0.9955	95.83
9.5	10,261,614	57,669	0.0056	0.9944	95.39
10.5	9,899,350	56,432	0.0057	0.9943	94.86
11.5	9,561,007	56,045	0.0059	0.9941	94.31
12.5	8,608,812	63,507	0.0074	0.9926	93.76
13.5	8,529,107	81,866	0.0096	0.9904	93.07
14.5	6,699,218	64,878	0.0097	0.9903	92.18
15.5	6,356,361	100,149	0.0158	0.9842	91.28
16.5	5,376,419	122,643	0.0228	0.9772	89.85
17.5	4,784,166	88,927	0.0186	0.9814	87.80
18.5	4,251,440	57,128	0.0134	0.9866	86.16
19.5	3,924,144	31,608	0.0081	0.9919	85.01
20.5	3,555,748	50,393	0.0142	0.9858	84.32
21.5	3,210,909	54,882	0.0171	0.9829	83.13
22.5	2,648,100	66,889	0.0253	0.9747	81.71
23.5	2,616,313	57,695	0.0221	0.9779	79.64
24.5	2,220,187	69,100	0.0311	0.9689	77.89
25.5	1,822,058	17,876	0.0098	0.9902	75.46
26.5	1,824,933	47,189	0.0259	0.9741	74.72
27.5	1,555,211	22,605	0.0145	0.9855	72.79
28.5	1,424,355	12,610	0.0089	0.9911	71.73
29.5	1,358,263	48,537	0.0357	0.9643	71.10
30.5	1,190,814	20,950	0.0176	0.9824	68.56
31.5	1,073,119	29,605	0.0276	0.9724	67.35
32.5	952,065	27,910	0.0293	0.9707	65.49
33.5	857,815	36,069	0.0420	0.9580	63.57
34.5	760,794	36,094	0.0474	0.9526	60.90
35.5	654,386	19,926	0.0304	0.9696	58.01
36.5	532,965	17,197	0.0323	0.9677	56.24
37.5	430,169	16,735	0.0389	0.9611	54.43
38.5	362,544	32,399	0.0894	0.9106	52.31

EL PASO ELECTRIC COMPANY

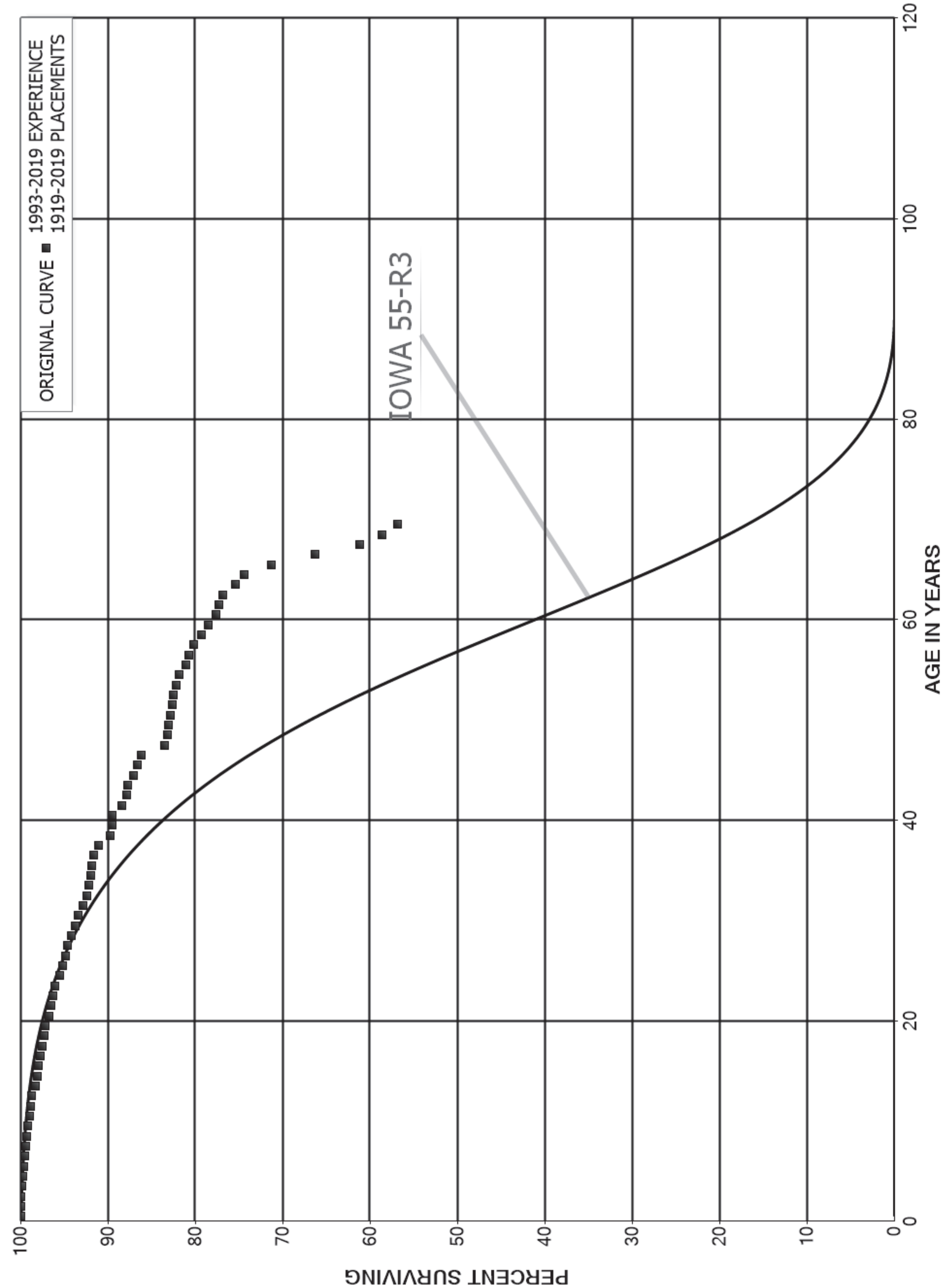
ACCOUNT 371.00 INSTALLATIONS ON CUSTOMERS' PREMISES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1962-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	306,477	19,687	0.0642	0.9358	47.64
40.5	262,581	17,888	0.0681	0.9319	44.58
41.5	218,498	12,868	0.0589	0.9411	41.54
42.5	183,104	13,505	0.0738	0.9262	39.09
43.5	150,787	16,419	0.1089	0.8911	36.21
44.5	111,938	7,269	0.0649	0.9351	32.27
45.5	86,198	8,629	0.1001	0.8999	30.17
46.5	55,345	17,634	0.3186	0.6814	27.15
47.5	23,327	5,130	0.2199	0.7801	18.50
48.5	9,159	6,459	0.7052	0.2948	14.43
49.5	888	344	0.3869	0.6131	4.25
50.5					2.61

EL PASO ELECTRIC COMPANY
ACCOUNT 373.00 STREET LIGHTING AND SIGNAL SYSTEMS
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 373.00 STREET LIGHTING AND SIGNAL SYSTEMS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1919-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,400,340	1,628	0.0002	0.9998	100.00
0.5	7,980,994	918	0.0001	0.9999	99.98
1.5	8,062,912	5,674	0.0007	0.9993	99.97
2.5	8,155,163	8,485	0.0010	0.9990	99.90
3.5	7,592,624	4,289	0.0006	0.9994	99.79
4.5	7,443,283	7,690	0.0010	0.9990	99.74
5.5	7,339,054	10,322	0.0014	0.9986	99.63
6.5	7,215,203	8,152	0.0011	0.9989	99.49
7.5	7,303,382	8,156	0.0011	0.9989	99.38
8.5	7,337,852	6,852	0.0009	0.9991	99.27
9.5	7,371,057	16,883	0.0023	0.9977	99.18
10.5	7,358,143	8,898	0.0012	0.9988	98.95
11.5	7,370,504	10,255	0.0014	0.9986	98.83
12.5	7,301,206	26,681	0.0037	0.9963	98.69
13.5	6,922,285	17,287	0.0025	0.9975	98.33
14.5	6,548,136	8,481	0.0013	0.9987	98.09
15.5	6,641,351	12,746	0.0019	0.9981	97.96
16.5	6,635,686	17,108	0.0026	0.9974	97.77
17.5	6,619,531	15,097	0.0023	0.9977	97.52
18.5	6,776,972	11,403	0.0017	0.9983	97.30
19.5	6,667,074	29,788	0.0045	0.9955	97.13
20.5	6,501,697	14,237	0.0022	0.9978	96.70
21.5	6,062,413	12,743	0.0021	0.9979	96.49
22.5	5,153,133	13,370	0.0026	0.9974	96.28
23.5	5,234,017	30,390	0.0058	0.9942	96.03
24.5	4,815,541	13,792	0.0029	0.9971	95.48
25.5	3,702,977	14,774	0.0040	0.9960	95.20
26.5	3,731,185	7,720	0.0021	0.9979	94.82
27.5	3,122,354	15,832	0.0051	0.9949	94.63
28.5	2,746,308	12,057	0.0044	0.9956	94.15
29.5	2,352,868	8,907	0.0038	0.9962	93.73
30.5	2,472,629	14,019	0.0057	0.9943	93.38
31.5	2,519,171	11,530	0.0046	0.9954	92.85
32.5	2,663,236	7,922	0.0030	0.9970	92.43
33.5	2,680,841	5,063	0.0019	0.9981	92.15
34.5	2,648,152	3,515	0.0013	0.9987	91.98
35.5	2,623,123	8,100	0.0031	0.9969	91.85
36.5	2,595,025	15,343	0.0059	0.9941	91.57
37.5	2,520,117	37,203	0.0148	0.9852	91.03
38.5	2,445,204	4,860	0.0020	0.9980	89.69

EL PASO ELECTRIC COMPANY

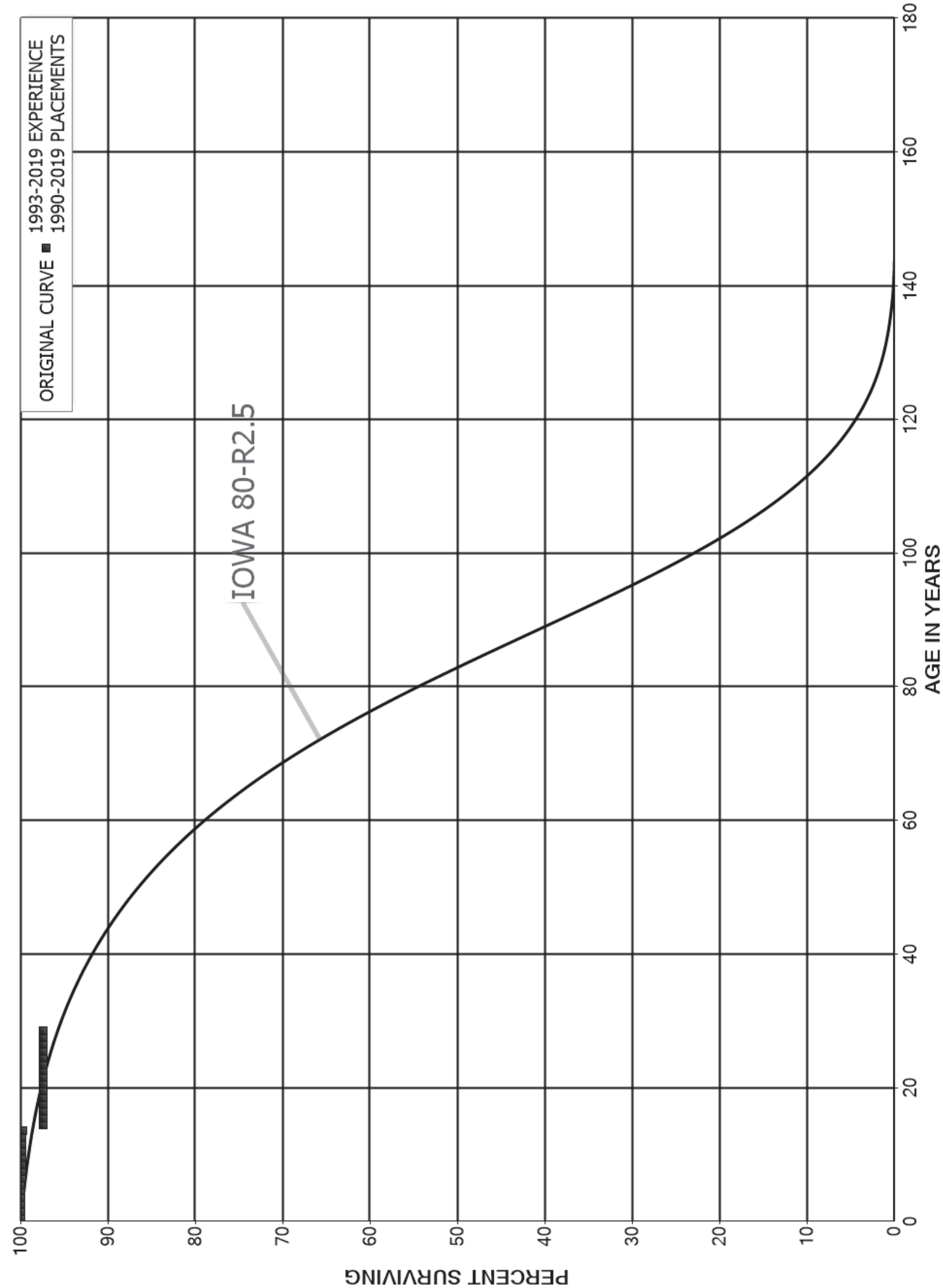
ACCOUNT 373.00 STREET LIGHTING AND SIGNAL SYSTEMS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1919-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,376,297	1,289	0.0005	0.9995	89.51
40.5	2,340,030	28,476	0.0122	0.9878	89.46
41.5	2,197,792	13,480	0.0061	0.9939	88.37
42.5	2,131,021	3,356	0.0016	0.9984	87.83
43.5	2,061,217	14,488	0.0070	0.9930	87.69
44.5	1,988,441	10,415	0.0052	0.9948	87.07
45.5	1,806,671	9,783	0.0054	0.9946	86.62
46.5	1,693,343	52,833	0.0312	0.9688	86.15
47.5	1,452,079	4,667	0.0032	0.9968	83.46
48.5	1,386,606	2,620	0.0019	0.9981	83.19
49.5	1,320,156	3,327	0.0025	0.9975	83.03
50.5	1,205,144	3,061	0.0025	0.9975	82.83
51.5	1,090,140	2,065	0.0019	0.9981	82.61
52.5	971,085	3,030	0.0031	0.9969	82.46
53.5	930,533	4,270	0.0046	0.9954	82.20
54.5	831,659	8,221	0.0099	0.9901	81.82
55.5	771,766	2,621	0.0034	0.9966	81.02
56.5	700,871	4,462	0.0064	0.9936	80.74
57.5	564,657	6,561	0.0116	0.9884	80.23
58.5	496,113	4,856	0.0098	0.9902	79.29
59.5	304,352	3,321	0.0109	0.9891	78.52
60.5	228,233	1,047	0.0046	0.9954	77.66
61.5	175,849	1,166	0.0066	0.9934	77.30
62.5	164,330	3,057	0.0186	0.9814	76.79
63.5	161,515	2,010	0.0124	0.9876	75.36
64.5	157,768	6,592	0.0418	0.9582	74.43
65.5	151,243	10,733	0.0710	0.9290	71.32
66.5	109,466	8,474	0.0774	0.9226	66.26
67.5	75,731	3,138	0.0414	0.9586	61.13
68.5	60,809	1,805	0.0297	0.9703	58.59
69.5	46,086	1,790	0.0388	0.9612	56.85
70.5	27,491	968	0.0352	0.9648	54.65
71.5	13,300	807	0.0607	0.9393	52.72
72.5	8,991	1,351	0.1503	0.8497	49.52
73.5	7,128	783	0.1098	0.8902	42.08
74.5	6,346	267	0.0421	0.9579	37.46
75.5	5,396	42	0.0078	0.9922	35.88
76.5	4,980	65	0.0131	0.9869	35.60
77.5	4,210	27	0.0065	0.9935	35.14
78.5	3,488	10	0.0030	0.9970	34.91
79.5	1,978	110	0.0554	0.9446	34.81
80.5					32.88

EL PASO ELECTRIC COMPANY
ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS - MAJOR STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

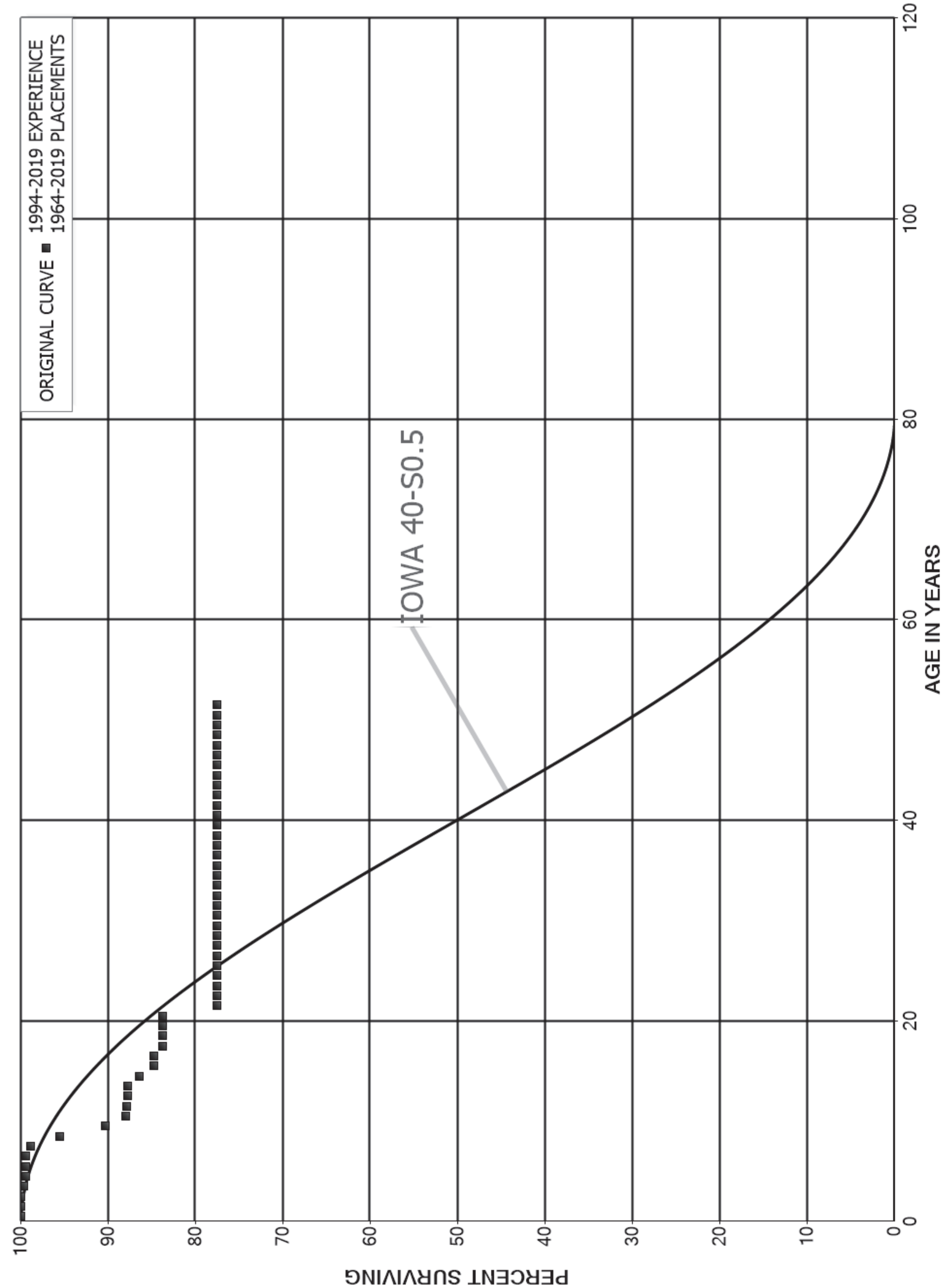
ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS - MAJOR STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1990-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	95,091,700		0.0000	1.0000	100.00
0.5	92,433,190		0.0000	1.0000	100.00
1.5	93,424,430		0.0000	1.0000	100.00
2.5	94,810,825		0.0000	1.0000	100.00
3.5	85,568,866		0.0000	1.0000	100.00
4.5	41,892,383	32,247	0.0008	0.9992	100.00
5.5	37,123,375	16,774	0.0005	0.9995	99.92
6.5	35,313,387		0.0000	1.0000	99.88
7.5	34,969,376		0.0000	1.0000	99.88
8.5	30,538,286		0.0000	1.0000	99.88
9.5	26,862,254		0.0000	1.0000	99.88
10.5	26,479,358	12,745	0.0005	0.9995	99.88
11.5	9,427,716	4,320	0.0005	0.9995	99.83
12.5	9,403,446	483	0.0001	0.9999	99.78
13.5	8,653,592	210,380	0.0243	0.9757	99.78
14.5	8,397,457		0.0000	1.0000	97.35
15.5	8,392,088		0.0000	1.0000	97.35
16.5	8,329,310		0.0000	1.0000	97.35
17.5	3,550,768		0.0000	1.0000	97.35
18.5	3,550,768		0.0000	1.0000	97.35
19.5	3,512,538		0.0000	1.0000	97.35
20.5	3,416,716		0.0000	1.0000	97.35
21.5	3,401,501		0.0000	1.0000	97.35
22.5	3,397,483		0.0000	1.0000	97.35
23.5	3,396,382		0.0000	1.0000	97.35
24.5	3,248,534		0.0000	1.0000	97.35
25.5	3,248,534		0.0000	1.0000	97.35
26.5	3,248,534		0.0000	1.0000	97.35
27.5	3,248,534		0.0000	1.0000	97.35
28.5					97.35

EL PASO ELECTRIC COMPANY
ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS - MINOR STRUCTURES
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS - MINOR STRUCTURES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1964-2019 EXPERIENCE BAND 1994-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	24,725,345		0.0000	1.0000	100.00
0.5	23,431,810	3,258	0.0001	0.9999	100.00
1.5	23,358,845	6,224	0.0003	0.9997	99.99
2.5	21,368,906	78,742	0.0037	0.9963	99.96
3.5	20,589,275	30,300	0.0015	0.9985	99.59
4.5	16,433,887	303	0.0000	1.0000	99.44
5.5	16,050,309	10,461	0.0007	0.9993	99.44
6.5	15,948,583	92,575	0.0058	0.9942	99.38
7.5	14,703,937	494,692	0.0336	0.9664	98.80
8.5	8,995,557	489,670	0.0544	0.9456	95.48
9.5	7,114,456	182,001	0.0256	0.9744	90.28
10.5	7,034,098	11,594	0.0016	0.9984	87.97
11.5	6,535,439	3,724	0.0006	0.9994	87.83
12.5	6,753,077	803	0.0001	0.9999	87.78
13.5	6,583,448	102,082	0.0155	0.9845	87.76
14.5	6,393,726	124,716	0.0195	0.9805	86.40
15.5	6,198,886		0.0000	1.0000	84.72
16.5	6,030,719	69,910	0.0116	0.9884	84.72
17.5	6,011,558		0.0000	1.0000	83.74
18.5	6,128,645		0.0000	1.0000	83.74
19.5	6,079,184		0.0000	1.0000	83.74
20.5	6,101,596	450,873	0.0739	0.9261	83.74
21.5	5,432,123		0.0000	1.0000	77.55
22.5	3,893,813		0.0000	1.0000	77.55
23.5	3,534,153		0.0000	1.0000	77.55
24.5	3,209,669		0.0000	1.0000	77.55
25.5	3,055,137		0.0000	1.0000	77.55
26.5	3,126,724		0.0000	1.0000	77.55
27.5	3,263,533		0.0000	1.0000	77.55
28.5	3,279,393		0.0000	1.0000	77.55
29.5	3,062,756		0.0000	1.0000	77.55
30.5	2,779,578		0.0000	1.0000	77.55
31.5	2,779,578		0.0000	1.0000	77.55
32.5	2,585,486		0.0000	1.0000	77.55
33.5	2,434,347	523	0.0002	0.9998	77.55
34.5	2,374,040		0.0000	1.0000	77.53
35.5	2,312,401		0.0000	1.0000	77.53
36.5	2,208,121		0.0000	1.0000	77.53
37.5	2,103,914		0.0000	1.0000	77.53
38.5	1,781,622		0.0000	1.0000	77.53

EL PASO ELECTRIC COMPANY

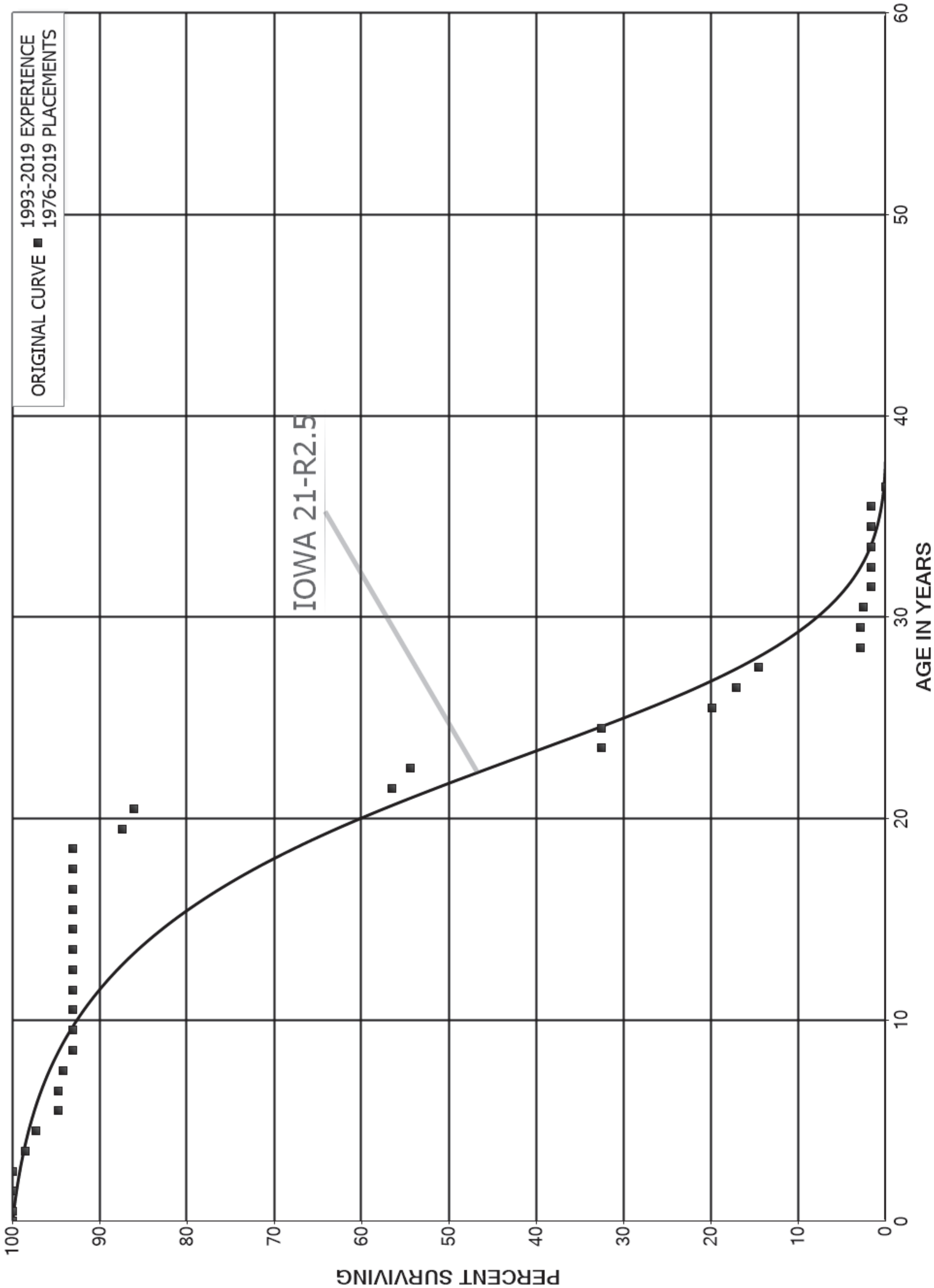
ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS - MINOR STRUCTURES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1964-2019 EXPERIENCE BAND 1994-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	1,695,980		0.0000	1.0000	77.53
40.5	1,684,157		0.0000	1.0000	77.53
41.5	1,650,962		0.0000	1.0000	77.53
42.5	1,496,022		0.0000	1.0000	77.53
43.5	1,231,024		0.0000	1.0000	77.53
44.5	1,113,937		0.0000	1.0000	77.53
45.5	1,065,556		0.0000	1.0000	77.53
46.5	898,202		0.0000	1.0000	77.53
47.5	882,737		0.0000	1.0000	77.53
48.5	874,650		0.0000	1.0000	77.53
49.5	841,481		0.0000	1.0000	77.53
50.5	787,983		0.0000	1.0000	77.53
51.5	488,385		0.0000	1.0000	77.53
52.5	285,878		0.0000	1.0000	77.53
53.5	42,551		0.0000	1.0000	77.53
54.5	26,691		0.0000	1.0000	77.53
55.5					77.53

EL PASO ELECTRIC COMPANY
ACCOUNT 396.00 POWER OPERATED EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



EL PASO ELECTRIC COMPANY

ACCOUNT 396.00 POWER OPERATED EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1976-2019 EXPERIENCE BAND 1993-2019

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,592,692		0.0000	1.0000	100.00
0.5	4,503,118		0.0000	1.0000	100.00
1.5	4,303,543		0.0000	1.0000	100.00
2.5	4,139,220	59,654	0.0144	0.9856	100.00
3.5	2,495,263	32,508	0.0130	0.9870	98.56
4.5	1,748,566	46,132	0.0264	0.9736	97.27
5.5	1,718,966		0.0000	1.0000	94.71
6.5	1,647,178	9,914	0.0060	0.9940	94.71
7.5	1,650,581	17,992	0.0109	0.9891	94.14
8.5	1,693,863		0.0000	1.0000	93.11
9.5	1,530,112		0.0000	1.0000	93.11
10.5	1,517,188		0.0000	1.0000	93.11
11.5	1,522,251		0.0000	1.0000	93.11
12.5	599,765		0.0000	1.0000	93.11
13.5	599,765		0.0000	1.0000	93.11
14.5	591,226		0.0000	1.0000	93.11
15.5	589,314		0.0000	1.0000	93.11
16.5	597,485		0.0000	1.0000	93.11
17.5	597,485		0.0000	1.0000	93.11
18.5	564,752	34,950	0.0619	0.9381	93.11
19.5	511,031	7,500	0.0147	0.9853	87.35
20.5	450,234	154,860	0.3440	0.6560	86.07
21.5	295,374	10,871	0.0368	0.9632	56.46
22.5	284,503	114,561	0.4027	0.5973	54.39
23.5	169,942		0.0000	1.0000	32.49
24.5	169,942	66,439	0.3910	0.6090	32.49
25.5	103,503	14,128	0.1365	0.8635	19.79
26.5	89,375	13,317	0.1490	0.8510	17.09
27.5	76,058	61,274	0.8056	0.1944	14.54
28.5	14,784		0.0000	1.0000	2.83
29.5	14,784	1,550	0.1048	0.8952	2.83
30.5	13,234	5,063	0.3826	0.6174	2.53
31.5	8,171		0.0000	1.0000	1.56
32.5	8,171		0.0000	1.0000	1.56
33.5	8,171		0.0000	1.0000	1.56
34.5	8,171		0.0000	1.0000	1.56
35.5	8,171	8,171	1.0000		1.56
36.5					

PART VIII. NET SALVAGE STATISTICS

EL PASO ELECTRIC COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993				85,800		85,800	
1994	356	176	49		0	176-	49-
1995							
1996	7,444	900	12		0	900-	12-
1997							
1998							
1999							
2000	264		0		0		0
2001							
2002							
2003							
2004							
2005							
2006							
2007							
2008							
2009							
2010	3,150		0		0		0
2011		18,021				18,021-	
2012							
2013							
2014							
2015		3,445		453		2,992-	
2016	31,704		0	10,835	34	10,835	34
2017	80,097	29,758	37	1,645	2	28,113-	35-
2018							
2019	1,305,689	5,818,676	446	64	0	5,818,612-	446-
TOTAL	1,428,704	5,870,976	411	98,797	7	5,772,179-	404-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
93-95	119	59	49	28,600		28,541	
94-96	2,600	359	14		0	359-	14-
95-97	2,481	300	12		0	300-	12-
96-98	2,481	300	12		0	300-	12-
97-99							
98-00	88		0		0		0
99-01	88		0		0		0
00-02	88		0		0		0
01-03							
02-04							
03-05							

EL PASO ELECTRIC COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
04-06							
05-07							
06-08							
07-09							
08-10	1,050		0		0		0
09-11	1,050	6,007	572		0	6,007-	572-
10-12	1,050	6,007	572		0	6,007-	572-
11-13		6,007				6,007-	
12-14							
13-15		1,148		151		997-	
14-16	10,568	1,148	11	3,763	36	2,614	25
15-17	37,267	11,068	30	4,311	12	6,757-	18-
16-18	37,267	9,919	27	4,160	11	5,759-	15-
17-19	461,929	1,949,478	422	570	0	1,948,908-	422-
FIVE-YEAR AVERAGE							
15-19	283,498	1,170,376	413	2,599	1	1,167,776-	412-

EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1994	2,594		0		0		0
1995				124,500		124,500	
1996	133,400	5,704	4		0	5,704-	4-
1997							
1998	385,197	101,960	26	38,528	10	63,432-	16-
1999							
2000							
2001		4,459				4,459-	
2002							
2003							
2004	111,427	80,412	72		0	80,412-	72-
2005							
2006							
2007							
2008							
2009							
2010	3,500		0		0		0
2011							
2012							
2013							
2014							
2015		412		322		90-	
2016	18,957		0	204,417-		204,417-	
2017	924,310	46,428	5	71,267	8	24,839	3
2018	36,928		0	184	0	184	0
2019	675,563	45,990	7	19-	0	46,009-	7-
TOTAL	2,291,877	285,365	12	30,365	1	255,000-	11-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
94-96	45,331	1,901	4	41,500	92	39,599	87
95-97	44,467	1,901	4	41,500	93	39,599	89
96-98	172,866	35,888	21	12,843	7	23,045-	13-
97-99	128,399	33,987	26	12,843	10	21,144-	16-
98-00	128,399	33,987	26	12,843	10	21,144-	16-
99-01		1,486				1,486-	
00-02		1,486				1,486-	
01-03		1,486				1,486-	
02-04	37,142	26,804	72		0	26,804-	72-
03-05	37,142	26,804	72		0	26,804-	72-
04-06	37,142	26,804	72		0	26,804-	72-
05-07							

EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
06-08							
07-09							
08-10	1,167		0		0		0
09-11	1,167		0		0		0
10-12	1,167		0		0		0
11-13							
12-14							
13-15		137		107		30-	
14-16	6,319	137	2	68,032-		68,169-	
15-17	314,423	15,613	5	44,276-	14-	59,889-	19-
16-18	326,732	15,476	5	44,322-	14-	59,798-	18-
17-19	545,601	30,806	6	23,811	4	6,995-	1-
FIVE-YEAR AVERAGE							
15-19	331,152	18,566	6	26,533-	8-	45,099-	14-

EL PASO ELECTRIC COMPANY

ACCOUNT 313.00 ENGINES AND ENGINE-DRIVEN GENERATORS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
2010	60,000		0		0		0
2011							
2012							
2013							
2014							
2015							
2016	2,415,423		0	14,781-	1-	14,781-	1-
2017	3,482,012		0	198,350	6	198,350	6
2018	1,018,167		0	8,738	1	8,738	1
2019							
TOTAL	6,975,603		0	192,307	3	192,307	3

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
10-12	20,000		0		0		0
11-13							
12-14							
13-15							
14-16	805,141		0	4,927-	1-	4,927-	1-
15-17	1,965,812		0	61,190	3	61,190	3
16-18	2,305,201		0	64,102	3	64,102	3
17-19	1,500,060		0	69,029	5	69,029	5

FIVE-YEAR AVERAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
15-19	1,383,121		0	38,461	3	38,461	3

EL PASO ELECTRIC COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
1994	2,768	8,916	322		0	8,916-	322-
1995							
1996							
1997							
1998							
1999							
2000							
2001	36,820		0		0		0
2002							
2003							
2004	197,050	10,628	5		0	10,628-	5-
2005							
2006							
2007							
2008							
2009							
2010	149,800		0		0		0
2011							
2012							
2013							
2014							
2015							
2016	660,872		0		0		0
2017	7,258,371		0		0		0
2018	46,724	71,429	153	112,619	241	41,190	88
2019	324,140	96,683	30		0	96,683-	30-
TOTAL	8,676,545	187,656	2	112,619	1	75,037-	1-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
94-96	923	2,972	322		0	2,972-	322-
95-97							
96-98							
97-99							
98-00							
99-01	12,273		0		0		0
00-02	12,273		0		0		0
01-03	12,273		0		0		0
02-04	65,683	3,543	5		0	3,543-	5-
03-05	65,683	3,543	5		0	3,543-	5-
04-06	65,683	3,543	5		0	3,543-	5-
05-07							

EL PASO ELECTRIC COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
06-08							
07-09							
08-10	49,933		0		0		0
09-11	49,933		0		0		0
10-12	49,933		0		0		0
11-13							
12-14							
13-15							
14-16	220,291		0		0		0
15-17	2,639,748		0		0		0
16-18	2,655,322	23,810	1	37,540	1	13,730	1
17-19	2,543,078	56,037	2	37,540	1	18,498-	1-
FIVE-YEAR AVERAGE							
15-19	1,658,021	33,622	2	22,524	1	11,099-	1-

EL PASO ELECTRIC COMPANY

ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993				36,000		36,000	
1994							
1995							
1996							
1997							
1998							
1999							
2000	20		0		0		0
2001							
2002							
2003							
2004							
2005							
2006							
2007							
2008							
2009							
2010	15,750		0		0		0
2011							
2012							
2013							
2014							
2015							
2016	150,744		0	20,276-	13-	20,276-	13-
2017							
2018	5,923	5,890	99	1,733	29	4,157-	70-
2019	752,155	10,041	1	4	0	10,037-	1-
TOTAL	924,592	15,931	2	17,461	2	1,530	0

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
93-95				12,000		12,000	
94-96							
95-97							
96-98							
97-99							
98-00	7		0		0		0
99-01	7		0		0		0
00-02	7		0		0		0
01-03							
02-04							
03-05							

EL PASO ELECTRIC COMPANY

ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
04-06							
05-07							
06-08							
07-09							
08-10	5,250		0		0		0
09-11	5,250		0		0		0
10-12	5,250		0		0		0
11-13							
12-14							
13-15							
14-16	50,248		0	6,759-	13-	6,759-	13-
15-17	50,248		0	6,759-	13-	6,759-	13-
16-18	52,222	1,963	4	6,181-	12-	8,144-	16-
17-19	252,693	5,310	2	579	0	4,731-	2-
FIVE-YEAR AVERAGE							
15-19	181,764	3,186	2	3,708-	2-	6,894-	4-

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993	33,352	3,742	11	36	0	3,706-	11-
1994	331,112	3,524	1		0	3,524-	1-
1995							
1996	356		0		0		0
1997							
1998	7,314	1,802	25		0	1,802-	25-
1999				7,224		7,224	
2000	3,558		0		0		0
2001	21,739		0		0		0
2002							
2003	761		0		0		0
2004	57,362	10,500	18	8,690	15	1,810-	3-
2005							
2006							
2007	15,990		0		0		0
2008							
2009							
2010	43,620		0		0		0
2011							
2012							
2013							
2014							
2015				6,699		6,699	
2016	26,656	8,019	30	5,232	20	2,787-	10-
2017	33,076	74,869	226	18,180	55	56,689-	171-
2018							
2019							
TOTAL	574,895	102,455	18	46,061	8	56,394-	10-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
93-95	121,488	2,422	2	12	0	2,410-	2-
94-96	110,489	1,175	1		0	1,175-	1-
95-97	119		0		0		0
96-98	2,557	601	23		0	601-	23-
97-99	2,438	601	25	2,408	99	1,807	74
98-00	3,624	601	17	2,408	66	1,807	50
99-01	8,432		0	2,408	29	2,408	29
00-02	8,432		0		0		0
01-03	7,500		0		0		0
02-04	19,374	3,500	18	2,897	15	603-	3-
03-05	19,374	3,500	18	2,897	15	603-	3-

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
04-06	19,121	3,500	18	2,897	15	603-	3-
05-07	5,330		0		0		0
06-08	5,330		0		0		0
07-09	5,330		0		0		0
08-10	14,540		0		0		0
09-11	14,540		0		0		0
10-12	14,540		0		0		0
11-13							
12-14							
13-15				2,233		2,233	
14-16	8,885	2,673	30	3,977	45	1,304	15
15-17	19,911	27,629	139	10,037	50	17,592-	88-
16-18	19,911	27,629	139	7,804	39	19,825-	100-
17-19	11,025	24,956	226	6,060	55	18,896-	171-
FIVE-YEAR AVERAGE							
15-19	11,946	16,577	139	6,022	50	10,555-	88-

EL PASO ELECTRIC COMPANY

ACCOUNT 341.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2015		4,775				4,775-	
2016	34,102	22,727	67	2,858-	8-	25,585-	75-
2017							
2018							
2019							
TOTAL	34,102	27,502	81	2,858-	8-	30,360-	89-
THREE-YEAR MOVING AVERAGES							
15-17	11,367	9,167	81	953-	8-	10,120-	89-
16-18	11,367	7,576	67	953-	8-	8,528-	75-
17-19							
FIVE-YEAR AVERAGE							
15-19	6,820	5,500	81	572-	8-	6,072-	89-

EL PASO ELECTRIC COMPANY

ACCOUNT 342.00 FUEL HOLDERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2015		2,113				2,113-	
2016		19,175				19,175-	
2017		832-				832	
2018				27		27	
2019		9,913				9,913-	
TOTAL		30,369		27		30,343-	
THREE-YEAR MOVING AVERAGES							
15-17		6,819				6,819-	
16-18		6,114		9		6,105-	
17-19		3,027		9		3,018-	
FIVE-YEAR AVERAGE							
15-19		6,074		5		6,069-	

EL PASO ELECTRIC COMPANY

ACCOUNT 343.00 PRIME MOVERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
2015		9,525				9,525-	
2016	277,389	34,731	13		0	34,731-	13-
2017	204,330	9,643	5		0	9,643-	5-
2018							
2019	203,794	12,972-	6-		0	12,972	6
TOTAL	685,513	40,927	6		0	40,927-	6-
THREE-YEAR MOVING AVERAGES							
15-17	160,573	17,966	11		0	17,966-	11-
16-18	160,573	14,791	9		0	14,791-	9-
17-19	136,041	1,110-	1-		0	1,110	1
FIVE-YEAR AVERAGE							
15-19	137,103	8,185	6		0	8,185-	6-

EL PASO ELECTRIC COMPANY

ACCOUNT 344.00 GENERATORS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2015		1,243				1,243-	
2016	79,828	2,676	3		0	2,676-	3-
2017	39,284	817	2		0	817-	2-
2018	109,243		0	545	0	545	0
2019	109,363	3,310-	3-		0	3,310	3
TOTAL	337,718	1,426	0	545	0	881-	0
THREE-YEAR MOVING AVERAGES							
15-17	39,704	1,579	4		0	1,579-	4-
16-18	76,118	1,164	2	182	0	983-	1-
17-19	85,963	831-	1-	182	0	1,013	1
FIVE-YEAR AVERAGE							
15-19	67,544	285	0	109	0	176-	0

EL PASO ELECTRIC COMPANY

ACCOUNT 345.00 ACCESSORY ELECTRIC EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2015	48,946	2,946	6		0	2,946-	6-
2016		5,992				5,992-	
2017		760				760-	
2018				53		53	
2019		499				499-	
TOTAL	48,946	10,197	21	53	0	10,144-	21-
THREE-YEAR MOVING AVERAGES							
15-17	16,315	3,233	20		0	3,233-	20-
16-18		2,251		18		2,233-	
17-19		420		18		402-	
FIVE-YEAR AVERAGE							
15-19	9,789	2,039	21	11	0	2,029-	21-

EL PASO ELECTRIC COMPANY

ACCOUNT 346.00 MISCELLANEOUS POWER PLANT EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
2015		376				376-	
2016	18,819	973	5		0	973-	5-
2017		52				52-	
2018				218		218	
2019		232-				232	
TOTAL	18,819	1,169	6	218	1	951-	5-
THREE-YEAR MOVING AVERAGES							
15-17	6,273	467	7		0	467-	7-
16-18	6,273	342	5	73	1	269-	4-
17-19		60-		73		133	
FIVE-YEAR AVERAGE							
15-19	3,764	234	6	44	1	190-	5-

EL PASO ELECTRIC COMPANY

ACCOUNT 352.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
1993		123				123-	
1994							
1995							
1996							
1997							
1998							
1999							
2000	4,557		0		0		0
2001							
2002							
2003			0		0		0
2004			0		0		0
2005							
2006							
2007	1,763		0		0		0
2008							
2009		405				405-	
2010							
2011							
2012							
2013	56,356		0		0		0
2014							
2015							
2016	5,221	8,569	164		0	8,569-	164-
2017							
2018							
2019							
TOTAL	67,898	9,097	13		0	9,097-	13-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
93-95		41				41-	
94-96							
95-97							
96-98							
97-99							
98-00	1,519		0		0		0
99-01	1,519		0		0		0
00-02	1,519		0		0		0
01-03			0		0		0
02-04			0		0		0
03-05			0		0		0

EL PASO ELECTRIC COMPANY

ACCOUNT 352.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
04-06							
05-07	588		0		0		0
06-08	588		0		0		0
07-09	588	135	23		0	135-	23-
08-10		135				135-	
09-11		135				135-	
10-12							
11-13	18,785		0		0		0
12-14	18,785		0		0		0
13-15	18,785		0		0		0
14-16	1,740	2,856	164		0	2,856-	164-
15-17	1,740	2,856	164		0	2,856-	164-
16-18	1,740	2,856	164		0	2,856-	164-
17-19							
FIVE-YEAR AVERAGE							
15-19	1,044	1,714	164		0	1,714-	164-

EL PASO ELECTRIC COMPANY

ACCOUNT 353.00 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
1993	1,252	761	61		0	761-	61-
1994	7,200	4,006	56	6	0	4,000-	56-
1995	900		0		0		0
1996	925	1,520	164		0	1,520-	164-
1997							
1998							
1999							
2000	38,166		0		0		0
2001							
2002							
2003							
2004							
2005							
2006		48-				48	
2007	94,531	735	1		0	735-	1-
2008		497				497-	
2009	320,767	1,572	0		0	1,572-	0
2010	259,448	32,034	12		0	32,034-	12-
2011		356				356-	
2012							
2013	4,119,058	6,216	0		0	6,216-	0
2014	5,091	29,561	581		0	29,561-	581-
2015	446,436	103,697	23		0	103,697-	23-
2016	95,108	27,545	29		0	27,545-	29-
2017	360,229	64,208	18		0	64,208-	18-
2018							
2019							
TOTAL	5,749,111	272,659	5	6	0	272,653-	5-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
93-95	3,117	1,589	51	2	0	1,587-	51-
94-96	3,008	1,842	61	2	0	1,840-	61-
95-97	608	507	83		0	507-	83-
96-98	308	507	164		0	507-	164-
97-99							
98-00	12,722		0		0		0
99-01	12,722		0		0		0
00-02	12,722		0		0		0
01-03							
02-04							
03-05							

EL PASO ELECTRIC COMPANY

ACCOUNT 353.00 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06		16-				16	
05-07	31,510	229	1		0	229-	1-
06-08	31,510	395	1		0	395-	1-
07-09	138,433	935	1		0	935-	1-
08-10	193,405	11,367	6		0	11,367-	6-
09-11	193,405	11,320	6		0	11,320-	6-
10-12	86,483	10,797	12		0	10,797-	12-
11-13	1,373,019	2,191	0		0	2,191-	0
12-14	1,374,716	11,926	1		0	11,926-	1-
13-15	1,523,528	46,491	3		0	46,491-	3-
14-16	182,212	53,601	29		0	53,601-	29-
15-17	300,591	65,150	22		0	65,150-	22-
16-18	151,779	30,584	20		0	30,584-	20-
17-19	120,076	21,403	18		0	21,403-	18-
FIVE-YEAR AVERAGE							
15-19	180,355	39,090	22		0	39,090-	22-

EL PASO ELECTRIC COMPANY

ACCOUNT 354.00 STEEL TOWERS AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
1993	3	18	600		0	18-	600-
1994							
1995							
1996	3,046	12-	0		0	12	0
1997							
1998							
1999							
2000							
2001							
2002							
2003							
2004							
2005							
2006							
2007							
2008							
2009							
2010							
2011							
2012							
2013							
2014							
2015		153-				153	
2016	6,809	3,188	47		0	3,188-	47-
2017							
2018							
2019							
TOTAL	9,858	3,041	31		0	3,041-	31-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
93-95	1	6	600		0	6-	600-
94-96	1,015	4-	0		0	4	0
95-97	1,015	4-	0		0	4	0
96-98	1,015	4-	0		0	4	0
97-99							
98-00							
99-01							
00-02							
01-03							
02-04							
03-05							

EL PASO ELECTRIC COMPANY

ACCOUNT 354.00 STEEL TOWERS AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
04-06							
05-07							
06-08							
07-09							
08-10							
09-11							
10-12							
11-13							
12-14							
13-15		51-				51	
14-16	2,270	1,012	45		0	1,012-	45-
15-17	2,270	1,012	45		0	1,012-	45-
16-18	2,270	1,063	47		0	1,063-	47-
17-19							
FIVE-YEAR AVERAGE							
15-19	1,362	607	45		0	607-	45-

EL PASO ELECTRIC COMPANY

ACCOUNT 355.00 WOOD AND STEEL POLES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
1993	121,740	38,918	32		0	38,918-	32-
1994	1,430,115	17,549	1	1,021	0	16,528-	1-
1995	62,186	20,892	34		0	20,892-	34-
1996	266,722	243,257	91		0	243,257-	91-
1997	55,696	180	0	135	0	45-	0
1998	83,726	1,449	2		0	1,449-	2-
1999	137,762	78,083	57		0	78,083-	57-
2000	178,317	5,271	3		0	5,271-	3-
2001	1,522		0		0		0
2002	3,306	7,592	230	4,174	126	3,418-	103-
2003	11,666		0		0		0
2004	323		0		0		0
2005		3,095				3,095-	
2006		2,383				2,383-	
2007	164,132		0		0		0
2008							
2009							
2010							
2011							
2012				7,388		7,388	
2013							
2014	1,080,041	464,577	43	8,424	1	456,153-	42-
2015	646,145	7,314	1	8,229	1	915	0
2016	594,109	65,550	11	17,351	3	48,199-	8-
2017	86,212	10,931	13	185	0	10,746-	12-
2018	171,364		0	86	0	86	0
2019	135,255		0	3,650	3	3,650	3
TOTAL	5,230,340	967,040	18	50,642	1	916,398-	18-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
93-95	538,014	25,786	5	340	0	25,446-	5-
94-96	586,341	93,899	16	340	0	93,559-	16-
95-97	128,201	88,110	69	45	0	88,065-	69-
96-98	135,381	81,629	60	45	0	81,584-	60-
97-99	92,395	26,571	29	45	0	26,526-	29-
98-00	133,268	28,268	21		0	28,268-	21-
99-01	105,867	27,785	26		0	27,785-	26-
00-02	61,048	4,288	7	1,391	2	2,896-	5-
01-03	5,498	2,531	46	1,391	25	1,139-	21-
02-04	5,098	2,531	50	1,391	27	1,139-	22-
03-05	3,996	1,032	26		0	1,032-	26-

EL PASO ELECTRIC COMPANY

ACCOUNT 355.00 WOOD AND STEEL POLES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06	108	1,826			0	1,826-	
05-07	54,711	1,826	3		0	1,826-	3-
06-08	54,711	794	1		0	794-	1-
07-09	54,711		0		0		0
08-10							
09-11							
10-12				2,463		2,463	
11-13				2,463		2,463	
12-14	360,014	154,859	43	5,271	1	149,588-	42-
13-15	575,395	157,297	27	5,551	1	151,746-	26-
14-16	773,432	179,147	23	11,335	1	167,812-	22-
15-17	442,155	27,932	6	8,588	2	19,343-	4-
16-18	283,895	25,494	9	5,874	2	19,620-	7-
17-19	130,944	3,644	3	1,307	1	2,337-	2-
FIVE-YEAR AVERAGE							
15-19	326,617	16,759	5	5,900	2	10,859-	3-

EL PASO ELECTRIC COMPANY

ACCOUNT 356.00 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
1993	11,099	778	7		0	778-	7-
1994	127	993	782	54	43	939-	739-
1995	36,083		0	3,835	11	3,835	11
1996	224,373	4,747	2	44,405	20	39,658	18
1997							
1998	58,809		0	3,287	6	3,287	6
1999	226,400		0	32,365	14	32,365	14
2000	30,646		0		0		0
2001							
2002							
2003							
2004			0		0		0
2005							
2006							
2007	11		0		0		0
2008							
2009							
2010							
2011							
2012				30,258		30,258	
2013	8,506		0		0		0
2014							
2015	21,283	2,987	14		0	2,987-	14-
2016	30,220	23,192	77		0	23,192-	77-
2017	18,901	2,585-	14-	128	1	2,713	14
2018							
2019	89,344	1,571-	2-		0	1,571	2
TOTAL	755,801	28,540	4	114,331	15	85,791	11

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
93-95	15,770	590	4	1,296	8	706	4
94-96	86,861	1,913	2	16,098	19	14,185	16
95-97	86,819	1,582	2	16,080	19	14,498	17
96-98	94,394	1,582	2	15,897	17	14,315	15
97-99	95,070		0	11,884	13	11,884	13
98-00	105,285		0	11,884	11	11,884	11
99-01	85,682		0	10,788	13	10,788	13
00-02	10,215		0		0		0
01-03							
02-04			0		0		0
03-05			0		0		0

EL PASO ELECTRIC COMPANY

ACCOUNT 356.00 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
04-06			0		0		0
05-07	4		0		0		0
06-08	4		0		0		0
07-09	4		0		0		0
08-10							
09-11							
10-12				10,086		10,086	
11-13	2,835		0	10,086	356	10,086	356
12-14	2,835		0	10,086	356	10,086	356
13-15	9,930	996	10		0	996-	10-
14-16	17,168	8,726	51		0	8,726-	51-
15-17	23,468	7,864	34	43	0	7,822-	33-
16-18	16,374	6,869	42	43	0	6,826-	42-
17-19	36,082	1,385-	4-	43	0	1,428	4
FIVE-YEAR AVERAGE							
15-19	31,950	4,404	14	26	0	4,379-	14-

EL PASO ELECTRIC COMPANY

ACCOUNT 359.00 ROADS AND TRAILS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
2015		4-				4	
2016		2,950				2,950-	
2017		5,508		1		5,508-	
2018		7,093-		1		7,094	
2019		242				242-	
TOTAL		1,602		2		1,601-	
THREE-YEAR MOVING AVERAGES							
15-17		2,818				2,818-	
16-18		455		1		454-	
17-19		448-		1		448	
FIVE-YEAR AVERAGE							
15-19		320				320-	

EL PASO ELECTRIC COMPANY

ACCOUNT 361.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
2000	51,833	2,952	6	1,576	3	1,376-	3-
2001							
2002				15,000		15,000	
2003				1,803		1,803	
2004							
2005							
2006							
2007							
2008							
2009							
2010							
2011							
2012							
2013							
2014	87,053	1,421	2		0	1,421-	2-
2015	42,747	1,896	4	7,493	18	5,597	13
2016	4,221	3,853	91	10,418	247	6,565	156
2017		3,942		17,375		13,434	
2018		10,269		16,329		6,060	
2019		19,521		24,336		4,815	
TOTAL	185,854	43,854	24	94,330	51	50,476	27

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
00-02	17,278	984	6	5,525	32	4,541	26
01-03				5,601		5,601	
02-04				5,601		5,601	
03-05				601		601	
04-06							
05-07							
06-08							
07-09							
08-10							
09-11							
10-12							
11-13							
12-14	29,018	474	2		0	474-	2-
13-15	43,267	1,106	3	2,498	6	1,392	3
14-16	44,674	2,390	5	5,970	13	3,580	8
15-17	15,656	3,230	21	11,762	75	8,532	54

EL PASO ELECTRIC COMPANY

ACCOUNT 361.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
16-18	1,407	6,021	428	14,707		8,686	617
17-19		11,244		19,347		8,103	
FIVE-YEAR AVERAGE							
15-19	9,394	7,896	84	15,190	162	7,294	78

EL PASO ELECTRIC COMPANY

ACCOUNT 362.00 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993	92,711	21,444	23	4,997	5	16,447-	18-
1994							
1995	7,991	2,269	28	2,108	26	161-	2-
1996	6,060	2,217	37	1,465	24	752-	12-
1997							
1998							
1999							
2000	219,845	12,507	6	6,653	3	5,854-	3-
2001							
2002							
2003	2,263		0		0		0
2004	2,502		0	2,500	100	2,500	100
2005		57,445		156,564		99,119	
2006		11,469				11,469-	
2007	371,707	13,874	4	35,000	9	21,126	6
2008		21,604				21,604-	
2009	2,830,019	3,302	0		0	3,302-	0
2010	167,041	6,287	4	28,883	17	22,596	14
2011		8,798		942		7,856-	
2012	505,371		0	73,294	15	73,294	15
2013				146,137		146,137	
2014	4,170,487	39,042	1	15,440	0	23,602-	1-
2015	1,368,664	297,565	22	148,823	11	148,742-	11-
2016	248,691	32,418	13	117,442	47	85,024	34
2017	2,040,737	437,869	21	588,653	29	150,784	7
2018							
2019							
TOTAL	12,034,088	968,110	8	1,328,901	11	360,791	3

THREE-YEAR MOVING AVERAGES

93-95	33,567	7,904	24	2,368	7	5,536-	16-
94-96	4,684	1,495	32	1,191	25	304-	6-
95-97	4,684	1,495	32	1,191	25	304-	6-
96-98	2,020	739	37	488	24	251-	12-
97-99							
98-00	73,282	4,169	6	2,218	3	1,951-	3-
99-01	73,282	4,169	6	2,218	3	1,951-	3-
00-02	73,282	4,169	6	2,218	3	1,951-	3-
01-03	754		0		0		0
02-04	1,588		0	833	52	833	52
03-05	1,588	19,148		53,021		33,873	

EL PASO ELECTRIC COMPANY

ACCOUNT 362.00 STATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06	834	22,971		53,021		30,050	
05-07	123,902	27,596	22	63,855	52	36,259	29
06-08	123,902	15,649	13	11,667	9	3,982-	3-
07-09	1,067,242	12,927	1	11,667	1	1,260-	0
08-10	999,020	10,398	1	9,628	1	770-	0
09-11	999,020	6,129	1	9,942	1	3,813	0
10-12	224,137	5,028	2	34,373	15	29,345	13
11-13	168,457	2,933	2	73,458	44	70,525	42
12-14	1,558,619	13,014	1	78,290	5	65,276	4
13-15	1,846,384	112,202	6	103,467	6	8,736-	0
14-16	1,929,281	123,008	6	93,902	5	29,107-	2-
15-17	1,219,364	255,951	21	284,973	23	29,022	2
16-18	763,143	156,762	21	235,365	31	78,603	10
17-19	680,246	145,956	21	196,218	29	50,261	7
FIVE-YEAR AVERAGE							
15-19	731,619	153,570	21	170,984	23	17,413	2

EL PASO ELECTRIC COMPANY

ACCOUNT 364.00 POLES, TOWERS AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993	257,089	61,914	24	40,640	16	21,274-	8-
1994	307,028	78,261	25	65,369	21	12,892-	4-
1995	330,763	92,561	28	71,277	22	21,284-	6-
1996	266,238	130,382	49	64,640	24	65,742-	25-
1997	416,363	143,330	34	85,250	20	58,080-	14-
1998	315,164	87,381	28	67,804	22	19,577-	6-
1999	443,991	81,583	18	48,794	11	32,789-	7-
2000	460,322	34,653	8	54,030	12	19,377	4
2001	313,936	48,120	15	60,548	19	12,428	4
2002	350,570	75,481	22	274,245	78	198,764	57
2003	255,212	87,273	34	126,571	50	39,298	15
2004	491,630	90,781	18	161,736	33	70,955	14
2005	149,876	71,794	48	273,889	183	202,095	135
2006	361,007	28,163	8	266,823	74	238,660	66
2007	421,381	20,546	5	570,930	135	550,384	131
2008	184,600	23,099	13	477,601	259	454,502	246
2009	277,127	3,207	1	468,240	169	465,033	168
2010	167,580	139-	0	294,071	175	294,210	176
2011	129,104		0	261,362	202	261,362	202
2012	133,609		0	298,414	223	298,414	223
2013	973,074	243,477	25	260,374	27	16,897	2
2014	752,982	449,174	60	215,695	29	233,480-	31-
2015	796,418	705,581	89	124,722	16	580,859-	73-
2016	737,846	674,493	91	88,660	12	585,833-	79-
2017	736,428	708,359	96	145,694	20	562,665-	76-
2018	654,282	535,757	82	86,817	13	448,939-	69-
2019	959,455	647,981	68	66,204	7	581,777-	61-
TOTAL	11,643,075	5,123,212	44	5,020,402	43	102,811-	1-

THREE-YEAR MOVING AVERAGES

93-95	298,293	77,579	26	59,095	20	18,483-	6-
94-96	301,343	100,401	33	67,095	22	33,306-	11-
95-97	337,788	122,091	36	73,722	22	48,369-	14-
96-98	332,588	120,364	36	72,565	22	47,800-	14-
97-99	391,839	104,098	27	67,283	17	36,815-	9-
98-00	406,492	67,872	17	56,876	14	10,996-	3-
99-01	406,083	54,785	13	54,457	13	328-	0
00-02	374,943	52,751	14	129,608	35	76,856	20
01-03	306,573	70,291	23	153,788	50	83,497	27
02-04	365,804	84,512	23	187,517	51	103,006	28
03-05	298,906	83,283	28	187,399	63	104,116	35

EL PASO ELECTRIC COMPANY

ACCOUNT 364.00 POLES, TOWERS AND FIXTURES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
04-06	334,171	63,579	19	234,149	70	170,570	51
05-07	310,755	40,168	13	370,547	119	330,380	106
06-08	322,329	23,936	7	438,451	136	414,515	129
07-09	294,369	15,617	5	505,591	172	489,973	166
08-10	209,769	8,722	4	413,304	197	404,582	193
09-11	191,271	1,023	1	341,224	178	340,202	178
10-12	143,431	46-	0	284,616	198	284,662	198
11-13	411,929	81,159	20	273,384	66	192,225	47
12-14	619,889	230,884	37	258,161	42	27,277	4
13-15	840,825	466,077	55	200,264	24	265,814-	32-
14-16	762,416	609,749	80	143,026	19	466,724-	61-
15-17	756,897	696,144	92	119,692	16	576,452-	76-
16-18	709,519	639,536	90	107,057	15	532,479-	75-
17-19	783,388	630,699	81	99,572	13	531,127-	68-
FIVE-YEAR AVERAGE							
15-19	776,886	654,434	84	102,420	13	552,015-	71-

EL PASO ELECTRIC COMPANY

ACCOUNT 365.00 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993	356,035	63,553	18	42,077	12	21,476-	6-
1994	420,848	81,853	19	41,980	10	39,873-	9-
1995	454,007	81,285	18	58,984	13	22,301-	5-
1996	252,983	129,167	51	69,002	27	60,165-	24-
1997	294,241	99,072	34	64,442	22	34,630-	12-
1998	212,602	56,948	27	37,078	17	19,870-	9-
1999	434,976	70,387	16	44,869	10	25,518-	6-
2000	461,448	37,533	8	54,619	12	17,086	4
2001	183,869	34,768	19	59,128	32	24,360	13
2002	228,641		0		0		0
2003	132,296		0		0		0
2004	309,621		0		0		0
2005	97,691		0		0		0
2006	347,788		0		0		0
2007	252,865		0		0		0
2008	152,980		0		0		0
2009	222,363	4	0	15,714	7	15,710	7
2010	63,154		0	252,418	400	252,418	400
2011	9,204		0	299,519		299,519	
2012	21,069		0	265,500		265,500	
2013	693,926	173,630	25	297,627	43	123,997	18
2014	548,140	270,049	49	240,656	44	29,393-	5-
2015	600,417	484,380	81	72,076	12	412,304-	69-
2016	614,945	481,437	78	66,108	11	415,330-	68-
2017	625,348	448,847	72	68,725	11	380,122-	61-
2018	594,160	417,883	70	61,677	10	356,206-	60-
2019	754,506	355,777	47	55,934	7	299,843-	40-
TOTAL	9,340,124	3,286,573	35	2,168,132	23	1,118,441-	12-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
93-95	410,297	75,564	18	47,680	12	27,883-	7-
94-96	375,946	97,435	26	56,655	15	40,780-	11-
95-97	333,744	103,175	31	64,143	19	39,032-	12-
96-98	253,275	95,062	38	56,841	22	38,222-	15-
97-99	313,940	75,469	24	48,796	16	26,673-	8-
98-00	369,675	54,956	15	45,522	12	9,434-	3-
99-01	360,098	47,563	13	52,872	15	5,309	1
00-02	291,320	24,100	8	37,916	13	13,815	5
01-03	181,602	11,589	6	19,709	11	8,120	4
02-04	223,520		0		0		0
03-05	179,870		0		0		0

EL PASO ELECTRIC COMPANY

ACCOUNT 365.00 OVERHEAD CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06	251,700		0		0		0
05-07	232,781		0		0		0
06-08	251,211		0		0		0
07-09	209,403	1	0	5,238	3	5,237	3
08-10	146,166	1	0	89,377	61	89,376	61
09-11	98,240	1	0	189,217	193	189,216	193
10-12	31,142		0	272,479	875	272,479	875
11-13	241,399	57,877	24	287,549	119	229,672	95
12-14	421,045	147,893	35	267,928	64	120,035	29
13-15	614,161	309,353	50	203,453	33	105,900-	17-
14-16	587,834	411,955	70	126,280	21	285,675-	49-
15-17	613,570	471,555	77	68,969	11	402,585-	66-
16-18	611,484	449,389	73	65,503	11	383,886-	63-
17-19	658,005	407,502	62	62,112	9	345,390-	52-
FIVE-YEAR AVERAGE							
15-19	637,875	437,665	69	64,904	10	372,761-	58-

EL PASO ELECTRIC COMPANY

ACCOUNT 366.00 UNDERGROUND CONDUIT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993	45,752	12,697	28	6,448	14	6,249-	14-
1994	37,717	13,106	35	8,509	23	4,597-	12-
1995	59,290	21,334	36	12,029	20	9,305-	16-
1996	61,184	42,561	70	35,839	59	6,722-	11-
1997	69,992	10,888	16	4,664	7	6,224-	9-
1998	53,413	13,161	25	16,708	31	3,547	7
1999	74,814	14,937	20	7,191	10	7,746-	10-
2000	149,036	7,823	5	14,263	10	6,440	4
2001	103,933	13,615	13	12,695	12	920-	1-
2002	90,069		0		0		0
2003	148,796		0		0		0
2004	234,354		0		0		0
2005	27,281	809	3		0	809-	3-
2006	121,380	1,411	1		0	1,411-	1-
2007	139,747	9,319	7		0	9,319-	7-
2008	25,321		0		0		0
2009	42,668	14	0	1,589	4	1,574	4
2010	27,632		0	26,032	94	26,032	94
2011	460		0	37,656		37,656	
2012	6,763	371	5	40,964	606	40,593	600
2013	142,322	35,611	25	36,049	25	438	0
2014	29,970	12,690	42	74,510	249	61,820	206
2015	2,752	24,141	877	92,032		67,891	
2016	3,143	32,594		71,970		39,375	
2017		10,878		85,053		74,175	
2018	9	70,991		68,516		2,475-	
2019	4	98,430		57,275		41,155-	
TOTAL	1,697,802	447,381	26	709,992	42	262,611	15

THREE-YEAR MOVING AVERAGES

93-95	47,586	15,712	33	8,995	19	6,717-	14-
94-96	52,730	25,667	49	18,792	36	6,875-	13-
95-97	63,489	24,928	39	17,511	28	7,417-	12-
96-98	61,530	22,203	36	19,070	31	3,133-	5-
97-99	66,073	12,995	20	9,521	14	3,474-	5-
98-00	92,421	11,974	13	12,721	14	747	1
99-01	109,261	12,125	11	11,383	10	742-	1-
00-02	114,346	7,146	6	8,986	8	1,840	2
01-03	114,266	4,538	4	4,232	4	307-	0
02-04	157,740		0		0		0
03-05	136,810	270	0		0	270-	0

EL PASO ELECTRIC COMPANY

ACCOUNT 366.00 UNDERGROUND CONDUIT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06	127,672	740	1		0	740-	1-
05-07	96,136	3,846	4		0	3,846-	4-
06-08	95,482	3,577	4		0	3,577-	4-
07-09	69,245	3,111	4	530	1	2,582-	4-
08-10	31,874	5	0	9,207	29	9,202	29
09-11	23,587	5	0	21,759	92	21,754	92
10-12	11,618	124	1	34,884	300	34,761	299
11-13	49,849	11,994	24	38,223	77	26,229	53
12-14	59,685	16,224	27	50,508	85	34,284	57
13-15	58,348	24,147	41	67,530	116	43,383	74
14-16	11,955	23,142	194	79,504	665	56,362	471
15-17	1,965	22,538		83,018		60,480	
16-18	1,051	38,155		75,180		37,025	
17-19	4	60,100		70,281		10,182	
FIVE-YEAR AVERAGE							
15-19	1,182	47,407		74,969		27,562	

EL PASO ELECTRIC COMPANY

ACCOUNT 367.00 UNDERGROUND CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993	175,776	29,584	17	19,880	11	9,704-	6-
1994	202,888	68,153	34	51,816	26	16,337-	8-
1995	190,148	65,667	35	53,091	28	12,576-	7-
1996	152,359	123,865	81	90,159	59	33,706-	22-
1997	85,803	25,536	30	9,656	11	15,880-	19-
1998	129,319	45,580	35	33,423	26	12,157-	9-
1999	233,034	44,069	19	27,310	12	16,759-	7-
2000	430,883	23,744	6	22,857	5	887-	0
2001	228,215	34,481	15	34,658	15	177	0
2002	142,064		0	1,249	1	1,249	1
2003	500,884		0		0		0
2004	376,207		0		0		0
2005	164,403		0		0		0
2006	224,689		0		0		0
2007	397,214		0		0		0
2008	66,088		0		0		0
2009	115,395		0	285	0	285	0
2010	20,899		0	15,949	76	15,949	76
2011	33,251		0	16,053	48	16,053	48
2012	10,539		0	20,757	197	20,757	197
2013	551,540	138,003	25	29,982	5	108,021-	20-
2014	524,789	221,165	42	45,074	9	176,091-	34-
2015	560,234	245,427	44	119,468	21	125,959-	22-
2016	413,688	417,806	101	62,500	15	355,306-	86-
2017	760,396	434,714	57	188,557	25	246,157-	32-
2018	801,580	393,553	49	95,842	12	297,711-	37-
2019	1,094,576	458,463	42	67,294	6	391,169-	36-
TOTAL	8,586,862	2,769,811	32	1,005,860	12	1,763,951-	21-
THREE-YEAR MOVING AVERAGES							
93-95	189,604	54,468	29	41,596	22	12,872-	7-
94-96	181,798	85,895	47	65,022	36	20,873-	11-
95-97	142,770	71,689	50	50,969	36	20,721-	15-
96-98	122,494	64,994	53	44,413	36	20,581-	17-
97-99	149,385	38,395	26	23,463	16	14,932-	10-
98-00	264,412	37,798	14	27,863	11	9,934-	4-
99-01	297,377	34,098	11	28,275	10	5,823-	2-
00-02	267,054	19,408	7	19,588	7	180	0
01-03	290,388	11,494	4	11,969	4	475	0
02-04	339,718		0	416	0	416	0
03-05	347,165		0		0		0

EL PASO ELECTRIC COMPANY

ACCOUNT 367.00 UNDERGROUND CONDUCTORS AND DEVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06	255,100		0		0		0
05-07	262,102		0		0		0
06-08	229,330		0		0		0
07-09	192,899		0	95	0	95	0
08-10	67,460		0	5,411	8	5,411	8
09-11	56,515		0	10,762	19	10,762	19
10-12	21,563		0	17,586	82	17,586	82
11-13	198,443	46,001	23	22,264	11	23,737-	12-
12-14	362,289	119,723	33	31,938	9	87,785-	24-
13-15	545,521	201,532	37	64,841	12	136,690-	25-
14-16	499,571	294,799	59	75,681	15	219,119-	44-
15-17	578,106	365,982	63	123,508	21	242,474-	42-
16-18	658,555	415,358	63	115,633	18	299,725-	46-
17-19	885,518	428,910	48	117,231	13	311,679-	35-
FIVE-YEAR AVERAGE							
15-19	726,095	389,993	54	106,732	15	283,261-	39-

EL PASO ELECTRIC COMPANY

ACCOUNT 368.00 LINE TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993	44,830	5,920	13	13,370	30	7,450	17
1994	118,715	31,524	27	25,208	21	6,316-	5-
1995	343,441	51,650	15	22,480	7	29,170-	8-
1996	77,422	43,835	57	25,722	33	18,113-	23-
1997	86,537	33,192	38	20,033	23	13,159-	15-
1998	165,755	40,837	25	36,137	22	4,700-	3-
1999	218,642	41,961	19	19,269	9	22,692-	10-
2000	1,526,482	86,086	6	83,075	5	3,011-	0
2001	192,541	35,135	18	22,455	12	12,680-	7-
2002	117,799	9,114	8	6,187	5	2,927-	2-
2003	259,168	34,928	13	20,576	8	14,352-	6-
2004	247,590	19,045	8	12,694	5	6,351-	3-
2005	56,564	7,025	12	8,744	15	1,719	3
2006	221,695		0	66,057	30	66,057	30
2007	466,075		0	48,477	10	48,477	10
2008	102,951		0	116,211	113	116,211	113
2009	178,897		0	42,531	24	42,531	24
2010	286,496		0	79,725	28	79,725	28
2011	395,518		0	111,751	28	111,751	28
2012	306,387		0	86,532	28	86,532	28
2013	1,198,456	299,871	25	99,418	8	200,453-	17-
2014	1,411,184	372,080	26	50,422	4	321,658-	23-
2015	1,671,081	582,748	35	231,799	14	350,949-	21-
2016	1,358,488	606,512	45	177,222	13	429,290-	32-
2017	1,572,066	671,145	43	220,291	14	450,854-	29-
2018	1,125,802	495,702	44	175,867	16	319,835-	28-
2019	1,540,224	536,329	35	197,511	13	338,818-	22-
TOTAL	15,290,806	4,004,638	26	2,019,764	13	1,984,874-	13-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
93-95	168,995	29,698	18	20,353	12	9,345-	6-
94-96	179,859	42,336	24	24,470	14	17,866-	10-
95-97	169,133	42,892	25	22,745	13	20,147-	12-
96-98	109,905	39,288	36	27,297	25	11,991-	11-
97-99	156,978	38,663	25	25,146	16	13,517-	9-
98-00	636,960	56,295	9	46,160	7	10,134-	2-
99-01	645,888	54,394	8	41,600	6	12,794-	2-
00-02	612,274	43,445	7	37,239	6	6,206-	1-
01-03	189,836	26,392	14	16,406	9	9,986-	5-
02-04	208,186	21,029	10	13,152	6	7,877-	4-
03-05	187,774	20,333	11	14,005	7	6,328-	3-

EL PASO ELECTRIC COMPANY

ACCOUNT 368.00 LINE TRANSFORMERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06	175,283	8,690	5	29,165	17	20,475	12
05-07	248,111	2,342	1	41,093	17	38,751	16
06-08	263,574		0	76,915	29	76,915	29
07-09	249,308		0	69,073	28	69,073	28
08-10	189,448		0	79,489	42	79,489	42
09-11	286,970		0	78,003	27	78,003	27
10-12	329,467		0	92,669	28	92,669	28
11-13	633,454	99,957	16	99,234	16	723-	0
12-14	972,009	223,984	23	78,791	8	145,193-	15-
13-15	1,426,907	418,233	29	127,213	9	291,020-	20-
14-16	1,480,251	520,446	35	153,148	10	367,299-	25-
15-17	1,533,879	620,135	40	209,771	14	410,364-	27-
16-18	1,352,119	591,120	44	191,127	14	399,993-	30-
17-19	1,412,697	567,725	40	197,890	14	369,836-	26-
FIVE-YEAR AVERAGE							
15-19	1,453,532	578,487	40	200,538	14	377,949-	26-

EL PASO ELECTRIC COMPANY

ACCOUNT 369.00 SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993				1,162		1,162	
1994							
1995							
1996							
1997							
1998							
1999	56	6	11	1	2	5-	9-
2000	28,469	1,640	6	916	3	724-	3-
2001							
2002	7		0	854		854	
2003							
2004	10,195		0		0		0
2005							
2006	719	1,620	225		0	1,620-	225-
2007		134				134-	
2008							
2009							
2010							
2011							
2012							
2013							
2014	59,995	7,686	13	11,628	19	3,942	7
2015		9,969		42,109		32,140	
2016		11,269		23,538		12,269	
2017		4,632		36,028		31,397	
2018		29,260		28,750		510-	
2019	305	39,084		22,679		16,405-	
TOTAL	99,745	105,300	106	167,665	168	62,365	63

THREE-YEAR MOVING AVERAGES

93-95				387		387	
94-96							
95-97							
96-98							
97-99	19	2	11		2	2-	9-
98-00	9,508	549	6	306	3	243-	3-
99-01	9,508	549	6	306	3	243-	3-
00-02	9,492	547	6	590	6	43	0
01-03	2		0	285		285	
02-04	3,401		0	285	8	285	8
03-05	3,398		0		0		0

EL PASO ELECTRIC COMPANY

ACCOUNT 369.00 SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06	3,638	540	15		0	540-	15-
05-07	240	585	244		0	585-	244-
06-08	240	585	244		0	585-	244-
07-09		45				45-	
08-10							
09-11							
10-12							
11-13							
12-14	19,998	2,562	13	3,876	19	1,314	7
13-15	19,998	5,885	29	17,912	90	12,027	60
14-16	19,998	9,641	48	25,758	129	16,117	81
15-17		8,623		33,892		25,269	
16-18		15,054		29,439		14,385	
17-19	102	24,325		29,152		4,827	
FIVE-YEAR AVERAGE							
15-19	61	18,843		30,621		11,778	

EL PASO ELECTRIC COMPANY

ACCOUNT 370.00 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993	211,488	77,747	37	49,128	23	28,619-	14-
1994	149,416	98,560	66	57,211	38	41,349-	28-
1995	181,413	84,180	46	55,073	30	29,107-	16-
1996	136,314	70,965	52	36,262	27	34,703-	25-
1997	53,100	14,671	28	8,287	16	6,384-	12-
1998	175,615	93,007	53	16,781	10	76,226-	43-
1999	599,260	181,145	30	58,603	10	122,542-	20-
2000	456,886	62,288	14	9,368	2	52,920-	12-
2001	721,393	192,160	27	42,546	6	149,614-	21-
2002	1,183,384	362,520	31	129	0	362,391-	31-
2003	678,813	188,595	28	321	0	188,274-	28-
2004	544,753	161,760	30		0	161,760-	30-
2005	175,069	45,840	26		0	45,840-	26-
2006	1,139,974	46,985	4		0	46,985-	4-
2007	1,077,779		0		0		0
2008	600,894		0		0		0
2009							
2010	109,089		0	12,366	11	12,366	11
2011	279,746		0	34,918	12	34,918	12
2012				19,506		19,506	
2013	265,688	66,479	25	15,061	6	51,418-	19-
2014							
2015		7,813		6,451		1,362-	
2016		6,830		679		6,151-	
2017		3,544		1,003		2,540-	
2018		5,586		2,635		2,951-	
2019		19,884		2,403		17,481-	
TOTAL	8,740,074	1,790,559	20	428,730	5	1,361,829-	16-

THREE-YEAR MOVING AVERAGES

93-95	180,772	86,829	48	53,804	30	33,025-	18-
94-96	155,714	84,568	54	49,515	32	35,053-	23-
95-97	123,609	56,605	46	33,207	27	23,398-	19-
96-98	121,676	59,548	49	20,443	17	39,104-	32-
97-99	275,992	96,274	35	27,890	10	68,384-	25-
98-00	410,587	112,147	27	28,251	7	83,896-	20-
99-01	592,513	145,198	25	36,839	6	108,359-	18-
00-02	787,221	205,656	26	17,348	2	188,308-	24-
01-03	861,197	247,758	29	14,332	2	233,426-	27-
02-04	802,317	237,625	30	150	0	237,475-	30-
03-05	466,212	132,065	28	107	0	131,958-	28-

EL PASO ELECTRIC COMPANY

ACCOUNT 370.00 METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06	619,932	84,862	14		0	84,862-	14-
05-07	797,607	30,942	4		0	30,942-	4-
06-08	939,549	15,662	2		0	15,662-	2-
07-09	559,558		0		0		0
08-10	236,661		0	4,122	2	4,122	2
09-11	129,612		0	15,761	12	15,761	12
10-12	129,612		0	22,263	17	22,263	17
11-13	181,811	22,160	12	23,162	13	1,002	1
12-14	88,563	22,160	25	11,522	13	10,637-	12-
13-15	88,563	24,764	28	7,171	8	17,593-	20-
14-16		4,881		2,377		2,504-	
15-17		6,062		2,711		3,351-	
16-18		5,320		1,439		3,881-	
17-19		9,671		2,014		7,658-	
FIVE-YEAR AVERAGE							
15-19		8,731		2,634		6,097-	

EL PASO ELECTRIC COMPANY

ACCOUNT 371.00 INSTALLATIONS ON CUSTOMERS' PREMISES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993	85,549	20,953	24	23,474	27	2,521	3
1994	51,518	14,589	28	11,944	23	2,645-	5-
1995	53,376	17,371	33	8,348	16	9,023-	17-
1996	37,660	26,901	71	18,462	49	8,439-	22-
1997	60,426	28,610	47	17,271	29	11,339-	19-
1998	46,834	17,749	38	10,271	22	7,478-	16-
1999	62,481	21,564	35	18,860	30	2,704-	4-
2000	91,814	5,666	6	8,217	9	2,551	3
2001	48,207	5,505	11	11,386	24	5,881	12
2002	130,178		0		0		0
2003	113,286		0		0		0
2004	87,763		0		0		0
2005	77,186	17,434	23		0	17,434-	23-
2006	60,252	52	0		0	52-	0
2007	15,366	29,120	190		0	29,120-	190-
2008	8,836	785	9		0	785-	9-
2009	25,418	3,367	13		0	3,367-	13-
2010	4,590	354	8		0	354-	8-
2011	1,340		0		0		0
2012	530		0		0		0
2013	206,467	51,661	25		0	51,661-	25-
2014	73,919	27,718	37		0	27,718-	37-
2015	101,819	40,390	40	9,270	9	31,120-	31-
2016	98,304	34,262	35	6,927	7	27,335-	28-
2017	350,450	117,371	33	30,362	9	87,009-	25-
2018	107,806	43,341	40	6,331	6	37,010-	34-
2019	159,033		0	3,377	2	3,377	2
TOTAL	2,160,408	524,762	24	184,500	9	340,263-	16-

THREE-YEAR MOVING AVERAGES

93-95	63,481	17,638	28	14,589	23	3,049-	5-
94-96	47,518	19,620	41	12,918	27	6,702-	14-
95-97	50,487	24,294	48	14,694	29	9,600-	19-
96-98	48,307	24,420	51	15,335	32	9,085-	19-
97-99	56,580	22,641	40	15,467	27	7,174-	13-
98-00	67,043	14,993	22	12,449	19	2,544-	4-
99-01	67,501	10,912	16	12,821	19	1,909	3
00-02	90,066	3,724	4	6,534	7	2,811	3
01-03	97,224	1,835	2	3,795	4	1,960	2
02-04	110,409		0		0		0
03-05	92,745	5,811	6		0	5,811-	6-

EL PASO ELECTRIC COMPANY

ACCOUNT 371.00 INSTALLATIONS ON CUSTOMERS' PREMISES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06	75,067	5,829	8		0	5,829-	8-
05-07	50,935	15,535	31		0	15,535-	31-
06-08	28,151	9,986	35		0	9,986-	35-
07-09	16,540	11,091	67		0	11,091-	67-
08-10	12,948	1,502	12		0	1,502-	12-
09-11	10,449	1,240	12		0	1,240-	12-
10-12	2,153	118	5		0	118-	5-
11-13	69,446	17,220	25		0	17,220-	25-
12-14	93,639	26,460	28		0	26,460-	28-
13-15	127,402	39,923	31	3,090	2	36,833-	29-
14-16	91,347	34,123	37	5,399	6	28,724-	31-
15-17	183,524	64,008	35	15,520	8	48,488-	26-
16-18	185,520	64,991	35	14,540	8	50,451-	27-
17-19	205,763	53,570	26	13,357	6	40,214-	20-
FIVE-YEAR AVERAGE							
15-19	163,482	47,073	29	11,253	7	35,819-	22-

EL PASO ELECTRIC COMPANY

ACCOUNT 373.00 STREET LIGHTING AND SIGNAL SYSTEMS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1993	24,002	4,661	19	2,425	10	2,236-	9-
1994	47,994	19,516	41	11,510	24	8,006-	17-
1995	36,371	11,808	32	8,127	22	3,681-	10-
1996	4,899	2,691	55	2,604	53	87-	2-
1997	6,390	2,609	41	1,460	23	1,149-	18-
1998	13,000	4,317	33	2,320	18	1,997-	15-
1999	16,309	2,980	18	2,096	13	884-	5-
2000	65,496	4,301	7	2,832	4	1,469-	2-
2001	63,267	11,459	18	13,504	21	2,045	3
2002	16,890		0		0		0
2003	14,954		0		0		0
2004	107,508		0	18,030	17	18,030	17
2005	180	10,517			0	10,517-	
2006	85,840	20,116	23		0	20,116-	23-
2007	33,043	17,460	53		0	17,460-	53-
2008	15,008	1,265	8		0	1,265-	8-
2009	10,201	1,691	17		0	1,691-	17-
2010	1,051	301	29		0	301-	29-
2011	9,322		0		0		0
2012	1,613		0		0		0
2013	31,503	7,883	25		0	7,883-	25-
2014	22,783	19,096	84		0	19,096-	84-
2015	11,892	19,249	162	8,710	73	10,539-	89-
2016	28,910	14,733	51	6,620	23	8,114-	28-
2017	18,947	11,279	60	8,326	44	2,953-	16-
2018	15,752	29,617	188	5,360	34	24,258-	154-
2019	8,805	22,712	258	3,100	35	19,612-	223-
TOTAL	711,932	240,261	34	97,023	14	143,238-	20-

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
93-95	36,122	11,995	33	7,354	20	4,641-	13-
94-96	29,755	11,338	38	7,414	25	3,925-	13-
95-97	15,887	5,703	36	4,064	26	1,639-	10-
96-98	8,096	3,206	40	2,128	26	1,078-	13-
97-99	11,900	3,302	28	1,959	16	1,343-	11-
98-00	31,602	3,866	12	2,416	8	1,450-	5-
99-01	48,357	6,247	13	6,144	13	103-	0
00-02	48,551	5,253	11	5,445	11	192	0
01-03	31,704	3,820	12	4,501	14	682	2
02-04	46,451		0	6,010	13	6,010	13
03-05	40,881	3,506	9	6,010	15	2,504	6

EL PASO ELECTRIC COMPANY

ACCOUNT 373.00 STREET LIGHTING AND SIGNAL SYSTEMS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
04-06	64,509	10,211	16	6,010	9	4,201-	7-
05-07	39,688	16,031	40		0	16,031-	40-
06-08	44,630	12,947	29		0	12,947-	29-
07-09	19,417	6,805	35		0	6,805-	35-
08-10	8,753	1,085	12		0	1,085-	12-
09-11	6,858	664	10		0	664-	10-
10-12	3,996	100	3		0	100-	3-
11-13	14,146	2,628	19		0	2,628-	19-
12-14	18,633	8,993	48		0	8,993-	48-
13-15	22,059	15,409	70	2,903	13	12,506-	57-
14-16	21,195	17,693	83	5,110	24	12,583-	59-
15-17	19,917	15,087	76	7,885	40	7,202-	36-
16-18	21,203	18,543	87	6,768	32	11,775-	56-
17-19	14,501	21,203	146	5,595	39	15,607-	108-
FIVE-YEAR AVERAGE							
15-19	16,861	19,518	116	6,423	38	13,095-	78-

EL PASO ELECTRIC COMPANY

ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
1996	449,545		0		0		0
1997							
1998							
1999	182,929		0		0		0
2000	2,586		0		0		0
2001							
2002							
2003							
2004							
2005	5,479		0		0		0
2006							
2007	22,944		0		0		0
2008							
2009							
2010	460,453		0		0		0
2011	233,445		0		0		0
2012							
2013							
2014	493,516		0		0		0
2015	577,894	1,427	0	9,864	2	8,437	1
2016		2,361		9,935		7,574	
2017							
2018							
2019		857		134,884		134,027	
TOTAL	2,428,791	4,646	0	154,683	6	150,037	6

THREE-YEAR MOVING AVERAGES

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
96-98	149,848		0		0		0
97-99	60,976		0		0		0
98-00	61,838		0		0		0
99-01	61,838		0		0		0
00-02	862		0		0		0
01-03							
02-04							
03-05	1,826		0		0		0
04-06	1,826		0		0		0
05-07	9,474		0		0		0
06-08	7,648		0		0		0
07-09	7,648		0		0		0
08-10	153,484		0		0		0
09-11	231,299		0		0		0

EL PASO ELECTRIC COMPANY

ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
10-12	231,299		0		0		0
11-13	77,815		0		0		0
12-14	164,505		0		0		0
13-15	357,137	476	0	3,288	1	2,812	1
14-16	357,137	1,263	0	6,600	2	5,337	1
15-17	192,631	1,263	1	6,600	3	5,337	3
16-18		787		3,312		2,525	
17-19		286		44,961		44,676	
FIVE-YEAR AVERAGE							
15-19	115,579	929	1	30,937	27	30,007	26

EL PASO ELECTRIC COMPANY

ACCOUNT 396.00 POWER OPERATED EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1994	10,224		0		0		0
1995							
1996				11,500		11,500	
1997							
1998							
1999							
2000	2,099		0		0		0
2001							
2002	21,615		0		0		0
2003							
2004							
2005							
2006							
2007							
2008							
2009							
2010	64,217		0	15,500	24	15,500	24
2011				424		424	
2012	321,549		0		0		0
2013	5,628		0		0		0
2014	621		0	651	105	651	105
2015	31,014	228	1	14,015	45	13,787	44
2016	19,745	265	1	10,727	54	10,462	53
2017	65,323	14-	0	8,023	12	8,037	12
2018	109,650	4	0	35,312	32	35,308	32
2019	7,200	17	0	6,533	91	6,517	91
TOTAL	658,885	499	0	102,685	16	102,186	16

THREE-YEAR MOVING AVERAGES

94-96	3,408		0	3,833	112	3,833	112
95-97				3,833		3,833	
96-98				3,833		3,833	
97-99							
98-00	700		0		0		0
99-01	700		0		0		0
00-02	7,905		0		0		0
01-03	7,205		0		0		0
02-04	7,205		0		0		0
03-05							
04-06							
05-07							

EL PASO ELECTRIC COMPANY

ACCOUNT 396.00 POWER OPERATED EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	COST OF REMOVAL PCT	GROSS SALVAGE AMOUNT	GROSS SALVAGE PCT	NET SALVAGE AMOUNT	NET SALVAGE PCT
THREE-YEAR MOVING AVERAGES							
06-08							
07-09							
08-10	21,406		0	5,167	24	5,167	24
09-11	21,406		0	5,308	25	5,308	25
10-12	128,589		0	5,308	4	5,308	4
11-13	109,059		0	141	0	141	0
12-14	109,266		0	217	0	217	0
13-15	12,421	76	1	4,889	39	4,813	39
14-16	17,127	164	1	8,464	49	8,300	48
15-17	38,694	160	0	10,922	28	10,762	28
16-18	64,906	85	0	18,020	28	17,936	28
17-19	60,724	2	0	16,623	27	16,621	27
FIVE-YEAR AVERAGE							
15-19	46,586	100	0	14,922	32	14,822	32

PART IX. DETAILED DEPRECIATION CALCULATIONS

EL PASO ELECTRIC COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2021						
NET SALVAGE PERCENT.. -5						
1957	367,404.00	373,491	383,865	1,909	1.99	959
1959	24,307.00	24,686	25,372	151	1.99	76
1960	661.00	671	690	4	1.99	2
1961	21.00	21	22			
1962	991.00	1,005	1,033	8	1.99	4
1963	87.00	88	90	1	1.99	1
1964	15.00	15	15			
1965	339.00	343	353	3	1.99	2
1966	3,966.00	4,012	4,123	41	1.99	21
1968	4,292.00	4,336	4,456	50	1.99	25
1969	563.00	568	584	7	1.99	4
1972	3,871.00	3,899	4,007	57	1.99	29
1973	928.00	934	960	14	1.99	7
1975	15,338.00	15,406	15,834	271	1.99	136
1976	10,472.00	10,506	10,798	198	2.00	99
1979	4,621.00	4,621	4,749	103	2.00	52
1981	927.00	925	951	23	2.00	12
1983	262.00	261	268	7	2.00	4
1985	186,589.00	185,098	190,239	5,679	2.00	2,840
1987	11,630.00	11,498	11,817	394	2.00	197
1988	6,307.00	6,224	6,397	225	2.00	112
1994	26,748.45	26,034	26,757	1,329	2.00	664
1995	65,286.16	63,353	65,113	3,438	2.00	1,719
1997	59,140.97	57,010	58,594	3,504	2.00	1,752
1999	4,121.96	3,942	4,051	277	2.00	138
2000	131,347.50	125,043	128,516	9,399	2.00	4,700
2001	214,105.93	202,813	208,446	16,365	2.00	8,182
2004	112,528.68	104,620	107,526	10,629	2.00	5,314
2018	33,946.17	15,276	15,700	19,943	2.00	9,972
	1,290,816.82	1,246,699	1,281,328	74,030		37,023
RIO GRANDE UNIT 7						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1958	338,477.00	338,455	355,401			
1960	24,022.00	23,985	25,223			
1961	21.00	21	22			

EL PASO ELECTRIC COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 7						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1962	991.00	988	1,041			
1963	87.00	87	91			
1964	15.00	15	16			
1965	339.00	337	356			
1966	3,966.00	3,940	4,164			
1968	4,292.00	4,255	4,507			
1969	563.00	558	591			
1972	3,871.00	3,820	4,065			
1973	928.00	915	974			
1975	15,338.00	15,076	16,105			
1976	10,472.00	10,279	10,996			
1979	4,621.00	4,515	4,852			
1981	927.00	902	973			
1983	262.00	254	275			
1984	186,589.00	180,564	195,918			
1987	11,630.00	11,175	12,212			
1988	6,307.00	6,044	6,616	6	2.99	2
1994	26,748.46	25,115	27,492	594	3.00	198
1995	65,286.14	61,037	66,814	1,737	3.00	579
1997	59,140.95	54,764	59,947	2,151	3.00	717
1999	4,121.94	3,774	4,131	197	3.00	66
2000	131,347.48	119,469	130,776	7,139	3.00	2,380
2001	214,105.89	193,340	211,638	13,173	3.00	4,391
2004	112,528.66	98,954	108,319	9,836	3.00	3,279
2018	42,985.49	15,045	16,469	28,666	3.00	9,555
	1,269,983.01	1,177,683	1,269,984	63,498		21,167
RIO GRANDE UNIT 8						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2033						
NET SALVAGE PERCENT.. -5						
1973	921,156.00	742,607	923,641	43,573	13.68	3,185
1975	15,338.00	12,240	15,224	881	13.70	64
1976	10,472.00	8,310	10,336	660	13.72	48
1979	4,621.00	3,603	4,481	371	13.75	27
1981	927.00	713	887	87	13.77	6
1983	466.00	353	439	50	13.79	4
1984	186,590.00	140,414	174,644	21,275	13.80	1,542

EL PASO ELECTRIC COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 8						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2033						
NET SALVAGE PERCENT.. -5						
1987	11,630.00	8,529	10,608	1,603	13.83	116
1988	6,307.00	4,582	5,699	923	13.84	67
1994	26,748.46	18,121	22,539	5,547	13.88	400
1995	65,286.30	43,592	54,219	14,332	13.89	1,032
1997	59,140.95	38,260	47,587	14,511	13.90	1,044
1999	4,121.94	2,570	3,197	1,132	13.91	81
2000	131,347.48	80,213	99,767	38,147	13.92	2,740
2001	213,621.89	127,608	158,716	65,586	13.92	4,712
2004	154,211.51	85,045	105,777	56,145	13.93	4,031
2013	438,201.00	145,869	181,429	278,682	13.96	19,963
2017	20,066.21	3,198	3,978	17,092	13.97	1,223
2018	40,958.65	4,142	5,152	37,855	13.98	2,708
	2,311,211.39	1,469,969	1,828,321	598,451		42,993
RIO GRANDE COMMON						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2033						
NET SALVAGE PERCENT.. -5						
2005	59,452.18	31,741	35,301	27,124	13.94	1,946
2006	223,451.27	115,125	128,036	106,588	13.94	7,646
2007	71,430.81	35,340	39,303	35,699	13.95	2,559
2010	4,210.00	1,786	1,986	2,434	13.96	174
2012	132,627.00	48,543	53,987	85,272	13.96	6,108
2013	158,055.00	52,614	58,514	107,443	13.96	7,696
2015	606,430.00	154,877	172,245	464,506	13.97	33,250
2016	146,146.24	30,674	34,114	119,340	13.97	8,543
2017	831,006.78	132,445	147,298	725,259	13.97	51,915
2018	1,873,514.65	189,480	210,729	1,756,461	13.98	125,641
2019	327,085.07	11,859	13,189	330,250	13.98	23,623
	4,433,409.00	804,484	894,702	3,760,378		269,101

EL PASO ELECTRIC COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1959	1,015,330.00	1,014,529	1,041,505	24,591	2.98	8,252
1960	1,394.00	1,392	1,429	35	2.98	12
1961	2,946.00	2,939	3,017	76	2.98	26
1962	2,488.00	2,480	2,546	66	2.98	22
1963	1,318.00	1,313	1,348	36	2.98	12
1964	1,032.00	1,027	1,054	29	2.98	10
1965	15,374.00	15,286	15,692	450	2.98	151
1966	3,360.00	3,338	3,427	101	2.98	34
1967	50.00	50	51	1	2.98	
1973	27.00	27	28	1	2.99	
1974	1,686.00	1,659	1,703	67	2.99	22
1975	4,144.00	4,073	4,181	170	2.99	57
1976	13,439.00	13,191	13,542	569	2.99	190
1977	7,795.00	7,640	7,843	342	2.99	114
1983	546.00	529	543	30	2.99	10
1985	34.00	33	34	2	2.99	1
1994	15,615.07	14,661	15,051	1,345	3.00	448
1995	28,972.00	27,086	27,806	2,614	3.00	871
1996	4,277.22	3,980	4,086	405	3.00	135
1997	7,935.40	7,348	7,543	789	3.00	263
1999	161.31	148	152	17	3.00	6
2000	53,615.96	48,767	50,064	6,233	3.00	2,078
2001	30,924.52	27,925	28,668	3,803	3.00	1,268
2003	38,307.92	34,019	34,924	5,300	3.00	1,767
2004	7,790.39	6,851	7,033	1,147	3.00	382
2005	11,383.55	9,899	10,162	1,791	3.00	597
	1,269,946.34	1,250,190	1,283,433	50,011		16,728
NEWMAN UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1962	447,455.00	446,059	403,445	66,383	2.98	22,276
1963	53,202.00	52,992	47,929	7,933	2.98	2,662
1964	1,032.00	1,027	929	155	2.98	52
1965	15,374.00	15,286	13,826	2,317	2.98	778
1966	3,360.00	3,338	3,019	509	2.98	171
1967	50.00	50	45	7	2.98	2

EL PASO ELECTRIC COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1973	27.00	27	24	4	2.99	1
1974	1,686.00	1,659	1,501	270	2.99	90
1975	4,144.00	4,073	3,684	667	2.99	223
1976	13,439.00	13,191	11,931	2,180	2.99	729
1977	7,795.00	7,640	6,910	1,275	2.99	426
1983	546.00	529	478	95	2.99	32
1985	35.00	34	31	6	2.99	2
1994	15,615.06	14,661	13,260	3,135	3.00	1,045
1995	28,971.98	27,086	24,498	5,922	3.00	1,974
1996	4,277.21	3,980	3,600	891	3.00	297
1997	7,935.39	7,348	6,646	1,686	3.00	562
1999	161.31	148	134	36	3.00	12
2000	53,615.94	48,767	44,108	12,189	3.00	4,063
2001	30,924.48	27,925	25,257	7,213	3.00	2,404
2003	38,308.88	34,020	30,770	9,454	3.00	3,151
2004	7,540.49	6,631	5,998	1,920	3.00	640
2005	11,223.76	9,760	8,828	2,957	3.00	986
2018	288,685.12	101,039	91,386	211,733	3.00	70,578
	1,035,404.62	827,270	748,238	338,937		113,156
NEWMAN UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1965	37,152.00	34,510	37,490	1,520	6.90	220
1966	285,387.00	264,558	287,401	12,255	6.90	1,776
1967	43,434.00	40,173	43,642	1,964	6.91	284
1973	27.00	25	27	1	6.93	
1974	1,686.00	1,532	1,664	106	6.93	15
1975	4,144.00	3,755	4,079	272	6.93	39
1976	13,439.00	12,139	13,187	924	6.94	133
1977	7,795.00	7,019	7,625	560	6.94	81
1983	546.00	481	523	51	6.95	7
1985	35.00	31	34	3	6.96	
1994	15,615.06	12,857	13,967	2,429	6.97	348
1995	28,971.98	23,639	25,680	4,740	6.98	679
1996	4,277.21	3,457	3,755	736	6.98	105
1997	7,935.39	6,350	6,898	1,434	6.98	205

EL PASO ELECTRIC COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1999	161.31	126	137	32	6.98	5
2000	83,961.43	64,833	70,431	17,729	6.98	2,540
2001	30,924.48	23,548	25,581	6,889	6.98	987
2003	38,309.88	28,220	30,657	9,569	6.99	1,369
2004	7,539.49	5,449	5,919	1,997	6.99	286
2013	461,958.00	233,530	253,694	231,362	6.99	33,099
2019	23,887.46	1,641	1,783	23,299	7.00	3,328
	1,097,186.69	767,873	834,174	317,872		45,506
NEWMAN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1975	14,838,635.91	13,446,653	9,614,828	5,965,740	6.93	860,857
1977	7,795.00	7,019	5,019	3,166	6.94	456
1978	24,253.00	21,765	15,563	9,903	6.94	1,427
1981	999.00	887	634	415	6.95	60
1983	546.00	481	344	229	6.95	33
1985	35.00	31	22	15	6.96	2
1987	22,016.00	19,004	13,589	9,528	6.96	1,369
1994	15,615.06	12,857	9,193	7,203	6.97	1,033
1995	59,546.09	48,585	34,740	27,783	6.98	3,980
1996	4,277.21	3,457	2,472	2,019	6.98	289
1997	7,935.39	6,350	4,540	3,792	6.98	543
1999	161.31	126	90	79	6.98	11
2000	53,616.94	41,402	29,604	26,694	6.98	3,824
2001	30,924.48	23,548	16,838	15,633	6.98	2,240
2003	38,312.05	28,221	20,179	20,049	6.99	2,868
2004	7,537.30	5,448	3,896	4,019	6.99	575
2011	108,828.00	62,638	44,788	69,481	6.99	9,940
2016	363,304.80	127,277	91,008	290,463	6.99	41,554
2017	18,308.78	5,064	3,621	15,603	6.99	2,232
2018	119,779.99	22,221	15,889	109,880	6.99	15,720
2019	126,105.82	8,662	6,194	126,217	7.00	18,031
	15,848,533.13	13,891,696	9,933,049	6,707,911		967,044

EL PASO ELECTRIC COMPANY

ACCOUNT 311.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2009	24,010,650.00	7,261,829	5,850,492	19,360,691	25.78	750,997
2013	808,896.00	169,919	136,895	712,446	25.83	27,582
2014	116,803.00	21,426	17,262	105,381	25.84	4,078
2015	551,902.00	85,598	68,962	510,535	25.85	19,750
2017	372,742.54	34,363	27,685	363,695	25.87	14,059
2018	71,334.90	4,078	3,285	71,616	25.88	2,767
	25,932,328.44	7,577,213	6,104,581	21,124,364		819,233
NEWMAN COMMON						
INTERIM SURVIVOR CURVE.. IOWA 100-R3						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2007	160,779.12	54,871	48,529	120,290	25.75	4,671
2008	20,186.31	6,505	5,753	15,443	25.77	599
2009	64.00	19	17	50	25.78	2
2011	94,960.00	24,570	21,730	77,978	25.81	3,021
2012	1,839.00	432	382	1,549	25.82	60
2013	457,993.00	96,207	85,087	395,806	25.83	15,323
2014	471,692.00	86,525	76,524	418,753	25.84	16,206
2015	311,977.00	48,386	42,793	284,783	25.85	11,017
2016	12,694.27	1,581	1,398	11,931	25.86	461
2017	305,492.93	28,163	24,908	295,860	25.87	11,436
2018	12,733,852.36	727,892	643,756	12,726,789	25.88	491,762
2019	4,329,051.87	84,410	74,653	4,470,851	25.89	172,686
	18,900,581.86	1,159,561	1,025,528	18,820,083		727,244
	73,389,401.30	30,172,638	25,203,337	51,855,535		3,059,195

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 17.0 4.17

EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2021						
NET SALVAGE PERCENT.. -5						
1957	1,952,987.00	1,984,954	2,050,636			
1959	34,915.00	35,458	36,661			
1960	3,165.00	3,212	3,323			
1961	584.00	592	613			
1962	107.00	108	112			
1963	6,331.00	6,415	6,648			
1964	782.00	792	821			
1966	949.00	960	996			
1967	2.00	2	2			
1968	307.00	310	322			
1970	34.00	34	36			
1972	33,512.00	33,755	35,188			
1973	14,376.00	14,469	15,095			
1974	1,291.00	1,298	1,356			
1975	217,588.00	218,561	228,467			
1976	67,406.00	67,644	70,776			
1977	1,904.00	1,909	1,999			
1978	22,593.00	22,627	23,723			
1979	57,878.00	57,900	60,772			
1980	497.00	497	522			
1981	297,424.00	296,840	312,295			
1982	29,160.00	29,065	30,618			
1983	42,945.00	42,748	45,092			
1985	5,883.00	5,839	6,177			
1987	344.00	340	361			
1988	3,675.00	3,628	3,859			
1990	925.00	909	971			
1992	1,102.00	1,078	1,157			
1994	13,793.94	13,429	14,484			
1997	29,458.19	28,403	30,931			
2001	34,025.85	32,240	35,727			
2004	68,602.54	63,796	72,033			
2009	27,902.00	24,610	29,297			
2011	559.00	475	587			
	2,973,007.52	2,994,897	3,121,658			

EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

RIO GRANDE UNIT 7
INTERIM SURVIVOR CURVE.. IOWA 70-R4
PROBABLE RETIREMENT YEAR.. 12-2022
NET SALVAGE PERCENT.. -5

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1957	2,295,521.55	2,297,544	2,410,298			
1959	3,405.00	3,403	3,575			
1960	3,465.00	3,461	3,638			
1961	584.00	583	613			
1962	107.00	107	112			
1963	6,331.00	6,308	6,648			
1964	782.00	778	821			
1966	949.00	943	996			
1967	2.00	2	2			
1968	307.00	304	322			
1970	34.00	34	36			
1972	33,512.00	33,085	35,188			
1973	14,376.00	14,176	15,095			
1974	1,291.00	1,271	1,356			
1975	217,588.00	213,976	228,467			
1976	67,406.00	66,196	70,776			
1977	1,904.00	1,867	1,999			
1978	18,659.00	18,266	19,592			
1979	290.00	283	305			
1980	58,973.00	57,541	61,922			
1981	298,936.00	291,164	313,883			
1982	29,160.00	28,349	30,618			
1983	42,945.00	41,656	45,092			
1985	48,367.00	46,714	50,785			
1987	344.00	331	361			
1988	3,675.00	3,523	3,841	18	2.99	6
1990	13,381.00	12,754	13,906	144	2.99	48
1997	29,458.18	27,288	29,752	1,179	3.00	393
1999	50,111.81	45,894	50,039	2,579	3.00	860
2001	100,256.17	90,567	98,746	6,523	3.00	2,174
2002	284,995.01	255,432	278,499	20,746	3.00	6,915
2004	43,499.06	38,263	41,718	3,956	3.00	1,319
2005	7,295.00	6,346	6,919	741	3.00	247
2006	509,765.70	437,875	477,418	57,836	3.00	19,279
2008	181,117.00	150,826	164,447	25,726	3.00	8,575
2010	35.00	28	31	6	3.00	2
2015	49,352.00	31,092	33,900	17,920	3.00	5,973
2016	134,912.00	76,277	83,165	58,492	3.00	19,497
2018	51,403.58	17,991	19,616	34,358	3.00	11,453
	4,604,495.06	4,322,498	4,604,496	230,224		76,741

EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 8						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2033						
NET SALVAGE PERCENT.. -5						
1973	5,474,879.84	4,463,002	5,478,137	270,487	12.96	20,871
1975	217,588.00	175,342	215,225	13,243	13.11	1,010
1976	97,454.00	78,075	95,834	6,493	13.17	493
1977	1,904.00	1,516	1,861	138	13.24	10
1978	19,958.00	15,790	19,382	1,574	13.29	118
1979	290.00	228	280	25	13.35	2
1980	71,928.00	56,137	68,906	6,619	13.40	494
1981	386,123.00	299,195	367,249	38,181	13.45	2,839
1982	29,160.00	22,423	27,523	3,095	13.50	229
1983	234,642.00	179,050	219,776	26,598	13.54	1,964
1985	5,883.00	4,415	5,419	758	13.62	56
1987	344.00	253	311	51	13.69	4
1988	6,587.00	4,806	5,899	1,017	13.72	74
1990	18,983.00	13,561	16,646	3,287	13.77	239
1997	29,458.18	19,097	23,441	7,490	13.90	539
2000	1,421,260.49	869,741	1,067,568	424,755	13.93	30,492
2001	267,970.48	160,310	196,773	84,596	13.94	6,069
2002	401,007.78	234,247	287,528	133,530	13.94	9,579
2004	361,408.85	199,538	244,924	134,555	13.96	9,639
2005	73.07	39	48	29	13.96	2
2006	595,297.21	307,068	376,912	248,150	13.97	17,763
2007	71,044.45	35,212	43,221	31,376	13.97	2,246
2008	1,157,793.64	548,419	673,160	542,523	13.98	38,807
2009	86,895.00	39,114	48,011	43,229	13.98	3,092
2010	312,197.00	132,631	162,799	165,008	13.98	11,803
2011	193.00	77	95	108	13.99	8
2012	241,994.00	88,602	108,755	145,339	13.99	10,389
2013	74,141.00	24,696	30,313	47,535	13.99	3,398
2015	1,180,874.00	301,759	370,396	869,522	13.99	62,153
2016	912,198.71	191,667	235,263	722,546	13.99	51,647
2017	775,785.28	123,498	151,588	662,986	13.99	47,390
2018	902,538.20	91,706	112,565	835,100	14.00	59,650
2019	219,643.40	7,952	9,761	220,865	14.00	15,776
	15,577,497.58	8,689,166	10,665,565	5,690,807		408,845

EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE COMMON						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2033						
NET SALVAGE PERCENT.. -5						
2011	12,940.00	5,131	5,772	7,815	13.99	559
2013	64,743.00	21,565	24,259	43,721	13.99	3,125
2015	802,691.00	205,118	230,742	612,083	13.99	43,751
2016	1,021.00	215	242	830	13.99	59
2018	58,049.89	5,898	6,635	54,318	14.00	3,880
	939,444.89	237,927	267,650	718,767		51,374
NEWMAN UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1960	2,933,802.21	2,930,226	3,080,492			
1961	1,348.00	1,345	1,415			
1963	30,740.00	30,628	32,277			
1966	4,207.00	4,180	4,417			
1967	2,382.00	2,365	2,501			
1968	5,741.00	5,693	6,028			
1969	5,416.00	5,365	5,687			
1970	551.00	545	579			
1972	1,296.00	1,280	1,361			
1973	32.00	32	34			
1975	20,973.00	20,625	22,022			
1976	23,988.00	23,557	25,187			
1977	47,202.00	46,288	49,562			
1979	70,512.00	68,916	74,038			
1980	3,899.00	3,804	4,094			
1981	14,402.00	14,028	15,122			
1983	16,341.00	15,851	17,158			
1985	8,849.00	8,547	9,291			
1986	1,411.00	1,360	1,482			
1988	13,676.00	13,111	14,360			
1990	89,243.00	85,058	93,705			
1992	73.00	69	77			
1994	22,268.21	20,916	23,284	98	3.00	33
1995	245,317.10	229,442	255,416	2,167	3.00	722
1997	30,257.73	28,028	31,201	570	3.00	190
1999	882,397.44	808,136	899,621	26,897	3.00	8,966
2004	39,363.99	34,626	38,546	2,786	3.00	929

EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
2006	2,403,287.56	2,064,360	2,298,055	225,397	3.00	75,132
2012	117.00	88	98	25	3.00	8
2015	261.00	164	183	91	3.00	30
2016	313,276.00	177,121	197,172	131,768	3.00	43,923
2017	1,125,420.20	537,138	597,944	583,747	3.00	194,582
2018	209,498.46	73,324	81,625	138,349	3.00	46,116
2019	129,088.61	19,364	21,556	113,987	3.00	37,996
	8,696,637.51	7,275,580	7,905,587	1,225,882		408,627
NEWMAN UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1962	2,749,530.00	2,741,530	2,362,704	524,303	2.92	179,556
1963	14,360.06	14,308	12,331	2,747	2.92	941
1966	4,207.00	4,180	3,602	815	2.94	277
1967	2,382.00	2,365	2,038	463	2.94	157
1968	5,741.00	5,693	4,906	1,122	2.95	380
1969	5,416.00	5,365	4,624	1,063	2.95	360
1970	551.00	545	470	109	2.95	37
1972	1,296.00	1,280	1,103	258	2.96	87
1973	32.00	32	28	6	2.96	2
1975	20,973.00	20,625	17,775	4,247	2.97	1,430
1976	23,988.00	23,557	20,302	4,886	2.97	1,645
1977	47,202.00	46,288	39,892	9,670	2.97	3,256
1979	73,071.00	71,418	61,549	15,175	2.98	5,092
1980	3,899.00	3,804	3,278	816	2.98	274
1981	14,402.00	14,028	12,090	3,032	2.98	1,017
1983	19,475.00	18,891	16,281	4,168	2.99	1,394
1985	8,849.00	8,547	7,366	1,925	2.99	644
1986	1,411.00	1,360	1,172	309	2.99	103
1988	6,211.00	5,954	5,131	1,390	2.99	465
1990	1,619.00	1,543	1,330	370	2.99	124
1992	73.00	69	59	17	2.99	6
1994	22,850.55	21,463	18,497	5,496	3.00	1,832
1995	1,206.94	1,129	973	294	3.00	98
1997	30,257.70	28,028	24,155	7,616	3.00	2,539
1999	552,679.41	506,167	436,225	144,089	3.00	48,030

EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
2000	784,646.73	713,932	615,280	208,599	3.00	69,533
2001	1,108,368.75	1,001,253	862,899	300,888	3.00	100,296
2004	13,138.14	11,557	9,960	3,835	3.00	1,278
2005	225,391.26	196,066	168,973	67,687	3.00	22,562
2010	85,771.00	68,445	58,987	31,072	3.00	10,357
2013	317.00	228	196	136	3.00	45
2014	395,038.00	268,394	231,307	183,483	3.00	61,161
2015	11,926.00	7,513	6,475	6,047	3.00	2,016
2016	176,706.00	99,907	86,102	99,440	3.00	33,147
2017	247,824.58	118,281	101,937	158,279	3.00	52,760
2018	2,058,917.66	720,614	621,039	1,540,824	3.00	513,608
2019	196,686.11	29,504	25,427	181,093	3.00	60,364
	8,916,413.89	6,783,863	5,846,465	3,515,769		1,176,873
NEWMAN UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1966	2,789,040.91	2,593,444	2,744,265	184,228	6.63	27,787
1967	206,675.00	191,729	202,879	14,130	6.66	2,122
1968	5,741.00	5,314	5,623	405	6.68	61
1969	5,416.00	5,001	5,292	395	6.70	59
1970	551.00	508	538	41	6.72	6
1972	1,296.00	1,187	1,256	105	6.76	16
1973	32.00	29	31	3	6.78	
1975	20,973.00	19,049	20,157	1,865	6.81	274
1976	23,988.00	21,716	22,979	2,209	6.83	323
1977	47,202.00	42,594	45,071	4,491	6.84	657
1979	61,908.00	55,465	58,691	6,313	6.87	919
1980	3,899.00	3,480	3,682	412	6.88	60
1981	14,402.00	12,805	13,550	1,572	6.89	228
1983	16,341.00	14,406	15,244	1,914	6.91	277
1985	8,849.00	7,727	8,176	1,115	6.93	161
1986	1,411.00	1,226	1,297	184	6.93	27
1988	13,676.00	11,753	12,436	1,923	6.95	277
1990	81,092.00	68,834	72,837	12,310	6.96	1,769
1992	73.00	61	65	12	6.97	2
1994	207,012.09	170,604	180,525	36,837	6.97	5,285

EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1995	1,206.95	986	1,043	224	6.98	32
1997	30,257.70	24,238	25,648	6,123	6.98	877
1999	111,553.83	87,316	92,394	24,738	6.99	3,539
2004	171,533.26	124,107	131,324	48,786	6.99	6,979
2005	250,287.74	177,281	187,591	75,211	6.99	10,760
2007	31,353.08	21,097	22,324	10,597	7.00	1,514
2008	351,350.57	229,253	242,585	126,333	7.00	18,048
2009	392,201.00	246,992	261,356	150,455	7.00	21,494
2011	668.00	385	407	294	7.00	42
2016	1,316,151.00	460,648	487,437	894,522	7.00	127,789
2017	44,927.22	12,414	13,136	34,038	7.00	4,863
2018	239,207.85	44,324	46,902	204,267	7.00	29,181
2019	292,958.29	20,508	21,701	285,906	7.00	40,844
	6,743,234.49	4,676,481	4,948,440	2,131,957		306,272
NEWMAN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1988	139,925.00	120,246	121,616	25,306	6.95	3,641
1990	1,619.00	1,374	1,390	310	6.96	45
1992	73.00	61	62	15	6.97	2
1994	22,850.55	18,832	19,047	4,947	6.97	710
1995	2,488.49	2,032	2,055	558	6.98	80
1996	13,753.72	11,129	11,256	3,186	6.98	456
1997	40,792.36	32,677	33,049	9,783	6.98	1,402
1999	58,852.47	46,065	46,590	15,205	6.99	2,175
2004	328,880.51	237,949	240,659	104,665	6.99	14,974
2005	85,869.00	60,822	61,515	28,648	6.99	4,098
2007	21.35	14	14	8	7.00	1
2012	99,967.00	54,292	54,910	50,055	7.00	7,151
2014	2,202,071.00	1,017,357	1,028,946	1,283,229	7.00	183,318
2015	136,363.00	56,027	56,665	86,516	7.00	12,359
2018	141,053.26	26,136	26,434	121,672	7.00	17,382
2019	28,482.04	1,994	2,017	27,889	7.00	3,984
	3,303,061.75	1,687,007	1,706,224	1,761,991		251,778

EL PASO ELECTRIC COMPANY

ACCOUNT 312.00 BOILER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2009	284,318.00	86,199	88,054	210,479	25.84	8,145
2011	105,108,024.98	27,261,974	27,848,780	82,514,646	25.88	3,188,356
2014	33,449.00	6,148	6,280	28,841	25.92	1,113
2015	665,280.00	103,301	105,525	593,019	25.93	22,870
2016	147,060.00	18,358	18,753	135,660	25.94	5,230
2017	866,997.74	79,992	81,714	828,634	25.95	31,932
2018	431,841.46	24,767	25,300	428,133	25.96	16,492
2019	5,304,640.56	105,271	107,537	5,462,336	25.96	210,414
	112,841,611.74	27,686,010	28,281,943	90,201,749		3,484,552
NEWMAN COMMON						
INTERIM SURVIVOR CURVE.. IOWA 70-R4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2010	43,764.00	12,336	8,577	37,375	25.86	1,445
2011	17,000.35	4,409	3,066	14,785	25.88	571
2012	2,397,353.00	565,418	393,144	2,124,076	25.89	82,042
2013	416,566.00	87,614	60,919	376,475	25.91	14,530
2015	528.00	82	57	497	25.93	19
2016	248,959.73	31,079	21,610	239,798	25.94	9,244
2017	3,457,802.02	319,029	221,826	3,408,866	25.95	131,363
2018	160,966.13	9,232	6,419	162,595	25.96	6,263
2019	9,731.17	193	134	10,084	25.96	388
	6,752,670.40	1,029,392	715,753	6,374,551		245,865
	171,348,074.83	65,382,821	68,063,781	111,851,697		6,410,927

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 17.4 3.74

EL PASO ELECTRIC COMPANY

ACCOUNT 313.00 ENGINES AND ENGINE-DRIVEN GENERATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 55-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. 0						
1983	316,489.00	291,436	316,489			
1992	11,008.00	9,897	11,008			
	327,497.00	301,333	327,497			
NEWMAN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 55-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. 0						
1976	9,083,664.12	7,781,158	7,551,507	1,532,158	6.48	236,444
1978	14,739.00	12,542	12,172	2,567	6.54	393
1981	16,258.00	13,681	13,277	2,981	6.62	450
1982	13,482.00	11,300	10,966	2,516	6.64	379
1983	103,713.00	86,565	84,010	19,703	6.66	2,958
1994	21,573.67	16,851	16,354	5,220	6.83	764
2005	269,140.04	180,830	175,493	93,647	6.92	13,533
2006	1,214,289.08	797,071	773,546	440,743	6.92	63,691
2007	211,049.46	134,795	130,817	80,233	6.93	11,578
2008	773,305.00	479,178	465,036	308,269	6.93	44,483
2010	1,590,460.00	912,876	885,934	704,526	6.94	101,517
2011	23,225.00	12,689	12,314	10,911	6.95	1,570
2012	19,378.00	9,993	9,698	9,680	6.95	1,393
2014	1,367,730.00	599,421	581,730	786,000	6.96	112,931
2015	570,068.00	222,332	215,770	354,298	6.96	50,905
2016	3,223,034.91	1,072,271	1,040,624	2,182,411	6.96	313,565
2017	602,564.82	157,661	153,008	449,557	6.97	64,499
2019	5,662,358.32	378,982	367,797	5,294,562	6.97	759,622
	24,780,032.42	12,880,196	12,500,053	12,279,980		1,780,675
NEWMAN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 55-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2009	31,709,713.19	9,194,548	4,371,672	27,338,041	24.61	1,110,851
2010	1,153.00	311	148	1,005	24.70	41
2011	1,348.00	334	159	1,189	24.78	48
2012	17,187.00	3,868	1,839	15,348	24.86	617

EL PASO ELECTRIC COMPANY

ACCOUNT 313.00 ENGINES AND ENGINE-DRIVEN GENERATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 55-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2013	3,794,837.00	762,610	362,593	3,432,244	24.93	137,675
2014	59,128.00	10,375	4,933	54,195	25.00	2,168
2015	76,615.00	11,328	5,386	71,229	25.07	2,841
2016	9,235,878.45	1,097,777	521,953	8,713,926	25.13	346,754
2017	187,497.81	16,434	7,814	179,684	25.19	7,133
2018	1,299,787.62	71,072	33,792	1,265,995	25.24	50,158
2019	2,049,572.36	38,962	18,525	2,031,047	25.29	80,310
	48,432,717.43	11,207,619	5,328,814	43,103,903		1,738,596
	73,540,246.85	24,389,148	18,156,364	55,383,883		3,519,271

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 15.7 4.79

EL PASO ELECTRIC COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2021						
NET SALVAGE PERCENT.. -5						
1957	2,648,949.00	2,688,053	2,781,396			
1959	87,471.00	88,686	91,845			
1960	1,740.00	1,763	1,827			
1961	1,580.00	1,600	1,659			
1962	407.00	412	427			
1965	87.00	88	91			
1966	944.00	953	991			
1970	1,577.00	1,589	1,656			
1973	17,661.00	17,749	18,544			
1976	30,882.00	30,946	32,426			
1977	5,457.00	5,463	5,730			
1979	5,726.00	5,720	6,012			
1980	509.00	508	534			
1981	1,701.00	1,695	1,786			
1982	4,872.00	4,849	5,116			
1983	6,687.00	6,647	7,021			
1985	1,882.00	1,865	1,976			
1986	1,354.00	1,340	1,422			
1987	1,532.00	1,513	1,609			
1990	3,754.00	3,687	3,942			
1993	509,331.00	496,763	534,798			
1994	538.01	523	565			
1995	17,943.45	17,403	18,841			
1999	74,195.78	70,893	77,906			
2006	26.73	24	28			
2007	13,742.98	12,426	14,430			
2008	29,363.91	26,234	30,832			
2009	52,515.00	46,269	55,141			
2011	4,931.00	4,187	5,178			
2015	32,638.00	23,693	30,339	3,931	2.00	1,966
	3,559,997.86	3,563,541	3,734,067	3,931		1,966
RIO GRANDE UNIT 7						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1958	2,849,904.00	2,843,049	2,934,942	57,457	2.93	19,610
1959	300.00	299	309	6	2.93	2

EL PASO ELECTRIC COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 7						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1960	1,440.00	1,435	1,481	31	2.93	11
1961	1,580.00	1,573	1,624	35	2.94	12
1962	407.00	405	418	9	2.94	3
1963	10,589.00	10,525	10,865	253	2.94	86
1965	87.00	86	89	3	2.95	1
1966	944.00	936	966	25	2.95	8
1970	1,577.00	1,557	1,607	49	2.96	17
1973	17,661.00	17,377	17,939	605	2.96	204
1974	106,426.00	104,561	107,941	3,807	2.97	1,282
1976	30,882.00	30,260	31,238	1,188	2.97	400
1977	5,457.00	5,339	5,512	218	2.97	73
1979	5,726.00	5,585	5,766	247	2.97	83
1980	509.00	496	512	22	2.97	7
1981	1,701.00	1,653	1,706	80	2.98	27
1982	4,872.00	4,726	4,879	237	2.98	80
1983	6,687.00	6,474	6,683	338	2.98	113
1984	1,882.00	1,818	1,877	99	2.98	33
1986	1,354.00	1,302	1,344	78	2.98	26
1987	1,532.00	1,470	1,518	91	2.98	31
1990	3,754.00	3,572	3,687	254	2.98	85
1994	538.01	505	521	44	2.99	15
1995	17,943.45	16,756	17,298	1,543	2.99	516
1997	862,356.73	797,651	823,433	82,042	2.99	27,439
1999	21,357.86	19,533	20,164	2,261	2.99	756
2005	25,662.02	22,299	23,020	3,925	2.99	1,313
2006	29.40	25	26	5	2.99	2
2008	12,055.56	10,030	10,354	2,304	2.99	771
2016	110,958.00	62,568	64,590	51,916	3.00	17,305
2019	98,195.27	14,730	15,206	87,899	3.00	29,300
	4,204,367.30	3,988,595	4,117,514	297,071		99,611
RIO GRANDE UNIT 8						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2033						
NET SALVAGE PERCENT.. -5						
1973	6,928,400.20	5,568,875	6,921,558	353,263	13.09	26,987
1974	7,924.00	6,336	7,875	445	13.13	34
1976	30,882.00	24,424	30,357	2,069	13.21	157

EL PASO ELECTRIC COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 8						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2033						
NET SALVAGE PERCENT.. -5						
1977	5,457.00	4,292	5,335	395	13.24	30
1978	80,616.00	63,013	78,319	6,328	13.28	477
1979	5,726.00	4,448	5,528	484	13.31	36
1980	509.00	393	488	46	13.34	3
1981	1,701.00	1,304	1,621	165	13.37	12
1982	4,872.00	3,708	4,609	507	13.40	38
1983	6,687.00	5,053	6,280	741	13.42	55
1985	13,975.00	10,394	12,919	1,755	13.47	130
1986	1,354.00	998	1,240	181	13.50	13
1987	1,532.00	1,119	1,391	218	13.52	16
1988	235.00	170	211	35	13.54	3
1990	3,754.00	2,662	3,309	633	13.58	47
1993	15,179.66	10,384	12,906	3,032	13.64	222
1994	538.01	363	451	114	13.65	8
1995	17,943.46	11,939	14,839	4,002	13.67	293
1999	21,357.86	13,270	16,493	5,932	13.73	432
2000	2,196,999.57	1,337,558	1,662,452	644,398	13.74	46,899
2004	376,079.70	206,654	256,850	138,033	13.79	10,010
2005	14,749.49	7,849	9,756	5,731	13.80	415
2007	20,450.85	10,090	12,541	8,933	13.82	646
2008	140,999.30	66,507	82,662	65,388	13.83	4,728
2010	3,186.00	1,346	1,673	1,672	13.85	121
2011	142.00	56	70	79	13.85	6
2013	84,453.00	27,998	34,799	53,877	13.87	3,884
2015	128,932.00	32,810	40,780	94,599	13.88	6,815
2016	74,204.00	15,502	19,267	58,647	13.89	4,222
2018	1,579,798.65	159,625	198,398	1,460,391	13.90	105,064
2019	8,010.23	292	363	8,048	13.90	579
	11,776,647.98	7,599,432	9,445,338	2,920,142		212,382
NEWMAN UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1960	3,591,429.01	3,578,114	3,607,185	163,815	2.93	55,910
1963	4,924.00	4,894	4,934	236	2.94	80
1966	558.00	553	557	28	2.95	9
1968	5,143.00	5,089	5,130	270	2.95	92

EL PASO ELECTRIC COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 1 INTERIM SURVIVOR CURVE.. IOWA 75-R2.5 PROBABLE RETIREMENT YEAR.. 12-2022 NET SALVAGE PERCENT.. -5						
1972	168,741.00	166,223	167,574	9,605	2.96	3,245
1976	582.00	570	575	36	2.97	12
1977	336.00	329	332	21	2.97	7
1980	5,191.00	5,055	5,096	354	2.97	119
1981	2,376.00	2,309	2,328	167	2.98	56
1982	3,363.00	3,262	3,289	243	2.98	82
1983	32,328.00	31,298	31,552	2,392	2.98	803
1990	477.00	454	458	43	2.98	14
1993	876,964.00	825,646	832,354	88,458	2.99	29,585
1995	1,310,387.34	1,223,704	1,233,646	142,260	2.99	47,579
1999	1,184.21	1,083	1,092	152	2.99	51
2000	1,960,390.13	1,781,430	1,795,904	262,506	2.99	87,795
2001	8,542.98	7,708	7,771	1,200	2.99	401
2004	97,010.48	85,236	85,929	15,932	2.99	5,328
2006	1,191,724.24	1,022,621	1,030,930	220,381	2.99	73,706
2007	52,088.00	44,060	44,418	10,274	2.99	3,436
2010	8,959.00	7,144	7,202	2,205	2.99	737
2011	38,896.00	30,167	30,412	10,429	2.99	3,488
2014	3,235,641.00	2,194,090	2,211,916	1,185,507	3.00	395,169
2016	165,785.00	93,485	94,245	79,830	3.00	26,610
2017	137,126.94	65,304	65,835	78,149	3.00	26,050
2018	612,068.49	213,271	215,004	427,668	3.00	142,556
2019	204,167.57	30,626	30,875	183,501	3.00	61,167
	13,716,383.39	11,423,725	11,516,540	2,885,663		964,087
NEWMAN UNIT 2 INTERIM SURVIVOR CURVE.. IOWA 75-R2.5 PROBABLE RETIREMENT YEAR.. 12-2022 NET SALVAGE PERCENT.. -5						
1962	2,744,836.55	2,730,279	2,763,783	118,295	2.94	40,236
1963	131,311.00	130,515	132,117	5,760	2.94	1,959
1966	559.00	554	561	26	2.95	9
1968	5,143.00	5,089	5,151	249	2.95	84
1976	582.00	570	577	34	2.97	11
1977	336.00	329	333	20	2.97	7
1980	5,191.00	5,055	5,117	334	2.97	112
1981	2,376.00	2,309	2,337	157	2.98	53
1982	3,363.00	3,262	3,302	229	2.98	77

EL PASO ELECTRIC COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1983	349.00	338	342	24	2.98	8
1990	477.00	454	460	41	2.98	14
1995	1,301,972.32	1,215,846	1,230,766	136,305	2.99	45,587
1999	1,184.19	1,083	1,096	147	2.99	49
2000	662,637.90	602,147	609,536	86,234	2.99	28,841
2001	869,304.19	784,334	793,959	118,811	2.99	39,736
2004	66,777.11	58,672	59,392	10,724	2.99	3,587
2005	1,912,890.75	1,662,204	1,682,601	325,934	2.99	109,008
2010	243.00	194	196	59	2.99	20
2014	2,691,450.00	1,825,074	1,847,470	978,553	3.00	326,184
2015	23,176.00	14,575	14,754	9,581	3.00	3,194
2018	924,840.31	322,254	326,208	644,874	3.00	214,958
2019	90,310.24	13,547	13,713	81,113	3.00	27,038
	11,439,309.56	9,378,684	9,493,772	2,517,503		840,772
NEWMAN UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1966	3,748,861.00	3,462,412	3,500,849	435,455	6.72	64,800
1967	222,425.00	205,005	207,281	26,265	6.73	3,903
1968	5,143.00	4,730	4,783	618	6.74	92
1976	582.00	524	530	81	6.82	12
1977	335.00	301	304	47	6.83	7
1980	5,191.00	4,611	4,662	788	6.85	115
1981	2,376.00	2,102	2,125	369	6.86	54
1982	3,363.00	2,964	2,997	534	6.86	78
1983	349.00	306	309	57	6.87	8
1990	477.00	403	407	93	6.91	13
1994	430,949.75	353,907	357,836	94,661	6.92	13,679
1995	1,282,857.32	1,044,127	1,055,718	291,282	6.93	42,032
1999	56,979.76	44,468	44,962	14,867	6.94	2,142
2001	8,542.95	6,487	6,559	2,411	6.95	347
2005	42,346.06	29,900	30,232	14,231	6.96	2,045
2007	70,776.72	47,516	48,043	26,272	6.96	3,775
2008	315,516.15	205,431	207,712	123,580	6.96	17,756
2009	679,380.00	427,025	431,765	281,584	6.96	40,457
2010	2,169.00	1,307	1,322	956	6.97	137

EL PASO ELECTRIC COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
2011	5,154.00	2,959	2,992	2,420	6.97	347
2013	48,273.00	24,342	24,612	26,074	6.97	3,741
2014	103,176.00	47,587	48,115	60,220	6.97	8,640
2015	171,938.00	70,540	71,323	109,212	6.97	15,669
2016	69,037.00	24,071	24,338	48,151	6.98	6,898
2017	322,753.76	88,844	89,830	249,061	6.98	35,682
2018	3,172,214.38	585,925	592,429	2,738,396	6.98	392,320
2019	1,318,699.25	92,549	93,576	1,291,058	6.98	184,965
	12,089,865.10	6,780,343	6,855,613	5,838,746		839,714
NEWMAN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1975	8,169,644.93	7,378,819	8,578,127			
1977	336.00	302	353			
1978	54,860.00	49,071	57,603			
1979	169,001.00	150,668	177,451			
1980	5,191.00	4,611	5,451			
1981	3,117.00	2,758	3,273			
1982	3,363.00	2,964	3,531			
1983	424.00	372	445			
1990	477.00	403	501			
1995	1,362,236.32	1,108,734	1,405,311	25,037	6.93	3,613
1996	7,236,555.43	5,836,090	7,397,194	201,189	6.93	29,032
1999	1,184.19	924	1,171	72	6.94	10
2000	834,457.14	642,932	814,911	61,269	6.94	8,828
2001	3,211,265.78	2,438,574	3,090,872	280,958	6.95	40,426
2004	2,805,168.50	2,024,156	2,565,600	379,827	6.95	54,651
2006	220,841.69	152,264	192,993	38,890	6.96	5,588
2007	1,271,795.15	853,818	1,082,207	253,178	6.96	36,376
2008	42,965.05	27,974	35,457	9,656	6.96	1,387
2009	3,200,491.00	2,011,672	2,549,777	810,739	6.96	116,485
2010	26,199.00	15,789	20,012	7,497	6.97	1,076
2012	1,468,751.00	795,723	1,008,572	533,616	6.97	76,559
2016	3,454,586.15	1,204,486	1,526,676	2,100,640	6.98	300,951

EL PASO ELECTRIC COMPANY

ACCOUNT 314.00 TURBOGENERATOR UNITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
2017	67,288.64	18,522	23,476	47,177	6.98	6,759
2018	254,135.82	46,940	59,496	207,347	6.98	29,706
2019	104,639.89	7,344	9,308	100,563	6.98	14,407
	33,968,974.68	24,775,910	30,609,768	5,057,655		725,854
NEWMAN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2011	38,397,553.01	9,914,459	7,770,954	32,546,476	25.36	1,283,378
2012	156,960.00	36,843	28,878	135,930	25.39	5,354
2016	148,338.99	18,413	14,432	141,324	25.51	5,540
2017	21,483,821.45	1,975,180	1,548,146	21,009,866	25.53	822,948
2018	1,001,016.75	57,157	44,800	1,006,268	25.56	39,369
2019	463,281.94	9,145	7,168	479,278	25.58	18,736
	61,650,972.14	12,011,197	9,414,378	55,319,143		2,175,325
NEWMAN COMMON						
INTERIM SURVIVOR CURVE.. IOWA 75-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2009	30,272.00	9,135	31,786			
2019	27,824.94	549	75,844	46,628-		
	58,096.94	9,684	107,629	46,628-		
	152,464,614.95	79,531,111	85,294,619	74,793,226		5,859,711

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 12.8   3.84

EL PASO ELECTRIC COMPANY

ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2021						
NET SALVAGE PERCENT.. -5						
1957	532,902.00	542,072	520,284	39,263	1.88	20,885
1959	2,400.00	2,439	2,341	179	1.90	94
1960	841.00	854	820	63	1.91	33
1961	92.00	93	89	7	1.91	4
1966	8.00	8	8			
1967	12.00	12	12	1	1.95	1
1969	537.00	542	520	44	1.96	22
1972	659.00	664	637	55	1.97	28
1974	470.00	473	454	40	1.98	20
1976	1,545.00	1,551	1,489	134	1.99	67
1983	112.00	111	107	11	2.00	6
1984	8,814.00	8,761	8,409	846	2.00	423
1986	17,443.00	17,283	16,588	1,727	2.00	864
1988	10,329.00	10,198	9,788	1,057	2.00	528
1994	10,166.61	9,899	9,501	1,174	2.00	587
1997	14,870.91	14,340	13,764	1,851	2.00	926
2001	71,186.11	67,453	64,742	10,004	2.00	5,002
2007	49,835.30	45,110	43,297	9,030	2.00	4,515
2008	2,751.42	2,461	2,362	527	2.00	264
2010	64.00	56	54	13	2.00	6
2011	1.00	1	1			
2014	59,220.00	45,599	43,766	18,415	2.00	9,208
	784,259.35	769,980	739,032	84,440		43,483
RIO GRANDE UNIT 7						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1958	483,575.00	484,473	461,284	46,470	2.76	16,837
1959	5,863.00	5,870	5,589	567	2.77	205
1960	841.00	841	801	82	2.79	29
1961	92.00	92	88	9	2.81	3
1966	8.00	8	8			
1967	12.00	12	11	1	2.89	
1969	537.00	533	507	56	2.91	19
1971	659.00	652	621	71	2.93	24
1974	470.00	463	441	53	2.95	18
1977	1,545.00	1,516	1,443	179	2.97	60

EL PASO ELECTRIC COMPANY

ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 7						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1983	112.00	109	104	14	2.99	5
1985	8,814.00	8,514	8,106	1,148	3.00	383
1990	27,680.00	26,381	25,118	3,946	3.00	1,315
1994	10,166.61	9,551	9,094	1,581	3.00	527
1997	14,870.91	13,777	13,118	2,497	3.00	832
2008	5,154.23	4,292	4,087	1,325	3.00	442
2009	184.00	150	143	50	3.00	17
2012	469.00	352	335	157	3.00	52
2014	70,143.00	47,656	45,375	28,275	3.00	9,425
2015	24,070.00	15,164	14,438	10,835	3.00	3,612
2018	144,074.26	50,425	48,011	103,267	3.00	34,422
2019	57,347.82	8,602	8,190	52,025	3.00	17,342
	856,687.83	679,433	646,912	252,610		85,569
RIO GRANDE UNIT 8						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2033						
NET SALVAGE PERCENT.. -5						
1973	672,084.55	556,894	591,081	114,607	12.20	9,394
1976	1,545.00	1,252	1,329	293	12.72	23
1983	112.00	86	91	26	13.55	2
1985	13,423.00	10,088	10,707	3,387	13.69	247
1986	18,932.00	14,090	14,955	4,924	13.75	358
1987	2,176.00	1,604	1,702	582	13.80	42
1994	10,166.61	6,897	7,320	3,355	13.97	240
1995	187.51	125	133	64	13.98	5
1997	14,870.91	9,628	10,219	5,395	13.99	386
1999	46,243.03	28,860	30,632	17,923	13.99	1,281
2004	1,167,106.75	643,882	683,409	542,053	14.00	38,718
2010	608,846.00	258,439	274,304	364,984	14.00	26,070
2013	15,816.00	5,266	5,589	11,018	14.00	787
2015	864,898.37	220,897	234,458	673,686	14.00	48,120
2016	2,746.00	577	612	2,271	14.00	162
2018	243,748.16	24,767	26,287	229,648	14.00	16,403
2019	2,852,620.73	103,276	109,616	2,885,636	14.00	206,117
	6,535,522.62	1,886,628	2,002,447	4,859,852		348,355

EL PASO ELECTRIC COMPANY

ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1960	869,064.00	869,437	879,644	32,873	2.79	11,782
1962	1,856.00	1,854	1,876	73	2.82	26
1963	24,005.00	23,954	24,235	970	2.84	342
1966	1,099.00	1,094	1,107	47	2.88	16
1968	272.00	270	273	12	2.90	4
1971	263.00	260	263	13	2.93	4
1977	3,066.00	3,008	3,043	176	2.97	59
1979	13.00	13	13			
1983	267.00	259	262	18	2.99	6
1986	4,004.00	3,859	3,904	300	3.00	100
1987	244.00	235	238	18	3.00	6
1988	39,539.00	37,905	38,350	3,166	3.00	1,055
1992	9,398.00	8,897	9,001	866	3.00	289
1994	180,019.73	169,124	171,109	17,911	3.00	5,970
1995	11,623.01	10,873	11,001	1,204	3.00	401
1997	3,442.45	3,189	3,226	388	3.00	129
	1,148,175.19	1,134,231	1,147,547	58,037		20,189
NEWMAN UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1962	859,299.00	858,288	868,800	33,464	2.82	11,867
1963	73,114.00	72,957	73,851	2,919	2.84	1,028
1966	1,099.00	1,094	1,107	47	2.88	16
1968	273.00	271	274	12	2.90	4
1972	263.00	260	263	13	2.94	4
1977	3,066.00	3,008	3,045	174	2.97	59
1980	13.00	13	13			
1983	267.00	259	262	18	2.99	6
1985	5,624.00	5,433	5,500	406	3.00	135
1986	4,004.00	3,859	3,906	298	3.00	99
1987	244.00	235	238	18	3.00	6
1988	2,017.00	1,934	1,958	160	3.00	53
1990	16,331.00	15,565	15,756	1,392	3.00	464
1994	1,457.55	1,369	1,386	145	3.00	48

EL PASO ELECTRIC COMPANY

ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1995	11,623.01	10,873	11,006	1,198	3.00	399
1997	3,442.45	3,189	3,228	387	3.00	129
2005	70,818.46	61,612	62,367	11,993	3.00	3,998
	1,052,955.47	1,040,219	1,052,959	52,644		18,315
NEWMAN UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1966	700,883.00	656,307	661,424	74,503	6.26	11,901
1967	43,632.00	40,743	41,061	4,753	6.33	751
1968	273.00	254	256	31	6.39	5
1971	263.00	243	245	31	6.56	5
1977	3,066.00	2,773	2,795	425	6.81	62
1980	13.00	12	12	2	6.89	
1983	267.00	236	238	43	6.94	6
1985	5,624.00	4,913	4,951	954	6.96	137
1986	4,004.00	3,480	3,507	697	6.97	100
1987	244.00	211	213	44	6.98	6
1988	12,748.00	10,957	11,042	2,343	6.98	336
1990	18,788.00	15,948	16,072	3,655	6.99	523
1994	1,457.55	1,201	1,210	320	7.00	46
1995	5,603.01	4,576	4,612	1,271	7.00	182
1997	3,442.45	2,757	2,778	836	7.00	119
2018	87,961.49	16,299	16,426	75,933	7.00	10,848
2019	262,622.46	18,384	18,527	257,226	7.00	36,747
	1,150,891.96	779,294	785,370	423,067		61,774
NEWMAN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1975	6,121,853.00	5,576,307	6,132,219	295,727	6.74	43,876
1977	3,066.00	2,773	3,049	170	6.81	25
1980	13.00	12	13			
1983	33,017.00	29,124	32,027	2,640	6.94	380

EL PASO ELECTRIC COMPANY

ACCOUNT 315.00 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1985	36,788.00	32,140	35,344	3,283	6.96	472
1986	56,525.00	49,124	54,021	5,330	6.97	765
1987	33,956.00	29,349	32,275	3,379	6.98	484
1988	27,685.00	23,796	26,168	2,901	6.98	416
1994	1,457.55	1,201	1,321	210	7.00	30
1995	11,623.01	9,492	10,438	1,766	7.00	252
1997	3,442.45	2,757	3,032	583	7.00	83
2000	3,312.77	2,560	2,815	663	7.00	95
2011	24.00	14	15	10	7.00	1
	6,332,762.78	5,758,649	6,332,739	316,662		46,879
NEWMAN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2009	7,527,349.00	2,274,294	2,343,787	5,559,929	25.99	213,926
2011	12,308,989.00	3,185,228	3,282,555	9,641,883	25.99	370,984
2017	46,588.25	4,291	4,422	44,496	26.00	1,711
2019	4,215,650.49	83,527	86,079	4,340,354	26.00	166,937
	24,098,576.74	5,547,340	5,716,844	19,586,662		753,558
NEWMAN COMMON						
INTERIM SURVIVOR CURVE.. IOWA 65-S4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2019	157,236.60	3,115	4	165,095	26.00	6,350
	157,236.60	3,115	4	165,095		6,350
	42,117,068.54	17,598,889	18,423,853	25,799,069		1,384,472

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 18.6 3.29

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 6						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2021						
NET SALVAGE PERCENT.. -5						
1957	52,277.00	53,088	54,867	24	1.94	12
1959	13,613.00	13,812	14,275	19	1.95	10
1960	136.00	138	143			
1961	4,013.00	4,068	4,204	9	1.95	5
1962	872.00	884	914	2	1.95	1
1963	553.00	560	579	2	1.96	1
1964	57.00	58	60			
1965	357.00	361	373	2	1.96	1
1966	4,634.00	4,685	4,842	24	1.96	12
1967	1,278.00	1,291	1,334	8	1.96	4
1968	27,848.00	28,118	29,060	180	1.97	91
1969	1,680.00	1,695	1,752	12	1.97	6
1972	1,004.00	1,011	1,045	9	1.97	5
1974	3,781.00	3,800	3,927	43	1.98	22
1975	2,141.00	2,150	2,222	26	1.98	13
1976	1,076.00	1,080	1,116	14	1.98	7
1977	1,382.00	1,385	1,431	20	1.98	10
1978	2,785.00	2,789	2,882	42	1.98	21
1979	18,411.00	18,417	19,034	297	1.98	150
1981	13,943.00	13,912	14,378	262	1.99	132
1982	30,252.00	30,146	31,156	608	1.99	306
1983	2,021.00	2,011	2,078	44	1.99	22
1985	14,928.00	14,813	15,309	365	1.99	183
1987	23,234.00	22,980	23,750	646	1.99	325
1990	3,347.00	3,291	3,401	113	1.99	57
1992	7,334.00	7,177	7,417	283	2.00	142
1993	457.95	447	462	19	2.00	10
1994	37,774.22	36,772	38,004	1,659	2.00	830
1995	17,295.97	16,788	17,351	810	2.00	405
1996	716,873.22	693,591	716,832	35,885	2.00	17,942
1997	71,598.68	69,034	71,347	3,831	2.00	1,916
1998	133,175.54	127,918	132,204	7,630	2.00	3,815
1999	40,752.51	38,983	40,289	2,501	2.00	1,250
2000	110,502.00	105,224	108,750	7,277	2.00	3,638
2001	108,657.88	102,954	106,404	7,687	2.00	3,844
2011	133.00	113	117	23	2.00	12
2012	12,898.00	10,692	11,050	2,493	2.00	1,246
2014	6,288.00	4,842	5,004	1,598	2.00	799
	1,489,363.97	1,441,078	1,489,365	74,467		37,245

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

RIO GRANDE UNIT 7
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5
PROBABLE RETIREMENT YEAR.. 12-2022
NET SALVAGE PERCENT.. -5

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1958	19,151.00	19,131	20,109			
1959	4,741.00	4,733	4,978			
1960	136.00	136	143			
1961	4,014.00	4,002	4,215			
1962	872.00	869	916			
1963	553.00	550	581			
1964	57.00	57	60			
1965	357.00	355	375			
1966	4,634.00	4,601	4,866			
1967	1,278.00	1,268	1,342			
1968	27,848.00	27,601	29,240			
1969	1,680.00	1,663	1,764			
1972	1,004.00	991	1,054			
1974	3,781.00	3,722	3,970			
1975	2,141.00	2,105	2,248			
1976	1,076.00	1,056	1,130			
1977	1,382.00	1,355	1,451			
1978	2,785.00	2,726	2,924			
1979	18,411.00	17,993	19,332			
1981	13,943.00	13,577	14,640			
1982	30,252.00	29,405	31,765			
1983	2,021.00	1,961	2,122			
1985	17,730.00	17,124	18,617			
1987	61.00	59	64			
1990	3,347.00	3,189	3,514			
1992	94.00	89	99			
1993	457.95	432	481			
1994	37,774.15	35,490	39,597	65	2.99	22
1995	17,295.95	16,182	18,055	106	2.99	35
1996	716,873.15	667,630	744,898	7,819	2.99	2,615
1997	29,203.60	27,063	30,195	469	2.99	157
1998	133,175.52	122,691	136,891	2,944	3.00	981
1999	40,752.50	37,321	41,640	1,150	3.00	383
2000	110,501.96	100,543	112,179	3,848	3.00	1,283
2001	123,244.49	111,334	124,219	5,188	3.00	1,729

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 7 INTERIM SURVIVOR CURVE.. IOWA 70-S2.5 PROBABLE RETIREMENT YEAR.. 12-2022 NET SALVAGE PERCENT.. -5						
2002	463,285.80	415,229	463,285	23,165	3.00	7,722
2004	10,168.71	8,945	9,980	697	3.00	232
2014	5,350.00	3,635	4,056	1,562	3.00	521
	1,851,432.78	1,706,813	1,896,993	47,011		15,680
RIO GRANDE UNIT 8 INTERIM SURVIVOR CURVE.. IOWA 70-S2.5 PROBABLE RETIREMENT YEAR.. 12-2033 NET SALVAGE PERCENT.. -5						
1973	317,792.00	259,538	327,572	6,110	12.55	487
1975	2,141.00	1,729	2,182	66	12.71	5
1976	1,076.00	864	1,090	39	12.78	3
1977	1,286.00	1,027	1,296	54	12.85	4
1978	2,785.00	2,210	2,789	135	12.92	10
1979	18,411.00	14,512	18,316	1,015	12.99	78
1981	13,943.00	10,837	13,678	962	13.12	73
1982	30,242.00	23,333	29,449	2,305	13.18	175
1983	7,645.00	5,853	7,387	640	13.24	48
1985	14,897.00	11,215	14,155	1,487	13.35	111
1987	826.00	611	771	96	13.45	7
1990	3,347.00	2,398	3,027	488	13.58	36
1992	1,468.00	1,027	1,296	245	13.65	18
1993	457.94	316	399	82	13.68	6
1994	37,774.14	25,728	32,472	7,191	13.72	524
1995	17,295.95	11,608	14,651	3,510	13.75	255
1996	716,873.15	473,790	597,986	154,731	13.77	11,237
1997	2,656,463.50	1,725,955	2,178,386	610,901	13.80	44,268
1998	133,175.52	85,011	107,295	32,539	13.82	2,354
1999	40,752.50	25,514	32,202	10,588	13.84	765
2000	150,468.03	92,253	116,436	41,556	13.86	2,998
2001	1,524,446.98	913,678	1,153,184	447,486	13.88	32,240
2005	79,100.00	42,346	53,446	29,609	13.93	2,126
2006	8.00	4	5	3	13.94	
2014	75,484.00	22,367	28,230	51,028	13.99	3,647

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 8						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2033						
NET SALVAGE PERCENT.. -5						
2017	22,559.39	3,589	4,530	19,158	14.00	1,368
2018	988.52	100	126	912	14.00	65
2019	80,000.82	2,896	3,655	80,346	14.00	5,739
	5,951,707.44	3,760,309	4,746,012	1,503,280		108,647
RIO GRANDE COMMON						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2033						
NET SALVAGE PERCENT.. -5						
2006	47,427.49	24,500	34,887	14,912	13.94	1,070
2007	505,951.76	251,063	357,501	173,749	13.95	12,455
2008	5,388.12	2,555	3,638	2,019	13.96	145
2009	167,199.00	75,332	107,269	68,290	13.97	4,888
2011	9,090.00	3,609	5,139	4,405	13.98	315
2013	257,488.00	85,767	122,128	148,235	13.99	10,596
2014	77,412.00	22,938	32,663	48,620	13.99	3,475
2015	171,487.00	43,822	62,400	117,661	13.99	8,410
2016	35,706.00	7,502	10,682	26,809	13.99	1,916
2017	75,784.59	12,057	17,169	62,405	14.00	4,458
2018	172,114.96	17,488	24,902	155,819	14.00	11,130
2019	413,647.29	14,976	21,325	413,005	14.00	29,500
	1,938,696.21	561,609	799,702	1,235,929		88,358
NEWMAN UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1959	178,963.00	178,653	187,911			
1960	81.00	81	85			
1961	9,487.00	9,458	9,961			
1962	149.00	148	156			
1963	358.00	356	376			
1964	1,091.00	1,085	1,146			
1965	1,250.00	1,242	1,313			
1966	6,842.00	6,793	7,184			
1967	715.00	709	751			

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1968	4,130.00	4,093	4,337			
1969	197.00	195	207			
1970	312.00	309	328			
1972	1,917.00	1,892	2,013			
1974	1,107.00	1,090	1,162			
1975	232.00	228	244			
1976	7,372.00	7,238	7,741			
1977	6,276.00	6,152	6,590			
1978	2,458.00	2,406	2,581			
1979	18,600.00	18,178	19,530			
1980	917.00	894	963			
1981	283.00	276	297			
1982	8,462.00	8,225	8,885			
1983	57.00	55	60			
1985	29,399.00	28,394	30,869			
1990	390.00	372	405	4	2.99	1
1994	252,758.25	237,474	258,689	6,707	2.99	2,243
1995	28,767.29	26,914	29,318	887	2.99	297
1996	1,072,272.03	998,616	1,087,829	38,056	2.99	12,728
1997	35,415.31	32,819	35,751	1,435	2.99	480
1999	63,879.37	58,500	63,726	3,347	3.00	1,116
2000	35,075.07	31,914	34,765	2,064	3.00	688
2001	14,389.28	12,999	14,160	948	3.00	316
2002	4,110.32	3,684	4,013	303	3.00	101
2003	269,582.28	239,490	260,885	22,176	3.00	7,392
2004	14,154.28	12,451	13,563	1,299	3.00	433
2006	331.75	285	310	38	3.00	13
2014	105,911.00	71,957	78,385	32,821	3.00	10,940
	2,177,691.23	2,005,625	2,176,490	110,085		36,748
NEWMAN UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1962	39,041.00	38,888	40,993			
1963	3,356.00	3,341	3,524			
1964	1,091.00	1,085	1,146			
1965	1,250.00	1,242	1,313			

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2022						
NET SALVAGE PERCENT.. -5						
1966	6,842.00	6,793	7,184			
1967	715.00	709	751			
1968	4,131.00	4,094	4,338			
1969	197.00	195	207			
1970	312.00	309	328			
1972	1,917.00	1,892	2,013			
1974	1,107.00	1,090	1,162			
1975	232.00	228	244			
1976	7,372.00	7,238	7,741			
1977	6,276.00	6,152	6,590			
1978	2,458.00	2,406	2,581			
1979	18,600.00	18,178	19,530			
1980	917.00	894	963			
1981	283.00	276	297			
1982	8,462.00	8,225	8,858	28	2.97	9
1985	29,399.00	28,394	30,578	291	2.98	98
1990	390.00	372	401	9	2.99	3
1994	252,758.21	237,474	255,737	9,660	2.99	3,231
1995	28,767.29	26,914	28,984	1,222	2.99	409
1996	1,948,687.35	1,814,828	1,954,394	91,727	2.99	30,678
1998	20,578.58	18,958	20,416	1,192	3.00	397
1999	106,657.72	97,676	105,188	6,803	3.00	2,268
2000	35,075.03	31,914	34,368	2,460	3.00	820
2001	14,389.26	12,999	13,999	1,110	3.00	370
2002	4,110.31	3,684	3,967	349	3.00	116
2003	269,582.26	239,490	257,908	25,154	3.00	8,385
2004	14,154.28	12,451	13,409	1,453	3.00	484
	2,829,108.29	2,628,389	2,829,106	141,458		47,268
NEWMAN UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1966	37,311.00	34,654	39,177			
1967	6,896.00	6,392	7,241			
1968	4,131.00	3,820	4,338			
1969	197.00	182	207			
1970	312.00	287	328			

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1972	1,918.00	1,757	2,014			
1974	1,107.00	1,008	1,162			
1975	232.00	211	244			
1976	7,372.00	6,675	7,741			
1977	6,276.00	5,664	6,590			
1978	2,458.00	2,210	2,581			
1979	18,600.00	16,671	19,530			
1980	917.00	819	963			
1981	283.00	252	297			
1982	8,462.00	7,495	8,885			
1985	29,399.00	25,685	30,869			
1990	390.00	331	400	10	6.92	1
1994	252,758.21	208,362	251,530	13,867	6.95	1,995
1995	1,168,219.41	954,870	1,152,696	73,935	6.95	10,638
1996	1,050,490.42	850,402	1,026,584	76,430	6.96	10,981
1998	20,234.54	16,036	19,358	1,888	6.97	271
1999	43,644.79	34,187	41,270	4,557	6.97	654
2000	2,681,439.63	2,072,526	2,501,903	313,609	6.98	44,930
2001	14,389.26	10,967	13,239	1,870	6.98	268
2002	4,110.31	3,085	3,724	592	6.98	85
2003	269,582.27	198,757	239,935	43,127	6.99	6,170
2004	14,154.28	10,241	12,363	2,499	6.99	358
2007	11.72	8	10	3	6.99	
	5,645,295.84	4,473,554	5,395,175	532,386		76,351
NEWMAN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1975	503,252.00	457,073	528,415			
1977	6,276.00	5,664	6,590			
1978	20,612.00	18,536	21,643			
1979	18,600.00	16,671	19,530			
1980	917.00	819	963			
1981	2,092.00	1,861	2,197			
1982	9,819.00	8,697	10,310			
1985	9,779.00	8,544	10,268			
1990	10,432.00	8,860	10,954			

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2026						
NET SALVAGE PERCENT.. -5						
1994	252,758.21	208,362	265,396			
1995	721,545.84	589,772	757,623			
1996	1,228,296.63	994,342	1,289,711			
1999	308,927.57	241,980	317,587	6,787	6.97	974
2000	2,703,892.03	2,089,880	2,742,867	96,220	6.98	13,785
2001	2,165,098.39	1,650,091	2,165,665	107,689	6.98	15,428
2002	50,483.31	37,887	49,725	3,283	6.98	470
2003	36,965.41	27,254	35,770	3,044	6.99	435
2004	3,421,582.37	2,475,559	3,249,052	343,610	6.99	49,157
2016	23,923.00	8,373	10,989	14,130	7.00	2,019
	11,495,251.76	8,850,225	11,495,252	574,762		82,268
NEWMAN UNIT 5						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2009	1,111,963.00	338,336	513,205	654,356	25.71	25,451
2011	659,294.00	171,652	260,371	431,888	25.78	16,753
	1,771,257.00	509,988	773,576	1,086,244		42,204
NEWMAN ZERO LIQUID DISCHARGE						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2011	13,079,566.00	3,405,370	3,040,880	10,692,665	25.78	414,766
2013	799,390.00	168,703	150,646	688,713	25.84	26,653
2014	496,618.00	91,426	81,640	439,809	25.87	17,001
	14,375,574.00	3,665,499	3,273,166	11,821,187		458,420

EL PASO ELECTRIC COMPANY

ACCOUNT 316.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
NEWMAN COMMON						
INTERIM SURVIVOR CURVE.. IOWA 70-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. -5						
2004	49,032.56	19,469	17,049	34,435	25.44	1,354
2005	0.40		0			
2006	134,487.48	48,782	42,718	98,494	25.56	3,853
2007	534,839.12	184,053	161,174	400,407	25.62	15,629
2008	139,666.00	45,344	39,707	106,942	25.67	4,166
2009	745,434.00	226,812	198,618	584,088	25.71	22,718
2011	4,804.00	1,251	1,095	3,949	25.78	153
2012	2,791.00	660	578	2,353	25.81	91
2013	311,991.00	65,842	57,657	269,933	25.84	10,446
2014	551,150.00	101,465	88,852	489,855	25.87	18,935
2015	196,656.34	30,577	26,776	179,713	25.89	6,941
2016	60,024.22	7,501	6,569	56,457	25.91	2,179
2017	113,496.72	10,484	9,181	109,991	25.92	4,243
2018	101,106.19	5,803	5,082	101,080	25.94	3,897
2019	125,450.88	2,490	2,180	129,543	25.95	4,992
	3,070,929.91	750,533	657,238	2,567,238		99,597
	52,596,308.43	30,353,622	35,532,076	19,694,047		1,092,786

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 18.0 2.08

EL PASO ELECTRIC COMPANY

ACCOUNT 341.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
COPPER POWER STATION						
INTERIM SURVIVOR CURVE.. IOWA 60-R4						
PROBABLE RETIREMENT YEAR.. 12-2030						
NET SALVAGE PERCENT.. 0						
1980	569,351.47	448,831	561,994	7,358	10.29	715
1982	11,100.00	8,640	10,818	282	10.41	27
1994	17,445.00	12,218	15,298	2,147	10.84	198
1999	4,097.00	2,670	3,343	754	10.92	69
2006	68,671.81	37,861	47,407	21,265	10.97	1,938
2014	22,828.00	7,614	9,534	13,294	10.99	1,210
2016	91,987.00	22,156	27,742	64,245	11.00	5,840
2019	6,383.89	278	348	6,036	11.00	549
	791,864.17	540,268	676,484	115,380		10,546
RIO GRANDE UNIT 9						
INTERIM SURVIVOR CURVE.. IOWA 60-R4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2012	14,315.00	3,221	1,825	12,490	25.80	484
2013	21,964,717.00	4,410,515	2,498,923	19,465,794	25.83	753,612
2014	55,737.00	9,778	5,540	50,197	25.85	1,942
2015	57,899.00	8,579	4,861	53,038	25.87	2,050
2016	0.16		0			
2019	65,464.88	1,239	702	64,763	25.93	2,498
	22,158,133.04	4,433,332	2,511,851	19,646,282		760,586
MONTANA POWER STATION UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 60-R4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2015	0.37		0			
2016	0.13		0			
2017	53,393.15	4,699	12,464	40,929	25.91	1,580
2018	44,026.81	2,408	6,387	37,640	25.92	1,452
2019	217,926.95	4,123	10,936	206,991	25.93	7,983
	315,347.41	11,230	29,788	285,559		11,015

EL PASO ELECTRIC COMPANY

ACCOUNT 341.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MONTANA POWER STATION UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 60-R4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2016	0.13		0			
2018	38,756.30	2,120	8,246	30,511	25.92	1,177
2019	218,425.00	4,133	16,075	202,350	25.93	7,804
	257,181.43	6,253	24,321	232,860		8,981
MONTANA POWER STATION UNIT 3						
INTERIM SURVIVOR CURVE.. IOWA 60-R4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2016	0.17		0			
2018	21,889.97	1,197	4,825	17,065	25.92	658
2019	184,924.94	3,499	14,105	170,820	25.93	6,588
	206,815.08	4,696	18,930	187,885		7,246
MONTANA POWER STATION UNIT 4						
INTERIM SURVIVOR CURVE.. IOWA 60-R4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2018	52,232.69	2,857	8,775	43,457	25.92	1,677
2019	185,253.51	3,505	10,766	174,488	25.93	6,729
	237,486.20	6,362	19,541	217,945		8,406
MONTANA POWER STATION COMMON						
INTERIM SURVIVOR CURVE.. IOWA 60-R4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2015	12,407,156.00	1,838,368	1,273,174	11,133,982	25.87	430,382
2016	462,284.88	55,054	38,128	424,157	25.89	16,383

EL PASO ELECTRIC COMPANY

ACCOUNT 341.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MONTANA POWER STATION COMMON INTERIM SURVIVOR CURVE.. IOWA 60-R4 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2017	20,325.37	1,789	1,239	19,086	25.91	737
2018	69,116.48	3,781	2,619	66,498	25.92	2,566
2019	5,049,094.68	95,529	66,159	4,982,935	25.93	192,169
	18,007,977.41	1,994,521	1,381,319	16,626,658		642,237
	41,974,804.74	6,996,662	4,662,234	37,312,569		1,449,017

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 25.8 3.45

EL PASO ELECTRIC COMPANY

ACCOUNT 341.00 STRUCTURES AND IMPROVEMENTS - SOLAR

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SOLAR FACILITIES						
INTERIM SURVIVOR CURVE.. IOWA 35-S2						
PROBABLE RETIREMENT YEAR.. 12-2034						
NET SALVAGE PERCENT.. 0						
2009	39,814.00	16,988	14,564	25,250	13.96	1,809
2013	52,054.00	16,102	13,805	38,249	14.49	2,640
	91,868.00	33,090	28,369	63,499		4,449

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 14.3 4.84

EL PASO ELECTRIC COMPANY

ACCOUNT 342.00 FUEL HOLDERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
COPPER POWER STATION INTERIM SURVIVOR CURVE.. IOWA 50-R4 PROBABLE RETIREMENT YEAR.. 12-2030 NET SALVAGE PERCENT.. 0						
1980	267,720.00	214,026	264,794	2,926	9.27	316
1981	207,840.00	164,879	203,989	3,851	9.44	408
1985	5,333.00	4,101	5,074	259	9.95	26
2017	30,797.65	5,707	7,061	23,737	10.99	2,160
	511,690.65	388,713	480,918	30,773		2,910
RIO GRANDE UNIT 9 INTERIM SURVIVOR CURVE.. IOWA 50-R4 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2013	3,118,540.00	630,319	497,843	2,620,697	25.62	102,291
2015	280,628.00	41,774	32,994	247,634	25.73	9,624
2016	26,734.00	3,197	2,525	24,209	25.77	939
2018	89,857.58	4,930	3,894	85,964	25.84	3,327
2019	253,018.91	4,797	3,789	249,230	25.87	9,634
	3,768,778.49	685,017	541,045	3,227,734		125,815
MONTANA POWER STATION COMMON INTERIM SURVIVOR CURVE.. IOWA 50-R4 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2015	5,489,927.00	817,231	526,337	4,963,590	25.73	192,911
2016	9,689,787.30	1,158,705	746,263	8,943,524	25.77	347,052
2017	40,162.88	3,547	2,284	37,878	25.81	1,468
2018	41,440.78	2,273	1,464	39,977	25.84	1,547
2019	5,616,109.70	106,481	68,579	5,547,531	25.87	214,439
	20,877,427.66	2,088,237	1,344,928	19,532,500		757,417
	25,157,896.80	3,161,967	2,366,890	22,791,007		886,142

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 25.7 3.52

EL PASO ELECTRIC COMPANY

ACCOUNT 343.00 PRIME MOVERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
RIO GRANDE UNIT 9						
INTERIM SURVIVOR CURVE.. IOWA 40-S1						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2013	55,119,692.31	12,005,620	8,731,563	46,388,129	22.84	2,031,004
2015	226,256.00	36,110	26,262	199,994	23.38	8,554
2016	740,668.00	94,835	68,973	671,695	23.63	28,426
2017	376,461.48	35,549	25,854	350,607	23.88	14,682
2018	2,128,825.45	124,685	90,682	2,038,143	24.11	84,535
2019	963,154.84	19,398	14,108	949,047	24.33	39,007
	59,555,058.08	12,316,197	8,957,443	50,597,615		2,206,208
MONTANA POWER STATION UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 40-S1						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2015	41,566,855.25	6,634,070	6,357,400	35,209,455	23.38	1,505,965
2016	12,002,288.82	1,536,773	1,472,683	10,529,606	23.63	445,603
2017	314,755.88	29,722	28,482	286,273	23.88	11,988
2018	2,676,625.13	156,770	150,232	2,526,393	24.11	104,786
2019	22,049,315.82	444,073	425,553	21,623,763	24.33	888,770
	78,609,840.90	8,801,408	8,434,351	70,175,490		2,957,112
MONTANA POWER STATION UNIT 2						
INTERIM SURVIVOR CURVE.. IOWA 40-S1						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2015	50,230,343.00	8,016,763	7,400,563	42,829,780	23.38	1,831,898
2017	709,092.25	66,960	61,813	647,279	23.88	27,105
2018	56,092.24	3,285	3,033	53,060	24.11	2,201
2019	22,508,197.70	453,315	418,471	22,089,726	24.33	907,921
	73,503,725.19	8,540,323	7,883,880	65,619,845		2,769,125

EL PASO ELECTRIC COMPANY

ACCOUNT 343.00 PRIME MOVERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MONTANA POWER STATION UNIT 3 INTERIM SURVIVOR CURVE.. IOWA 40-S1 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2016	50,480,044.14	6,463,465	5,155,151	45,324,893	23.63	1,918,108
2017	35,212.76	3,325	2,652	32,561	23.88	1,364
2018	51,285.90	3,004	2,396	48,890	24.11	2,028
2019	12,443,014.35	250,602	199,876	12,243,138	24.33	503,212
	63,009,557.15	6,720,396	5,360,075	57,649,482		2,424,712
MONTANA POWER STATION UNIT 4 INTERIM SURVIVOR CURVE.. IOWA 40-S1 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2016	49,380,041.64	6,322,621	4,555,580	44,824,461	23.63	1,896,930
2017	5,665.96	535	385	5,280	23.88	221
2018	51,228.00	3,000	2,162	49,066	24.11	2,035
2019	12,988,503.50	261,588	188,480	12,800,024	24.33	526,100
	62,425,439.10	6,587,744	4,746,607	57,678,832		2,425,286
MONTANA POWER STATION COMMON INTERIM SURVIVOR CURVE.. IOWA 40-S1 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2015	24,750,764.00	3,950,222	3,011,482	21,739,282	23.38	929,824
2016	7,977,795.33	1,021,477	778,731	7,199,064	23.63	304,658
2017	227,231.98	21,458	16,359	210,873	23.88	8,831
2018	1,051,552.70	61,589	46,953	1,004,600	24.11	41,667
2019	680,190.98	13,699	10,444	669,747	24.33	27,528
	34,687,534.99	5,068,445	3,863,968	30,823,567		1,312,508
	371,791,155.41	48,034,513	39,246,324	332,544,831		14,094,951

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 23.6 3.79

EL PASO ELECTRIC COMPANY

ACCOUNT 344.00 GENERATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
COPPER POWER STATION INTERIM SURVIVOR CURVE.. IOWA 45-S3 PROBABLE RETIREMENT YEAR.. 12-2030 NET SALVAGE PERCENT.. 0						
1980	490,433.99	398,286	439,985	50,449	8.04	6,275
1981	165,233.00	133,284	147,238	17,995	8.21	2,192
2003	8,031,516.27	4,850,715	5,358,565	2,672,951	10.80	247,495
2008	183,557.85	93,987	103,827	79,731	10.95	7,281
2009	26,669.00	13,049	14,415	12,254	10.96	1,118
2010	184,727.00	85,730	94,706	90,021	10.97	8,206
2012	36,792.00	14,924	16,486	20,306	10.99	1,848
2016	319,161.20	77,039	85,105	234,057	11.00	21,278
2017	811,112.47	150,210	165,936	645,176	11.00	58,652
2018	68,195.22	8,183	9,040	59,155	11.00	5,378
2019	51,994.47	2,261	2,498	49,497	11.00	4,500
	10,369,392.47	5,827,668	6,437,801	3,931,591		364,223
RIO GRANDE UNIT 9 INTERIM SURVIVOR CURVE.. IOWA 45-S3 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2014	8,420,577.00	1,496,842	977,806	7,442,771	25.44	292,562
	8,420,577.00	1,496,842	977,806	7,442,771		292,562
MONTANA POWER STATION UNIT 1 INTERIM SURVIVOR CURVE.. IOWA 45-S3 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2015	4,453,424.00	667,123	380,013	4,073,411	25.54	159,491
2016	0.07		0			
2017	15,176.96	1,345	766	14,411	25.71	561
2019	1,654,089.86	31,428	17,902	1,636,188	25.82	63,369
	6,122,690.89	699,896	398,681	5,724,010		223,421

EL PASO ELECTRIC COMPANY

ACCOUNT 344.00 GENERATORS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MONTANA POWER STATION UNIT 2 INTERIM SURVIVOR CURVE.. IOWA 45-S3 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2015	4,518,913.00	676,933	386,848	4,132,065	25.54	161,788
2016	0.07		0			
2017	20,165.07	1,787	1,021	19,144	25.71	745
2019	1,583,612.76	30,089	17,195	1,566,418	25.82	60,667
	6,122,690.90	708,809	405,064	5,717,627		223,200
MONTANA POWER STATION UNIT 3 INTERIM SURVIVOR CURVE.. IOWA 45-S3 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2016	4,534,801.97	544,856	432,226	4,102,576	25.63	160,069
2018	43,254.16	2,379	1,887	41,367	25.77	1,605
2019	1,663,040.30	31,598	25,066	1,637,974	25.82	63,438
	6,241,096.43	578,833	459,179	5,781,917		225,112
MONTANA POWER STATION UNIT 4 INTERIM SURVIVOR CURVE.. IOWA 45-S3 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2016	4,490,700.58	539,558	393,370	4,097,330	25.63	159,865
2019	1,635,527.31	31,075	22,656	1,612,872	25.82	62,466
	6,126,227.89	570,633	416,026	5,710,202		222,331
MONTANA POWER STATION COMMON INTERIM SURVIVOR CURVE.. IOWA 45-S3 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2015	63.16	9	10	53	25.54	2
	63.16	9	10	53		2
	43,402,738.74	9,882,690	9,094,567	34,308,171		1,550,851

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 22.1 3.57

EL PASO ELECTRIC COMPANY

ACCOUNT 344.00 GENERATORS - SOLAR

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SOLAR FACILITIES						
INTERIM SURVIVOR CURVE.. IOWA 25-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2034						
NET SALVAGE PERCENT.. 0						
2009	226,663.00	103,728	88,650	138,013	12.16	11,350
2011	360,913.00	141,864	121,242	239,671	12.97	18,479
2012	309,233.00	110,823	94,713	214,520	13.32	16,105
2013	47,621.00	15,329	13,101	34,520	13.63	2,533
2015	242,832.00	58,525	50,018	192,814	14.14	13,636
	1,187,262.00	430,269	367,724	819,538		62,103

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 13.2 5.23

EL PASO ELECTRIC COMPANY

ACCOUNT 345.00 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
COPPER POWER STATION						
INTERIM SURVIVOR CURVE.. IOWA 45-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2030						
NET SALVAGE PERCENT.. 0						
1980	451,417.00	354,606	363,571	87,846	8.78	10,005
2012	536,392.00	218,902	224,436	311,956	10.82	28,831
2017	15,875.13	2,943	3,017	12,858	10.94	1,175
2018	1,239.49	149	153	1,087	10.95	99
2019	1,301,936.99	56,804	58,240	1,243,697	10.96	113,476
	2,306,860.61	633,404	649,418	1,657,443		153,586
RIO GRANDE UNIT 9						
INTERIM SURVIVOR CURVE.. IOWA 45-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2013	4,666,024.00	984,251	778,270	3,887,754	24.09	161,385
2014	50,603.00	9,287	7,343	43,260	24.29	1,781
2015	193,495.00	29,943	23,677	169,818	24.47	6,940
2016	248,559.77	30,826	24,375	224,185	24.65	9,095
2019	27,928.77	545	431	27,498	25.10	1,096
	5,186,610.54	1,054,852	834,096	4,352,515		180,297
MONTANA POWER STATION UNIT 1						
INTERIM SURVIVOR CURVE.. IOWA 45-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2015	2,298,034.00	355,621	256,078	2,041,956	24.47	83,447
2016	6,460.42	801	577	5,884	24.65	239
2017	73,776.95	6,754	4,863	68,913	24.81	2,778
2019	737,246.97	14,398	10,368	726,879	25.10	28,959
	3,115,518.34	377,574	271,887	2,843,632		115,423

EL PASO ELECTRIC COMPANY

ACCOUNT 345.00 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MONTANA POWER STATION UNIT 2 INTERIM SURVIVOR CURVE.. IOWA 45-S1.5 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2015	2,319,983.00	359,017	258,548	2,061,435	24.47	84,243
2017	11,595.07	1,061	764	10,831	24.81	437
2018	11,229.51	637	459	10,771	24.96	432
2019	687,154.74	13,420	9,664	677,490	25.10	26,992
	3,029,962.32	374,135	269,436	2,760,527		112,104
MONTANA POWER STATION UNIT 3 INTERIM SURVIVOR CURVE.. IOWA 45-S1.5 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2016	2,305,411.81	285,917	187,884	2,117,528	24.65	85,904
2019	381,237.87	7,446	4,893	376,345	25.10	14,994
	2,686,649.68	293,363	192,777	2,493,873		100,898
MONTANA POWER STATION UNIT 4 INTERIM SURVIVOR CURVE.. IOWA 45-S1.5 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2016	1,837,822.10	227,927	133,705	1,704,117	24.65	69,133
2019	412,952.31	8,065	4,731	408,221	25.10	16,264
	2,250,774.41	235,992	138,436	2,112,338		85,397
MONTANA POWER STATION COMMON INTERIM SURVIVOR CURVE.. IOWA 45-S1.5 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2015	7,655,912.00	1,184,752	949,251	6,706,661	24.47	274,077
2016	718,565.63	89,117	71,403	647,163	24.65	26,254

EL PASO ELECTRIC COMPANY

ACCOUNT 345.00 ACCESSORY ELECTRIC EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MONTANA POWER STATION COMMON						
INTERIM SURVIVOR CURVE.. IOWA 45-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2017	398,263.35	36,457	29,210	369,053	24.81	14,875
2018	33,384.89	1,893	1,517	31,868	24.96	1,277
2019	509,954.69	9,959	7,979	501,975	25.10	19,999
	9,316,080.56	1,322,178	1,059,360	8,256,721		336,482
	27,892,456.46	4,291,498	3,415,409	24,477,049		1,084,187

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 22.6 3.89

EL PASO ELECTRIC COMPANY

ACCOUNT 345.00 ACCESSORY ELECTRIC EQUIPMENT - SOLAR

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SOLAR FACILITIES						
INTERIM SURVIVOR CURVE.. IOWA 25-S2.5						
PROBABLE RETIREMENT YEAR.. 12-2034						
NET SALVAGE PERCENT.. 0						
2009	48,070.00	21,998	17,565	30,505	12.16	2,509
2011	57,817.00	22,726	18,147	39,670	12.97	3,059
2012	61,473.00	22,031	17,592	43,881	13.32	3,294
	167,360.00	66,755	53,304	114,056		8,862

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 12.9 5.30

EL PASO ELECTRIC COMPANY

ACCOUNT 346.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
COPPER POWER STATION						
INTERIM SURVIVOR CURVE.. IOWA 50-R4						
PROBABLE RETIREMENT YEAR.. 12-2030						
NET SALVAGE PERCENT.. 0						
1980	362,392.76	289,711	362,393			
1981	81,622.00	64,751	81,622			
1982	71,612.00	56,390	71,612			
1983	1,335.00	1,043	1,335			
1994	66,355.00	46,679	66,355			
1995	448,516.00	311,441	448,516			
1996	1,572,516.00	1,077,205	1,572,516			
1997	50,533.00	34,112	50,533			
1998	44,484.00	29,550	44,484			
1999	19,864.00	12,975	19,864			
2000	132,241.00	84,866	132,241			
2001	653,839.54	411,245	653,840			
2002	210,134.73	129,376	210,135			
2003	100,682.83	60,543	99,898	785	10.90	72
2004	8,366.12	4,905	8,093	273	10.91	25
2007	42,554.16	22,666	37,400	5,155	10.95	471
2012	147,216.00	59,746	98,583	48,633	10.98	4,429
2015	156,360.00	45,424	74,951	81,409	10.99	7,408
	4,170,624.14	2,742,628	4,034,370	136,254		12,405
RIO GRANDE UNIT 9						
INTERIM SURVIVOR CURVE.. IOWA 50-R4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2013	347,016.00	70,139	54,834	292,182	25.62	11,404
2015	63,044.00	9,385	7,337	55,707	25.73	2,165
	410,060.00	79,524	62,171	347,889		13,569

EL PASO ELECTRIC COMPANY

ACCOUNT 346.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MONTANA POWER STATION UNIT 1 INTERIM SURVIVOR CURVE.. IOWA 50-R4 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2015	157,176.29	23,397	26,823	130,353	25.73	5,066
2016	9,448.44	1,130	1,295	8,153	25.77	316
2017	25,577.62	2,259	2,590	22,988	25.81	891
2019	105,366.45	1,998	2,291	103,076	25.87	3,984
	297,568.80	28,784	32,999	264,570		10,257
MONTANA POWER STATION UNIT 2 INTERIM SURVIVOR CURVE.. IOWA 50-R4 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2015	163,198.86	24,294	28,231	134,968	25.73	5,246
2016	9,445.55	1,129	1,312	8,134	25.77	316
2017	1,398.71	124	144	1,255	25.81	49
2019	101,707.62	1,928	2,240	99,467	25.87	3,845
	275,750.74	27,475	31,927	243,823		9,456
MONTANA POWER STATION UNIT 3 INTERIM SURVIVOR CURVE.. IOWA 50-R4 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2016	164,399.45	19,659	20,543	143,856	25.77	5,582
2019	64,958.90	1,232	1,287	63,671	25.87	2,461
	229,358.35	20,891	21,831	207,528		8,043
MONTANA POWER STATION UNIT 4 INTERIM SURVIVOR CURVE.. IOWA 50-R4 PROBABLE RETIREMENT YEAR.. 12-2045 NET SALVAGE PERCENT.. 0						
2016	159,884.27	19,119	18,247	141,638	25.77	5,496
2019	71,343.41	1,353	1,291	70,052	25.87	2,708
	231,227.68	20,472	19,538	211,690		8,204

EL PASO ELECTRIC COMPANY

ACCOUNT 346.00 MISCELLANEOUS POWER PLANT EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
MONTANA POWER STATION COMMON						
INTERIM SURVIVOR CURVE.. IOWA 50-R4						
PROBABLE RETIREMENT YEAR.. 12-2045						
NET SALVAGE PERCENT.. 0						
2015	460,840.04	68,601	86,225	374,615	25.73	14,559
2016	246,367.59	29,461	37,030	209,338	25.77	8,123
2017	28,253.29	2,495	3,136	25,117	25.81	973
2018	13.50	1	1	12	25.84	
2019	5,456.71	103	129	5,327	25.87	206
	740,931.13	100,661	126,522	614,409		23,861
	6,355,520.84	3,020,435	4,329,358	2,026,163		85,795

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 23.6 1.35

EL PASO ELECTRIC COMPANY

ACCOUNT 350.10 LAND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 80-R3						
NET SALVAGE PERCENT.. 0						
1951	15,275.26	11,013	15,275			
1952	41.73	30	42			
1953	550.50	389	550			
1955	20,387.85	14,065	20,388			
1956	38,702.06	26,385	38,702			
1957	89,645.89	60,377	89,646			
1958	29,536.78	19,649	29,536	1	26.78	
1959	18,172.65	11,935	17,941	232	27.46	8
1960	41,276.70	26,752	40,214	1,063	28.15	38
1961	5,826.87	3,726	5,601	226	28.84	8
1962	9,733.61	6,139	9,228	506	29.54	17
1963	75,681.96	47,065	70,748	4,934	30.25	163
1964	15,799.75	9,683	14,555	1,245	30.97	40
1965	19,856.23	11,988	18,020	1,836	31.70	58
1966	21,384.40	12,716	19,115	2,269	32.43	70
1967	11,449.68	6,702	10,074	1,376	33.17	41
1968	40,970.31	23,599	35,474	5,496	33.92	162
1969	310,487.13	175,891	264,400	46,087	34.68	1,329
1970	53,398.94	29,743	44,710	8,689	35.44	245
1971	44,592.89	24,409	36,692	7,901	36.21	218
1972	7,029.57	3,779	5,681	1,349	36.99	36
1973	22,378.65	11,813	17,757	4,622	37.77	122
1974	49,951.89	25,869	38,886	11,066	38.57	287
1975	85,383.90	43,375	65,201	20,183	39.36	513
1976	29,894.34	14,884	22,374	7,520	40.17	187
1977	8,971.30	4,376	6,578	2,393	40.98	58
1978	1,220,096.96	582,596	875,759	344,338	41.80	8,238
1979	45,436.98	21,230	31,913	13,524	42.62	317
1980	93,757.93	42,836	64,391	29,367	43.45	676
1981	29,847.36	13,323	20,027	9,820	44.29	222
1982	28,842.42	12,572	18,898	9,944	45.13	220
1983	8,926.63	3,796	5,706	3,221	45.98	70
1984	2,061,078.70	854,564	1,284,582	776,497	46.83	16,581
1985	15,271.07	6,168	9,272	5,999	47.69	126
1986	1,212.16	477	717	495	48.55	10
1987	219,448.40	83,884	126,094	93,354	49.42	1,889
1988	6,316.34	2,345	3,525	2,791	50.30	55
1989	2,623,279.26	945,036	1,420,579	1,202,700	51.18	23,499
1990	482,502.79	168,451	253,216	229,287	52.07	4,403
1991	234,043.48	79,107	118,914	115,129	52.96	2,174
2003	923,884.28	184,546	277,410	646,474	64.02	10,098
2004	160,833.96	30,217	45,422	115,412	64.97	1,776
2006	533,274.85	87,521	131,562	401,713	66.87	6,007

EL PASO ELECTRIC COMPANY

ACCOUNT 350.10 LAND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 80-R3						
NET SALVAGE PERCENT.. 0						
2013	2,439,651.00	194,245	291,989	2,147,662	73.63	29,168
2016	301,706.00	12,973	19,501	282,205	76.56	3,686
2017	547,311.79	16,830	25,299	522,013	77.54	6,732
2019	5,874,643.18	35,953	54,044	5,820,599	79.51	73,206
	18,917,746.38	4,005,022	6,016,208	12,901,538		192,753

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 66.9 1.02

EL PASO ELECTRIC COMPANY

ACCOUNT 350.10 LAND RIGHTS ISLETA

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. SQUARE						
PROBABLE RETIREMENT YEAR.. 12-2043						
NET SALVAGE PERCENT.. 0						
2018	16,824,155.75	989,597	1,540,524	15,283,632	24.00	636,818
	16,824,155.75	989,597	1,540,524	15,283,632		636,818

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 24.0   3.79

EL PASO ELECTRIC COMPANY

ACCOUNT 352.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 75-R4
NET SALVAGE PERCENT.. -5

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1956	29,981.00	24,063	31,480			
1957	37,951.00	30,099	39,849			
1958	13,335.00	10,449	14,002			
1959	4,459.00	3,450	4,682			
1960	48,046.00	36,700	50,448			
1962	4,090.00	3,042	4,294			
1963	21,859.00	16,033	22,952			
1964	3,042.00	2,199	3,164	30	23.36	1
1966	6,572.00	4,611	6,635	266	24.88	11
1967	32,486.00	22,445	32,299	1,811	25.65	71
1971	456.00	295	425	54	28.85	2
1972	2,819.00	1,789	2,574	386	29.68	13
1981	4,582.00	2,406	3,462	1,349	37.49	36
1982	1,439.00	737	1,061	450	38.40	12
1984	3,241,336.00	1,577,375	2,269,916	1,133,487	40.24	28,168
1985	47,694.00	22,596	32,517	17,562	41.16	427
1986	359,249.00	165,471	238,120	139,091	42.10	3,304
1987	14,928.00	6,679	9,611	6,063	43.04	141
1988	16,942.00	7,358	10,589	7,200	43.98	164
1989	281,386.00	118,457	170,465	124,990	44.93	2,782
1990	8,045.00	3,280	4,720	3,727	45.88	81
1991	7,422.00	2,926	4,211	3,582	46.84	76
1992	111,851.63	42,593	61,293	56,151	47.80	1,175
1995	204,486.52	69,538	100,068	114,643	50.71	2,261
1997	51,534.00	16,118	23,195	30,916	52.66	587
1999	8,688.00	2,479	3,567	5,555	54.62	102
2000	186,804.00	50,737	73,013	123,131	55.60	2,215
2001	5,617.00	1,448	2,084	3,814	56.59	67
2002	339,287.33	82,747	119,077	237,175	57.58	4,119
2003	111,377.29	25,619	36,867	80,079	58.57	1,367
2004	140.01	30	43	104	59.56	2
2005	46,842.89	9,476	13,636	35,549	60.55	587
2006	451,866.31	85,151	122,536	351,924	61.54	5,719
2007	85,199.55	14,874	21,404	68,056	62.53	1,088
2008	35,297.00	5,668	8,157	28,905	63.53	455
2009	1,067,512.00	156,622	225,386	895,502	64.52	13,879
2010	3,221.00	427	614	2,768	65.52	42
2011	729,999.00	86,668	124,720	641,779	66.52	9,648
2012	60,714.00	6,367	9,162	54,588	67.51	809
2013	720,228.00	65,437	94,167	662,072	68.51	9,664
2014	133,432.00	10,256	14,759	125,345	69.51	1,803
2015	575,101.79	36,153	52,026	551,831	70.51	7,826
2016	1,607,154.42	78,756	113,334	1,574,178	71.50	22,016

EL PASO ELECTRIC COMPANY

ACCOUNT 352.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 75-R4						
NET SALVAGE PERCENT.. -5						
2017	421,104.21	14,737	21,207	420,952	72.50	5,806
2018	653,206.46	13,717	19,739	666,128	73.50	9,063
2019	664,659.17	4,655	6,699	691,193	74.50	9,278
	12,463,442.58	2,942,733	4,224,229	8,862,386		144,867

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 61.2 1.16

EL PASO ELECTRIC COMPANY

ACCOUNT 353.00 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R4						
NET SALVAGE PERCENT.. -5						
1971	526,623.00	463,929	552,954			
1972	1,465,123.00	1,274,393	1,538,379			
1973	830,125.00	712,297	871,631			
1974	457,149.00	386,501	480,006			
1975	12,440.00	10,356	13,062			
1976	659,449.00	540,089	692,421			
1978	3,158,528.00	2,497,290	3,266,284	50,170	12.35	4,062
1979	172,153.00	133,618	174,763	5,998	13.04	460
1980	1,750,237.00	1,332,735	1,743,126	94,623	13.74	6,887
1981	454,991.00	339,578	444,145	33,596	14.46	2,323
1982	474,315.00	346,629	453,367	44,664	15.20	2,938
1983	67,742.00	48,439	63,355	7,774	15.95	487
1984	30,136,091.13	21,067,840	27,555,290	4,087,606	16.71	244,620
1985	446,273.00	304,675	398,494	70,093	17.49	4,008
1986	365,093.00	243,119	317,983	65,365	18.29	3,574
1987	3,728,603.00	2,419,490	3,164,527	750,506	19.10	39,294
1988	40,283.00	25,446	33,282	9,015	19.92	453
1989	18,304,721.00	11,239,831	14,700,928	4,519,029	20.76	217,680
1990	1,202,871.09	717,140	937,970	325,045	21.61	15,041
1991	486,654.83	281,248	367,853	143,135	22.48	6,367
1992	245,717.72	137,464	179,793	78,211	23.36	3,348
1994	816,065.00	425,864	557,001	299,867	25.15	11,923
1995	341,890.76	171,882	224,810	134,175	26.06	5,149
1996	91,907.52	44,430	58,111	38,392	26.98	1,423
1997	7,116,863.78	3,301,442	4,318,060	3,154,647	27.91	113,029
1998	175,658.00	78,019	102,044	82,397	28.85	2,856
1999	590,888.00	250,779	328,002	292,430	29.79	9,816
2000	5,501,615.28	2,224,028	2,908,876	2,867,820	30.75	93,262
2001	283,287.13	108,808	142,313	155,138	31.71	4,892
2002	983,371.56	357,878	468,080	564,460	32.67	17,278
2003	8,363,933.16	2,873,513	3,758,358	5,023,772	33.64	149,339
2004	1,451,295.11	468,739	613,078	910,782	34.62	26,308
2005	30,224.48	9,140	11,954	19,782	35.60	556
2006	823,449.97	232,065	303,525	561,097	36.58	15,339
2007	875,249.45	228,650	299,059	619,953	37.56	16,506
2008	13,069,854.10	3,142,646	4,110,366	9,612,981	38.55	249,364
2009	8,325,190.16	1,828,711	2,391,829	6,349,621	39.54	160,587
2010	768,558.00	152,843	199,908	607,078	40.53	14,978
2011	11,856,654.77	2,111,433	2,761,610	9,687,878	41.52	233,330
2012	4,266,962.65	670,254	876,646	3,603,665	42.52	84,752
2013	4,698,296.24	640,331	837,509	4,095,702	43.51	94,132
2014	3,791,123.75	437,079	571,669	3,409,011	44.51	76,590
2015	8,131,729.00	766,741	1,002,845	7,535,470	45.51	165,578

EL PASO ELECTRIC COMPANY

ACCOUNT 353.00 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 50-R4						
NET SALVAGE PERCENT.. -5						
2016	27,725,691.45	2,037,838	2,665,352	26,446,624	46.50	568,745
2017	7,271,160.92	381,736	499,285	7,135,434	47.50	150,220
2018	4,284,404.78	134,959	176,517	4,322,108	48.50	89,116
2019	2,023,057.91	21,242	27,783	2,096,428	49.50	42,352
	188,643,565.70	67,623,157	88,164,203	109,911,541		2,948,962

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 37.3 1.56

EL PASO ELECTRIC COMPANY

ACCOUNT 354.00 STEEL TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 75-R4						
NET SALVAGE PERCENT.. -10						
1984	4,016,755.00	2,047,810	2,727,137	1,691,294	40.24	42,030
1985	74.00	37	49	32	41.16	1
1986	3,408.00	1,644	2,189	1,560	42.10	37
1987	57,701.00	27,047	36,019	27,452	43.04	638
1989	18,753,205.00	8,270,595	11,014,229	9,614,296	44.93	213,984
1991	706,563.00	291,823	388,630	388,589	46.84	8,296
1995	5,348.00	1,905	2,537	3,346	50.71	66
1997	3,811.00	1,249	1,663	2,529	52.66	48
1998	42,687.00	13,373	17,809	29,147	53.64	543
2000	258,419.00	73,530	97,922	186,339	55.60	3,351
2005	0.13					
2006	5,079.53	1,003	1,336	4,251	61.54	69
2009	216,147.00	33,222	44,243	193,519	64.52	2,999
2011	56,900.00	7,077	9,425	53,165	66.52	799
2012	1,109,100.00	121,842	162,261	1,057,749	67.51	15,668
2013	364,942.00	34,736	46,259	355,177	68.51	5,184
2016	1,289,691.07	66,209	88,173	1,330,487	71.50	18,608
2017	3,280,950.86	120,290	160,194	3,448,852	72.50	47,570
	30,170,781.59	11,113,392	14,800,075	18,387,784		359,891

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 51.1 1.19

EL PASO ELECTRIC COMPANY

ACCOUNT 355.00 WOOD AND STEEL POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 55-S3
NET SALVAGE PERCENT.. -20

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1964	260.00	251	306	6	10.68	1
1965	53,553.55	51,341	62,601	1,663	11.06	150
1966	123,561.79	117,380	143,124	5,150	11.46	449
1967	44,697.90	42,061	51,286	2,351	11.87	198
1968	159,942.14	149,044	181,732	10,199	12.29	830
1969	2,585,632.92	2,384,626	2,907,618	195,142	12.73	15,329
1970	211,260.96	192,716	234,982	18,531	13.19	1,405
1971	183,504.19	165,515	201,815	18,390	13.66	1,346
1972	28,927.40	25,782	31,436	3,277	14.15	232
1973	92,090.40	81,052	98,828	11,680	14.66	797
1974	205,557.01	178,544	217,702	28,966	15.19	1,907
1975	346,600.58	296,967	362,097	53,824	15.73	3,422
1976	123,018.13	103,873	126,654	20,968	16.30	1,286
1977	36,917.79	30,705	37,439	6,862	16.88	407
1978	5,243,933.05	4,292,767	5,234,250	1,058,470	17.48	60,553
1979	198,509.59	159,776	194,818	43,394	18.11	2,396
1980	410,278.68	324,493	395,660	96,674	18.75	5,156
1981	130,737.77	101,519	123,784	33,101	19.41	1,705
1982	126,335.97	96,200	117,298	34,305	20.10	1,707
1983	39,100.51	29,168	35,565	11,356	20.81	546
1984	9,296,819.43	6,789,095	8,278,068	2,878,115	21.53	133,679
1985	67,027.42	47,850	58,344	22,089	22.28	991
1986	42,452.80	29,594	36,085	14,858	23.05	645
1987	963,198.15	654,840	798,458	357,380	23.84	14,991
1988	27,723.53	18,358	22,384	10,884	24.65	442
1989	20,793,025.00	13,392,288	16,329,463	8,622,167	25.48	338,390
1990	1,299,408.66	812,811	991,075	568,215	26.33	21,581
1991	1,043,442.09	633,127	771,983	480,148	27.19	17,659
1992	17,364.97	10,203	12,441	8,397	28.07	299
1993	2,912,039.05	1,653,817	2,016,530	1,477,917	28.97	51,015
1994	2,003,571.55	1,098,109	1,338,945	1,065,341	29.88	35,654
1995	1,102,537.73	582,140	709,814	613,231	30.80	19,910
1996	5,649,141.45	2,866,894	3,495,657	3,283,313	31.74	103,444
1997	2,106,341.00	1,025,754	1,250,721	1,276,888	32.68	39,072
1998	1,507,945.19	702,751	856,877	952,657	33.64	28,319
1999	1,181,374.35	525,565	640,831	776,818	34.61	22,445
2000	1,270,898.69	538,490	656,591	868,487	35.58	24,409
2001	352,755.32	141,922	173,048	250,258	36.56	6,845
2002	877,300.63	334,199	407,495	645,266	37.54	17,189
2003	1,159,769.20	416,751	508,152	883,571	38.53	22,932
2004	4,664,575.00	1,575,414	1,920,931	3,676,559	39.52	93,030
2005	928,837.60	293,643	358,044	756,561	40.51	18,676
2006	62,187.85	18,303	22,317	52,308	41.51	1,260

EL PASO ELECTRIC COMPANY

ACCOUNT 355.00 WOOD AND STEEL POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-S3						
NET SALVAGE PERCENT.. -20						
2007	625,988.03	170,722	208,164	543,022	42.50	12,777
2008	4,829,670.08	1,211,803	1,477,574	4,318,030	43.50	99,265
2009	696,439.00	159,549	194,541	641,186	44.50	14,409
2010	1,473,299.00	305,380	372,355	1,395,604	45.50	30,673
2011	5,593,230.75	1,037,321	1,264,825	5,447,052	46.50	117,141
2012	9,016,252.09	1,475,347	1,798,918	9,020,585	47.50	189,907
2013	15,326,116.13	2,173,488	2,650,174	15,741,165	48.50	324,560
2014	2,639,010.08	316,681	386,135	2,780,677	49.50	56,175
2015	12,868,396.00	1,263,471	1,540,574	13,901,501	50.50	275,277
2016	6,045,537.58	461,686	562,942	6,691,703	51.50	129,936
2017	9,875,730.04	538,622	656,752	11,194,124	52.50	213,221
2018	14,731,560.48	482,076	587,804	17,090,069	53.50	319,441
2019	10,089,154.02	110,052	134,188	11,972,796	54.50	219,684
	163,484,540.27	52,691,896	64,248,195	131,933,253		3,115,165

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 42.4 1.91

EL PASO ELECTRIC COMPANY

ACCOUNT 356.00 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 60-R5
NET SALVAGE PERCENT.. -15

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1956	146,272.02	155,429	168,213			
1957	704,843.42	743,965	810,570			
1958	134,966.97	141,449	155,212			
1959	59,410.78	61,786	68,322			
1960	172,635.92	178,049	198,531			
1961	30,353.87	31,032	34,907			
1962	59,669.77	60,420	68,620			
1963	419,687.88	420,622	479,903	2,738	7.71	355
1964	78,008.11	77,329	88,228	1,481	8.28	179
1965	98,298.61	96,313	109,887	3,156	8.88	355
1966	196,059.68	189,770	216,516	8,953	9.50	942
1967	50,228.98	47,982	54,744	3,019	10.16	297
1968	78,467.25	73,920	84,338	5,899	10.85	544
1969	4,389,413.96	4,074,454	4,648,696	399,130	11.57	34,497
1970	240,182.42	219,540	250,481	25,729	12.31	2,090
1971	140,778.76	126,630	144,477	17,419	13.07	1,333
1972	4,331.31	3,830	4,370	611	13.86	44
1973	86,552.63	75,182	85,778	13,758	14.68	937
1974	125,203.94	106,765	121,812	22,173	15.51	1,430
1975	214,114.22	179,091	204,332	41,899	16.36	2,561
1976	82,001.04	67,237	76,713	17,588	17.22	1,021
1977	45,063.42	36,190	41,291	10,532	18.10	582
1978	6,274,378.22	4,930,591	5,625,495	1,590,040	19.00	83,686
1979	120,396.33	92,512	105,550	32,906	19.91	1,653
1980	273,032.84	204,981	233,870	80,118	20.83	3,846
1981	83,929.04	61,514	70,184	26,334	21.76	1,210
1982	85,727.06	61,288	69,926	28,660	22.70	1,263
1983	7,433.17	5,177	5,907	2,641	23.66	112
1984	10,445,319.43	7,083,185	8,081,470	3,930,647	24.62	159,653
1985	122,949.49	81,088	92,516	48,876	25.59	1,910
1986	8,924.57	5,720	6,526	3,737	26.56	141
1987	1,461,532.50	909,292	1,037,445	643,317	27.54	23,359
1988	6,526.22	3,936	4,491	3,014	28.53	106
1989	32,221,214.00	18,823,633	21,476,584	15,577,812	29.52	527,704
1990	924,495.66	522,548	596,194	466,976	30.51	15,306
1991	1,548,213.09	845,409	964,559	815,886	31.51	25,893
1993	3,252,007.17	1,651,761	1,884,556	1,855,252	33.50	55,381
1994	104,011.00	50,835	58,000	61,613	34.50	1,786
1995	323,456.00	151,888	173,295	198,679	35.50	5,597
1996	1,749,955.00	788,216	899,305	1,113,143	36.50	30,497
1997	1,503,797.00	648,512	739,911	989,456	37.50	26,385
1998	767,106.00	316,109	360,660	521,512	38.50	13,546
1999	108,455.00	42,614	48,620	76,103	39.50	1,927

EL PASO ELECTRIC COMPANY

ACCOUNT 356.00 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R5						
NET SALVAGE PERCENT.. -15						
2000	136,281.00	50,935	58,114	98,609	40.50	2,435
2001	24,980.00	8,857	10,105	18,622	41.50	449
2002	4,542.99	1,524	1,739	3,485	42.50	82
2003	417,846.75	132,144	150,768	329,756	43.50	7,581
2004	1,601,976.76	475,914	542,988	1,299,285	44.50	29,197
2005	11,239.99	3,124	3,564	9,362	45.50	206
2006	18,896.47	4,889	5,578	16,153	46.50	347
2007	61.29	15	17	53	47.50	1
2008	4,964,821.00	1,094,348	1,248,582	4,460,962	48.50	91,979
2009	480,169.09	96,634	110,253	441,941	49.50	8,928
2010	381,848.00	69,527	79,326	359,799	50.50	7,125
2011	331,951.00	54,082	61,704	320,040	51.50	6,214
2012	72,725.20	10,454	11,927	71,707	52.50	1,366
2013	5,292,660.48	659,357	752,285	5,334,275	53.50	99,706
2014	671,915.00	70,834	80,817	691,885	54.50	12,695
2015	6,252,900.00	539,313	615,323	6,575,512	55.50	118,478
2016	5,757,857.43	386,234	440,669	6,180,867	56.50	109,396
2017	1,078,321.01	51,674	58,957	1,181,112	57.50	20,541
2018	959,064.79	27,573	31,459	1,071,466	58.50	18,316
2019	856,286.68	8,203	9,359	975,371	59.50	16,393
	98,265,748.68	48,193,429	54,924,539	58,081,072		1,579,563

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 36.8 1.61

EL PASO ELECTRIC COMPANY

ACCOUNT 359.00 ROADS AND TRAILS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R3						
NET SALVAGE PERCENT.. 0						
1984	204,695.73	95,798	152,924	51,772	37.24	1,390
1992	114,156.16	42,287	67,503	46,653	44.07	1,059
1997	162,489.55	49,814	79,519	82,971	48.54	1,709
1999	298,154.03	83,653	133,537	164,617	50.36	3,269
2000	238,490.86	63,746	101,759	136,732	51.29	2,666
2009	77,514.00	11,328	18,083	59,431	59.77	994
2016	1,119,075.47	54,991	87,783	1,031,292	66.56	15,494
2017	17,065.57	600	958	16,108	67.54	238
2018	261,016.36	5,518	8,808	252,208	68.52	3,681
2019	1,080,695.21	7,565	12,077	1,068,619	69.51	15,374
	3,573,352.94	415,300	662,951	2,910,402		45,874

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 63.4 1.28

EL PASO ELECTRIC COMPANY

ACCOUNT 360.10 LAND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
NET SALVAGE PERCENT.. 0						
1988	33,783.01	14,927	19,435	14,348	39.07	367
1989	41,548.73	17,801	23,177	18,372	40.01	459
1990	33,083.33	13,730	17,876	15,207	40.95	371
1991	42,621.21	17,109	22,276	20,345	41.90	486
1992	326,935.42	126,756	165,035	161,900	42.86	3,777
1993	1,094.00	409	533	561	43.81	13
1994	5,529.00	1,992	2,594	2,935	44.78	66
1995	11,252.00	3,900	5,078	6,174	45.74	135
1996	3,290.00	1,095	1,426	1,864	46.71	40
1997	14,019.00	4,470	5,820	8,199	47.68	172
1998	6,927.00	2,112	2,750	4,177	48.66	86
1999	10,111.00	2,941	3,829	6,282	49.64	127
2000	6,916.00	1,915	2,493	4,423	50.62	87
2001	7,383.00	1,941	2,527	4,856	51.60	94
2002	2,821.00	702	914	1,907	52.59	36
2003	43,281.42	10,159	13,227	30,054	53.57	561
2004	252,126.61	55,612	72,406	179,721	54.56	3,294
2005	88,977.90	18,368	23,915	65,063	55.55	1,171
2010	1,330,649.00	180,210	234,629	1,096,020	60.52	18,110
2015	1,415.00	91	118	1,297	65.51	20
2019	315,031.63	2,249	2,929	312,103	69.50	4,491
	2,578,795.26	478,489	622,987	1,955,808		33,963

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 57.6 1.32

EL PASO ELECTRIC COMPANY

ACCOUNT 361.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 70-R3
NET SALVAGE PERCENT.. -5

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1947	622.27	532	611	42	12.99	3
1948	5,427.80	4,606	5,291	408	13.43	30
1949	5,298.47	4,459	5,123	440	13.89	32
1950	6,259.13	5,224	6,001	571	14.36	40
1951	18,542.46	15,342	17,625	1,845	14.84	124
1952	9,782.16	8,020	9,214	1,057	15.34	69
1953	5,773.47	4,689	5,387	675	15.85	43
1954	5,652.50	4,547	5,224	711	16.37	43
1955	62,860.80	50,059	57,509	8,495	16.91	502
1956	60,446.70	47,638	54,727	8,742	17.46	501
1957	3,881.42	3,026	3,476	599	18.03	33
1958	12,561.30	9,685	11,126	2,063	18.60	111
1959	1,919.77	1,463	1,681	335	19.19	17
1960	6,157.57	4,638	5,328	1,137	19.79	57
1961	16,794.32	12,492	14,351	3,283	20.41	161
1962	15,114.01	11,102	12,754	3,116	21.03	148
1963	9,600.97	6,960	7,996	2,085	21.67	96
1964	10,551.15	7,546	8,669	2,410	22.32	108
1965	3,319.75	2,341	2,689	797	22.98	35
1966	395.24	275	316	99	23.65	4
1967	30,638.57	20,989	24,113	8,057	24.33	331
1968	37,929.35	25,591	29,399	10,427	25.02	417
1969	21,504.38	14,283	16,409	6,171	25.72	240
1970	26,945.47	17,610	20,231	8,062	26.43	305
1971	4,105.39	2,639	3,032	1,279	27.14	47
1972	16,037.03	10,135	11,643	5,196	27.87	186
1973	49,658.98	30,831	35,419	16,723	28.61	585
1974	54,577.26	33,278	38,230	19,076	29.35	650
1975	42,282.52	25,300	29,065	15,332	30.11	509
1976	24,453.19	14,353	16,489	9,187	30.87	298
1977	11,083.69	6,378	7,327	4,311	31.64	136
1978	26,440.20	14,904	17,122	10,640	32.42	328
1979	19,595.28	10,817	12,427	8,148	33.20	245
1980	430,145.07	232,344	266,921	184,731	33.99	5,435
1981	49,011.58	25,885	29,737	21,725	34.79	624
1982	38,982.23	20,115	23,109	17,822	35.60	501
1983	156,091.50	78,623	90,324	73,572	36.42	2,020
1984	49,549.94	24,349	27,973	24,054	37.24	646
1985	58,960.11	28,239	32,442	29,466	38.07	774
1986	142,186.52	66,308	76,176	73,120	38.91	1,879
1987	156,582.13	71,049	81,622	82,789	39.75	2,083
1988	2,428.00	1,071	1,230	1,319	40.60	32
1989	179,715.25	76,935	88,384	100,317	41.46	2,420

EL PASO ELECTRIC COMPANY

ACCOUNT 361.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 70-R3
NET SALVAGE PERCENT.. -5

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1990	49,708.61	20,639	23,711	28,483	42.32	673
1992	66,448.38	25,845	29,691	40,080	44.07	909
1993	104,449.00	39,247	45,088	64,583	44.95	1,437
1994	142,021.47	51,468	59,127	89,996	45.84	1,963
1995	26,972.00	9,415	10,816	17,505	46.73	375
1996	1,517.00	509	585	1,008	47.63	21
1997	25,538.76	8,221	9,444	17,372	48.54	358
1998	4,305.00	1,327	1,524	2,996	49.45	61
2000	848,691.42	238,189	273,637	617,489	51.29	12,039
2001	59,830.00	15,965	18,341	44,480	52.21	852
2003	48,377.86	11,553	13,272	37,525	54.08	694
2004	164,980.49	37,071	42,588	130,642	55.02	2,374
2005	45,831.37	9,652	11,088	37,035	55.96	662
2006	196,168.65	38,518	44,250	161,727	56.91	2,842
2007	23,172.93	4,220	4,848	19,484	57.86	337
2008	84,898.73	14,251	16,372	72,772	58.81	1,237
2009	19,406.00	2,978	3,421	16,955	59.77	284
2010	2,086,711.00	290,160	333,342	1,857,705	60.73	30,590
2011	39,793.82	4,954	5,691	36,093	61.70	585
2012	564,371.74	62,050	71,284	521,306	62.67	8,318
2013	1,416,163.04	135,106	155,213	1,331,758	63.64	20,926
2014	223,771.34	18,092	20,784	214,176	64.61	3,315
2015	262,363.00	17,355	19,938	255,543	65.59	3,896
2016	2,187,446.81	112,866	129,663	2,167,156	66.56	32,559
2017	3,605,512.43	133,033	152,831	3,632,957	67.54	53,790
2018	2,680,277.50	59,494	68,348	2,745,943	68.52	40,075
2019	4,919,962.18	36,162	41,544	5,124,416	69.51	73,722
	21,788,555.43	2,455,010	2,820,363	20,057,620		317,742

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 63.1 1.46

EL PASO ELECTRIC COMPANY

ACCOUNT 362.00 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R2						
NET SALVAGE PERCENT.. -5						
1949	132,785.39	106,177	139,425			
1950	154,482.58	122,453	162,207			
1951	14,430.28	11,336	15,152			
1952	180,419.37	140,419	189,440			
1953	387,333.37	298,579	406,700			
1954	230,058.09	175,634	241,561			
1955	1,135,479.90	858,053	1,190,232	2,022	18.22	111
1956	659,221.01	492,937	683,768	8,414	18.71	450
1957	374,558.35	277,117	384,398	8,888	19.20	463
1958	185,114.29	135,460	187,901	6,469	19.70	328
1959	491,666.14	355,737	493,454	22,795	20.21	1,128
1960	501,793.03	358,765	497,654	29,229	20.74	1,409
1961	906,271.17	640,198	888,038	63,547	21.27	2,988
1962	5,985,649.41	4,176,086	5,792,778	492,154	21.81	22,566
1963	87,922.18	60,575	84,025	8,293	22.35	371
1964	400,555.68	272,345	377,778	42,805	22.91	1,868
1965	292,893.27	196,446	272,496	35,042	23.48	1,492
1966	500,346.56	330,979	459,111	66,253	24.05	2,755
1967	319,100.35	208,043	288,583	46,472	24.64	1,886
1968	1,053,457.46	676,786	938,791	167,339	25.23	6,633
1969	697,514.04	441,353	612,214	120,176	25.83	4,653
1970	630,760.87	392,896	544,998	117,301	26.44	4,436
1971	667,652.22	409,187	567,596	133,439	27.06	4,931
1972	757,663.36	456,644	633,425	162,122	27.69	5,855
1973	122,135.52	72,368	100,384	27,858	28.32	984
1974	715,664.54	416,648	577,945	173,503	28.96	5,991
1975	1,642,629.05	939,063	1,302,603	422,158	29.61	14,257
1976	1,959,201.97	1,099,162	1,524,682	532,480	30.27	17,591
1977	224,490.42	123,515	171,331	64,384	30.94	2,081
1978	1,112,069.70	599,822	832,032	335,641	31.61	10,618
1979	156,304.54	82,590	114,563	49,557	32.29	1,535
1980	2,060,100.29	1,065,589	1,478,112	684,993	32.98	20,770
1981	677,360.53	342,812	475,525	235,704	33.67	7,000
1982	495,451.80	245,067	339,940	180,284	34.38	5,244
1983	3,041,273.46	1,469,414	2,038,270	1,155,067	35.09	32,917
1984	640,730.20	302,227	419,228	253,539	35.80	7,082
1985	937,138.22	430,990	597,840	386,155	36.53	10,571
1986	451,516.43	202,328	280,655	193,437	37.26	5,192
1987	2,121,394.43	925,600	1,283,928	943,536	37.99	24,836
1988	383,155.22	162,534	225,456	176,857	38.74	4,565
1989	4,195,982.44	1,729,093	2,398,478	2,007,304	39.49	50,831
1990	2,502,513.27	1,000,920	1,388,407	1,239,232	40.24	30,796
1991	2,083,436.75	807,403	1,119,974	1,067,635	41.01	26,034

EL PASO ELECTRIC COMPANY

ACCOUNT 362.00 STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R2						
NET SALVAGE PERCENT.. -5						
1992	603,189.62	226,346	313,972	319,377	41.77	7,646
1993	4,259,761.00	1,544,798	2,142,837	2,329,912	42.55	54,757
1994	4,877,113.92	1,707,229	2,368,150	2,752,820	43.33	63,532
1995	2,686,212.84	906,037	1,256,792	1,563,731	44.12	35,443
1996	3,565,975.39	1,157,280	1,605,299	2,138,975	44.91	47,628
1998	3,836,536.09	1,145,908	1,589,524	2,438,839	46.51	52,437
1999	1,099,558.01	314,034	435,606	718,930	47.32	15,193
2000	4,471,004.40	1,217,674	1,689,073	3,005,482	48.14	62,432
2001	3,036,108.43	786,682	1,091,231	2,096,683	48.96	42,824
2002	1,880,479.20	462,330	641,312	1,333,191	49.78	26,782
2003	6,876,593.16	1,598,457	2,217,269	5,003,154	50.61	98,857
2004	9,247,214.37	2,024,058	2,807,634	6,901,941	51.45	134,149
2005	4,210,946.31	864,579	1,199,284	3,222,210	52.29	61,622
2006	5,283,396.30	1,013,097	1,405,298	4,142,268	53.13	77,965
2007	1,516,022.60	269,623	374,002	1,217,822	53.99	22,556
2008	10,664,651.53	1,750,341	2,427,953	8,769,931	54.84	159,919
2009	12,989,999.38	1,951,540	2,707,042	10,932,457	55.70	196,274
2010	7,839,712.21	1,067,569	1,480,858	6,750,840	56.57	119,336
2011	3,903,549.10	476,723	661,277	3,437,450	57.44	59,844
2012	15,715,505.73	1,698,312	2,355,782	14,145,499	58.31	242,591
2013	12,841,627.23	1,205,174	1,671,734	11,811,975	59.19	199,560
2014	17,697,216.39	1,409,451	1,955,093	16,626,984	60.07	276,793
2015	7,662,667.00	500,046	693,629	7,352,171	60.96	120,606
2016	8,088,380.63	411,561	570,889	7,921,911	61.85	128,083
2017	14,099,908.61	512,546	710,969	14,093,935	62.75	224,605
2018	27,826,349.93	611,234	847,862	28,369,805	63.64	445,786
2019	48,573,423.21	352,934	489,566	50,512,529	64.55	782,533
	287,622,779.74	50,796,913	70,431,015	231,572,904		4,102,971

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 56.4 1.43

EL PASO ELECTRIC COMPANY

ACCOUNT 364.00 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 45-R3
NET SALVAGE PERCENT.. -30

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1929	3,280.00	4,264	4,264			
1930	5,130.00	6,669	6,669			
1931	1,905.00	2,476	2,476			
1932	1,704.00	2,215	2,215			
1933	1,856.00	2,413	2,413			
1934	2,177.00	2,830	2,830			
1935	1,777.00	2,310	2,310			
1936	3,013.00	3,917	3,917			
1937	1,612.00	2,096	2,096			
1938	390.00	507	507			
1939	2,265.00	2,944	2,944			
1940	3,372.00	4,384	4,384			
1941	639.00	831	831			
1942	1,388.00	1,804	1,804			
1943	4,351.00	5,656	5,656			
1944	5,560.00	7,185	6,327	901	0.27	901
1946	661.69	848	747	113	0.62	113
1949	3,600.00	4,543	4,000	680	1.32	515
1950	10,600.00	13,302	11,713	2,067	1.56	1,325
1951	12,822.00	15,998	14,087	2,582	1.81	1,427
1952	2,817.10	3,494	3,077	585	2.07	283
1953	7.90	10	10			
1955	37,880.00	46,147	40,634	8,610	2.83	3,042
1956	35,482.00	42,959	37,827	8,300	3.09	2,686
1957	32,311.00	38,877	34,233	7,771	3.35	2,320
1958	29,344.00	35,095	30,903	7,244	3.60	2,012
1959	24,394.00	28,992	25,529	6,183	3.86	1,602
1963	3,306.59	3,829	3,372	927	4.92	188
1964	8,322.49	9,567	8,424	2,395	5.21	460
1965	8,062.22	9,200	8,101	2,380	5.50	433
1966	17,125.46	19,394	17,077	5,186	5.80	894
1967	51,059.06	57,350	50,499	15,878	6.12	2,594
1968	50,489.11	56,213	49,498	16,138	6.46	2,498
1969	69,515.00	76,694	67,532	22,838	6.81	3,354
1970	83,553.97	91,289	80,384	28,236	7.18	3,933
1971	26,900.75	29,096	25,620	9,351	7.56	1,237
1972	160,877.03	172,099	151,540	57,600	7.97	7,227
1973	211,657.46	223,792	197,058	78,097	8.40	9,297
1974	405,324.36	423,292	372,726	154,196	8.85	17,423
1975	478,674.69	493,397	434,456	187,821	9.32	20,152
1976	530,549.78	539,357	474,926	214,789	9.81	21,895
1977	523,848.45	524,829	462,134	218,869	10.32	21,208
1978	1,077,052.15	1,062,573	935,639	464,529	10.85	42,814

EL PASO ELECTRIC COMPANY

ACCOUNT 364.00 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 45-R3
NET SALVAGE PERCENT.. -30

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1979	1,291,669.60	1,253,400	1,103,671	575,499	11.41	50,438
1980	1,262,124.11	1,203,958	1,060,135	580,626	11.98	48,466
1981	1,253,022.58	1,173,921	1,033,686	595,243	12.57	47,354
1982	1,676,489.56	1,540,622	1,356,581	822,855	13.19	62,385
1983	1,312,682.33	1,182,408	1,041,159	665,328	13.82	48,142
1984	1,571,541.15	1,386,525	1,220,893	822,110	14.46	56,854
1985	1,733,487.78	1,495,851	1,317,159	936,375	15.13	61,889
1986	1,877,579.30	1,583,308	1,394,168	1,046,685	15.81	66,204
1987	1,795,974.26	1,478,164	1,301,585	1,033,182	16.51	62,579
1988	1,776,177.74	1,425,434	1,255,154	1,053,877	17.22	61,201
1989	1,997,138.10	1,561,221	1,374,720	1,221,560	17.94	68,091
1990	1,575,164.56	1,197,687	1,054,613	993,101	18.68	53,164
1991	2,066,613.30	1,525,987	1,343,695	1,342,902	19.44	69,079
1992	1,660,273.05	1,189,491	1,047,396	1,110,959	20.20	54,998
1993	1,770,004.72	1,228,231	1,081,508	1,219,498	20.98	58,127
1994	2,144,602.87	1,439,213	1,267,287	1,520,697	21.77	69,853
1995	3,509,597.25	2,274,121	2,002,458	2,560,018	22.57	113,426
1996	2,908,934.61	1,816,839	1,599,802	2,181,813	23.38	93,320
1997	3,175,827.48	1,907,402	1,679,546	2,449,030	24.21	101,158
1998	3,204,732.10	1,847,938	1,627,186	2,538,966	25.04	101,396
1999	5,017,810.87	2,770,188	2,439,265	4,083,889	25.89	157,740
2000	5,660,755.73	2,986,128	2,629,409	4,729,573	26.74	176,873
2001	4,774,544.76	2,398,598	2,112,065	4,094,843	27.61	148,310
2002	4,035,045.15	1,924,543	1,694,640	3,550,919	28.49	124,637
2003	4,148,373.25	1,873,111	1,649,352	3,743,533	29.37	127,461
2004	6,464,916.18	2,751,009	2,422,377	5,982,014	30.27	197,622
2005	9,417,229.48	3,762,456	3,312,998	8,929,400	31.17	286,474
2006	4,212,170.89	1,572,163	1,384,354	4,091,468	32.08	127,540
2007	6,750,025.87	2,340,038	2,060,500	6,714,534	33.00	203,471
2008	6,683,683.62	2,137,442	1,882,106	6,806,683	33.93	200,610
2009	6,588,687.92	1,930,018	1,699,461	6,865,833	34.86	196,954
2010	5,832,179.58	1,548,362	1,363,397	6,218,436	35.81	173,651
2011	7,807,302.67	1,860,707	1,638,429	8,511,064	36.75	231,594
2012	7,455,012.55	1,570,026	1,382,473	8,309,043	37.71	220,341
2013	6,159,693.99	1,126,429	991,867	7,015,735	38.67	181,426
2014	6,688,503.46	1,037,581	913,633	7,781,421	39.63	196,352
2015	8,061,961.93	1,024,788	902,368	9,578,183	40.60	235,916
2016	8,413,201.92	833,631	734,047	10,203,115	41.57	245,444

EL PASO ELECTRIC COMPANY

ACCOUNT 364.00 POLES, TOWERS AND FIXTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. -30						
2017	8,515,489.81	602,658	530,665	10,539,472	42.55	247,696
2018	7,667,680.81	325,654	286,752	9,681,233	43.53	222,404
2019	9,513,207.90	134,678	118,589	12,248,581	44.51	275,187
	183,367,772.05	70,296,666	61,904,538	176,473,566		5,697,660

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 31.0 3.11

EL PASO ELECTRIC COMPANY

ACCOUNT 365.00 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 48-R2.5						
NET SALVAGE PERCENT.. -15						
1932	1,770.00	2,017	2,036			
1933	2,100.00	2,381	2,415			
1934	1,553.00	1,751	1,786			
1935	2,848.00	3,193	3,275			
1936	3,132.00	3,492	3,602			
1937	5,757.00	6,382	6,621			
1938	2,865.00	3,157	3,276	19	2.01	9
1939	2,594.00	2,841	2,948	35	2.28	15
1940	4,978.00	5,421	5,626	99	2.55	39
1941	1,615.00	1,748	1,814	43	2.82	15
1943	3,548.00	3,800	3,943	137	3.30	42
1948	21,873.89	22,844	23,706	1,449	4.41	329
1949	7,946.80	8,257	8,569	570	4.63	123
1951	12,966.67	13,334	13,837	1,075	5.08	212
1952	6,053.70	6,192	6,426	536	5.31	101
1953	2,217.23	2,256	2,341	209	5.54	38
1958	37,774.00	37,313	38,722	4,718	6.77	697
1961	57,730.31	55,878	57,988	8,402	7.60	1,106
1962	82,193.07	78,984	81,966	12,556	7.89	1,591
1963	51,934.16	49,522	51,392	8,332	8.20	1,016
1964	97,719.88	92,407	95,896	16,482	8.53	1,932
1965	89,407.76	83,841	87,006	15,813	8.86	1,785
1966	135,692.37	126,073	130,833	25,213	9.22	2,735
1967	181,205.86	166,753	173,048	35,339	9.59	3,685
1968	285,669.69	260,283	270,109	58,411	9.97	5,859
1969	348,763.94	314,345	326,212	74,867	10.38	7,213
1970	384,486.79	342,674	355,611	86,549	10.80	8,014
1971	25,268.53	22,254	23,094	5,965	11.24	531
1972	296,878.86	258,192	267,939	73,472	11.70	6,280
1973	385,224.76	330,595	343,076	99,932	12.18	8,205
1974	452,458.62	382,982	397,440	122,887	12.67	9,699
1975	572,675.42	477,606	495,637	162,940	13.19	12,353
1976	533,418.39	438,094	454,633	158,798	13.72	11,574
1977	351,660.99	284,183	294,912	109,498	14.27	7,673
1978	906,102.23	720,076	747,260	294,758	14.83	19,876
1979	981,787.58	766,584	795,524	333,532	15.41	21,644
1980	795,517.88	609,708	632,726	282,120	16.01	17,621
1981	844,531.21	634,929	658,899	312,312	16.62	18,791
1982	1,052,329.88	775,519	804,797	405,382	17.24	23,514
1983	689,640.78	497,662	516,450	276,637	17.88	15,472
1984	870,100.69	614,128	637,313	363,303	18.54	19,596
1985	1,142,594.49	788,114	817,867	496,117	19.21	25,826
1986	836,044.93	563,045	584,301	377,151	19.89	18,962

EL PASO ELECTRIC COMPANY

ACCOUNT 365.00 OVERHEAD CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 48-R2.5
NET SALVAGE PERCENT.. -15

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1987	761,338.28	500,152	519,034	356,505	20.58	17,323
1988	1,007,468.81	644,952	669,300	489,289	21.28	22,993
1989	1,106,778.77	689,435	715,463	557,333	22.00	25,333
1990	1,004,161.62	608,191	631,152	523,634	22.72	23,047
1991	1,320,648.43	776,459	805,772	712,974	23.46	30,391
1992	1,349,710.09	769,285	798,327	753,840	24.21	31,138
1993	799,969.18	441,390	458,053	461,912	24.97	18,499
1994	996,774.23	531,592	551,661	594,629	25.74	23,101
1995	1,977,351.84	1,018,072	1,056,507	1,217,448	26.51	45,924
1996	1,663,940.60	825,211	856,365	1,057,167	27.30	38,724
1997	1,803,845.24	860,014	892,481	1,181,941	28.10	42,062
1998	1,673,447.84	765,783	794,693	1,129,772	28.90	39,092
1999	2,464,471.67	1,079,326	1,120,073	1,714,069	29.72	57,674
2000	1,512,474.38	632,687	656,572	1,082,774	30.54	35,454
2001	2,415,735.52	961,916	998,230	1,779,866	31.38	56,720
2002	1,737,093.67	656,730	681,523	1,316,135	32.22	40,848
2003	1,820,914.30	651,334	675,923	1,418,128	33.07	42,883
2004	2,906,686.11	980,511	1,017,528	2,325,161	33.92	68,548
2005	4,992,114.41	1,579,962	1,639,609	4,101,323	34.79	117,888
2006	2,235,578.31	660,931	685,883	1,885,032	35.66	52,861
2007	3,993,585.33	1,096,489	1,137,884	3,454,739	36.54	94,547
2008	4,183,113.79	1,060,348	1,100,379	3,710,202	37.42	99,150
2009	3,390,304.82	787,100	816,815	3,082,036	38.31	80,450
2010	3,190,336.07	671,846	697,210	2,971,676	39.21	75,789
2011	4,984,770.21	942,306	977,880	4,754,606	40.11	118,539
2012	4,201,595.98	702,646	729,172	4,102,663	41.02	100,016
2013	3,425,270.63	497,306	516,080	3,422,981	41.94	81,616
2014	5,206,339.93	641,119	665,323	5,321,968	42.86	124,171
2015	5,059,067.44	511,512	530,823	5,287,105	43.78	120,765
2016	9,854,461.46	776,739	806,062	10,526,569	44.71	235,441
2017	4,579,926.96	257,868	267,603	4,999,313	45.65	109,514
2018	7,132,181.23	240,975	250,072	7,951,936	46.59	170,679
2019	9,712,207.33	109,345	113,474	11,055,565	47.53	232,602
	117,036,295.84	33,790,342	35,065,798	99,525,943		2,747,955

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 36.2 2.35

EL PASO ELECTRIC COMPANY

ACCOUNT 366.00 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 65-R4
NET SALVAGE PERCENT.. -5

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1952	69.87	64	73			
1953	3,233.44	2,933	3,395			
1957	17,755.63	15,560	18,595	48	10.75	4
1958	23,485.27	20,372	24,345	315	11.30	28
1959	1,024.57	880	1,052	24	11.86	2
1960	8,967.72	7,613	9,098	318	12.45	26
1961	4,755.42	3,990	4,768	225	13.06	17
1962	70,605.51	58,521	69,935	4,201	13.69	307
1963	13,389.25	10,957	13,094	965	14.34	67
1964	7,826.61	6,321	7,554	664	15.00	44
1965	79,971.40	63,726	76,155	7,815	15.67	499
1966	26,373.62	20,722	24,764	2,928	16.36	179
1967	12,058.25	9,340	11,162	1,499	17.05	88
1968	29,995.59	22,890	27,354	4,141	17.76	233
1969	170,812.21	128,361	153,396	25,957	18.48	1,405
1970	115,300.43	85,305	101,943	19,122	19.20	996
1971	21,289.78	15,497	18,520	3,834	19.94	192
1972	3,807.43	2,725	3,256	742	20.69	36
1973	299,361.82	210,554	251,620	62,710	21.46	2,922
1974	770,539.83	532,366	636,198	172,869	22.23	7,776
1975	320,544.24	217,375	259,771	76,800	23.02	3,336
1976	679,247.57	451,954	540,102	173,108	23.81	7,270
1977	348,744.37	227,483	271,851	94,331	24.62	3,831
1978	736,270.06	470,514	562,282	210,802	25.44	8,286
1979	723,393.09	452,585	540,857	218,706	26.27	8,325
1980	894,628.90	547,431	654,201	285,159	27.12	10,515
1981	815,811.33	487,998	583,176	273,426	27.97	9,776
1982	700,253.44	409,146	488,945	246,321	28.83	8,544
1983	892,305.36	508,823	608,063	328,858	29.70	11,073
1984	1,605,075.12	892,449	1,066,511	618,818	30.58	20,236
1985	1,337,967.15	724,700	866,044	538,822	31.47	17,122
1986	1,207,537.33	636,493	760,634	507,280	32.37	15,671
1987	1,411,487.33	723,246	864,307	617,755	33.28	18,562
1988	1,235,347.37	614,638	734,516	562,599	34.20	16,450
1989	1,229,239.00	593,322	709,043	581,658	35.12	16,562
1990	1,114,041.57	520,980	622,591	547,153	36.05	15,178
1991	1,004,159.01	454,348	542,963	511,404	36.99	13,825
1992	1,049,587.54	458,967	548,483	553,584	37.93	14,595
1993	1,081,834.06	456,472	545,502	590,424	38.88	15,186
1994	1,504,406.99	611,679	730,980	848,647	39.83	21,307
1995	2,457,277.98	961,000	1,148,432	1,431,710	40.79	35,100
1996	2,738,595.73	1,028,547	1,229,153	1,646,373	41.75	39,434
1997	2,252,983.99	810,868	969,018	1,396,615	42.72	32,692

EL PASO ELECTRIC COMPANY

ACCOUNT 366.00 UNDERGROUND CONDUIT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 65-R4
NET SALVAGE PERCENT.. -5

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1998	4,445,985.23	1,530,497	1,829,003	2,839,281	43.69	64,987
1999	4,190,942.40	1,377,001	1,645,569	2,754,921	44.66	61,687
2000	3,818,249.54	1,194,129	1,427,030	2,582,132	45.64	56,576
2001	4,019,085.33	1,193,301	1,426,041	2,793,999	46.62	59,931
2002	4,977,792.08	1,399,130	1,672,014	3,554,668	47.60	74,678
2003	5,358,382.29	1,421,316	1,698,527	3,927,774	48.58	80,852
2004	7,901,354.10	1,969,405	2,353,515	5,942,907	49.57	119,889
2005	6,794,769.02	1,584,931	1,894,054	5,240,453	50.56	103,648
2006	5,073,437.78	1,102,286	1,317,274	4,009,836	51.55	77,785
2007	7,071,508.27	1,423,314	1,700,915	5,724,169	52.54	108,949
2008	5,443,699.10	1,008,625	1,205,346	4,510,538	53.53	84,262
2009	4,886,039.37	826,395	987,574	4,142,767	54.53	75,972
2010	2,440,363.75	373,723	446,613	2,115,769	55.52	38,108
2011	3,022,456.18	414,025	494,776	2,678,803	56.52	47,396
2012	4,692,725.35	567,780	678,519	4,248,843	57.51	73,880
2013	4,486,032.56	470,327	562,059	4,148,275	58.51	70,899
2014	5,850,132.74	518,807	619,995	5,522,644	59.51	92,802
2015	3,812,436.00	276,531	330,465	3,672,593	60.51	60,694
2016	6,402,652.64	362,022	432,630	6,290,155	61.50	102,279
2017	5,067,903.99	204,657	244,573	5,076,726	62.50	81,228
2018	5,500,517.88	133,300	159,299	5,616,245	63.50	88,445
2019	7,552,464.59	60,982	72,876	7,857,212	64.50	121,817
	141,830,292.37	33,892,199	40,502,369	108,419,438		2,124,461

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 51.0 1.50

EL PASO ELECTRIC COMPANY

ACCOUNT 367.00 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 41-S2						
NET SALVAGE PERCENT.. -20						
1964	2,269.81	2,347	2,116	608	5.67	107
1965	14,365.73	14,741	13,292	3,947	5.94	664
1966	23,893.58	24,322	21,931	6,741	6.22	1,084
1967	58,518.31	59,089	53,281	16,941	6.50	2,606
1968	19,101.74	19,120	17,241	5,681	6.80	835
1969	26,823.01	26,614	23,998	8,190	7.10	1,154
1970	69,095.13	67,929	61,252	21,662	7.41	2,923
1974	70,763.39	66,856	60,284	24,632	8.72	2,825
1975	152,882.92	142,875	128,830	54,630	9.07	6,023
1976	115,858.54	107,020	96,500	42,530	9.44	4,505
1977	84,578.11	77,209	69,619	31,875	9.81	3,249
1978	222,473.04	200,616	180,895	86,073	10.19	8,447
1979	307,885.79	274,034	247,096	122,367	10.59	11,555
1980	478,694.44	420,319	379,002	195,431	11.00	17,766
1981	581,489.31	503,426	453,939	243,848	11.42	21,353
1982	303,899.06	259,188	233,710	130,969	11.86	11,043
1983	485,959.74	408,066	367,953	215,199	12.31	17,482
1984	662,719.86	547,571	493,745	301,519	12.77	23,612
1985	748,302.52	607,768	548,024	349,939	13.25	26,410
1986	506,165.56	403,847	364,149	243,250	13.74	17,704
1987	596,418.40	466,781	420,896	294,806	14.26	20,674
1988	884,969.90	678,882	612,148	449,816	14.79	30,414
1989	945,918.50	710,687	640,826	494,276	15.33	32,242
1990	810,717.87	595,586	537,040	435,821	15.90	27,410
1991	1,069,031.21	767,201	691,785	591,052	16.48	35,865
1992	1,018,421.80	712,696	642,638	579,468	17.09	33,907
1993	1,110,916.11	756,934	682,527	650,572	17.72	36,714
1994	2,102,360.21	1,393,108	1,256,165	1,266,667	18.36	68,991
1995	2,472,826.23	1,590,077	1,433,772	1,533,619	19.03	80,590
1996	2,030,041.77	1,264,359	1,140,072	1,295,978	19.72	65,719
1997	3,027,165.90	1,822,511	1,643,358	1,989,241	20.43	97,369
1998	3,767,259.38	2,186,487	1,971,555	2,549,156	21.17	120,414
1999	3,556,652.14	1,986,191	1,790,948	2,477,035	21.92	113,003
2000	3,208,600.83	1,718,552	1,549,618	2,300,703	22.70	101,353
2001	3,884,601.98	1,989,678	1,794,092	2,867,430	23.50	122,018
2002	4,238,354.54	2,069,148	1,865,751	3,220,274	24.32	132,413
2003	3,599,463.37	1,667,703	1,503,768	2,815,588	25.17	111,863
2004	8,296,548.01	3,635,083	3,277,754	6,678,104	26.03	256,554
2005	8,748,496.84	3,605,186	3,250,796	7,247,400	26.92	269,220
2006	7,681,015.23	2,962,967	2,671,707	6,545,511	27.82	235,281
2007	8,041,614.10	2,885,524	2,601,877	7,048,060	28.74	245,235
2008	7,538,046.87	2,499,677	2,253,958	6,791,698	29.67	228,908
2009	7,243,110.90	2,200,486	1,984,178	6,707,555	30.62	219,058

EL PASO ELECTRIC COMPANY

ACCOUNT 367.00 UNDERGROUND CONDUCTORS AND DEVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 41-S2
NET SALVAGE PERCENT.. -20

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
2010	2,438,030.35	672,194	606,117	2,319,519	31.58	73,449
2011	4,916,395.56	1,215,923	1,096,398	4,803,277	32.55	147,566
2012	6,222,874.16	1,360,569	1,226,825	6,240,624	33.53	186,121
2013	8,471,564.39	1,606,717	1,448,776	8,717,101	34.52	252,523
2014	11,738,584.43	1,886,156	1,700,747	12,385,554	35.51	348,791
2015	10,425,291.00	1,373,136	1,238,156	11,272,193	36.50	308,827
2016	62,366.10	6,389	5,761	69,078	37.50	1,842
2017	11,515,271.48	842,642	759,810	13,058,516	38.50	339,182
2018	10,637,835.50	467,086	421,172	12,344,231	39.50	312,512
2019	9,560,541.60	139,966	126,207	11,346,443	40.50	280,159
	166,797,046.25	53,969,239	48,664,055	151,492,400		5,117,534

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 29.6 3.07

EL PASO ELECTRIC COMPANY

ACCOUNT 368.00 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 52-R3
NET SALVAGE PERCENT.. -15

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1925	932.44	1,072	1,072			
1926	2,971.63	3,417	3,417			
1927	2,051.34	2,359	2,359			
1928	1,480.90	1,703	1,703			
1929	2,908.48	3,345	3,345			
1930	2,796.52	3,216	3,216			
1931	1,751.77	2,015	2,015			
1932	545.35	625	549	78	0.19	78
1933	843.94	963	846	125	0.38	125
1934	1,838.63	2,091	1,837	277	0.58	277
1935	2,767.01	3,132	2,751	431	0.81	431
1936	4,513.95	5,087	4,469	722	1.04	694
1937	6,385.45	7,162	6,292	1,051	1.28	821
1938	4,284.49	4,783	4,202	725	1.52	477
1939	4,594.30	5,105	4,485	798	1.76	453
1940	4,415.99	4,882	4,289	789	2.01	393
1941	7,771.81	8,549	7,510	1,428	2.26	632
1942	1,571.24	1,720	1,511	296	2.51	118
1943	932.81	1,016	893	180	2.77	65
1944	670.57	726	638	133	3.02	44
1945	16,638.00	17,927	15,749	3,385	3.28	1,032
1946	23,756.72	25,460	22,366	4,954	3.54	1,399
1947	26,089.47	27,816	24,436	5,567	3.79	1,469
1948	31,233.64	33,121	29,096	6,823	4.05	1,685
1949	30,503.37	32,172	28,263	6,816	4.31	1,581
1950	28,961.40	30,379	26,687	6,619	4.57	1,448
1951	42,905.14	44,758	39,319	10,022	4.83	2,075
1952	49,430.43	51,281	45,049	11,796	5.09	2,317
1953	64,631.28	66,664	58,563	15,763	5.36	2,941
1954	21,048.90	21,585	18,962	5,244	5.63	931
1955	4,174.00	4,255	3,738	1,062	5.91	180
1956	24,352.00	24,666	21,669	6,336	6.20	1,022
1957	36,112.00	36,338	31,922	9,607	6.50	1,478
1958	97,118.20	97,060	85,265	26,421	6.81	3,880
1959	134,229.25	133,197	117,011	37,353	7.13	5,239
1960	110,621.41	108,964	95,723	31,492	7.46	4,221
1961	156,790.81	153,229	134,609	45,700	7.81	5,851
1962	179,987.81	174,425	153,229	53,757	8.18	6,572
1963	89,831.68	86,300	75,813	27,493	8.56	3,212
1964	158,067.21	150,455	132,172	49,605	8.96	5,536
1965	212,482.34	200,324	175,981	68,374	9.37	7,297
1966	179,611.99	167,587	147,222	59,332	9.81	6,048
1967	234,417.71	216,389	190,094	79,486	10.26	7,747

EL PASO ELECTRIC COMPANY

ACCOUNT 368.00 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 52-R3						
NET SALVAGE PERCENT.. -15						
1968	229,566.79	209,525	184,064	79,938	10.73	7,450
1969	270,902.56	244,317	214,628	96,910	11.22	8,637
1970	278,353.39	247,961	217,829	102,277	11.72	8,727
1971	300,524.03	264,186	232,083	113,520	12.25	9,267
1972	420,269.81	364,435	320,149	163,161	12.79	12,757
1973	846,102.22	723,215	635,331	337,687	13.35	25,295
1974	1,115,116.26	938,859	824,770	457,614	13.93	32,851
1975	695,596.46	576,570	506,506	293,430	14.52	20,209
1976	961,978.14	784,393	689,075	417,200	15.13	27,574
1977	1,195,997.47	958,542	842,062	533,335	15.76	33,841
1978	1,626,740.92	1,280,754	1,125,119	745,633	16.40	45,465
1979	1,473,140.82	1,138,308	999,983	694,129	17.06	40,688
1980	1,505,778.32	1,141,223	1,002,543	729,102	17.73	41,123
1981	1,507,908.08	1,120,156	984,037	750,057	18.41	40,742
1982	1,670,241.57	1,214,892	1,067,260	853,518	19.11	44,663
1983	1,776,240.81	1,264,111	1,110,498	932,179	19.82	47,032
1984	2,043,921.98	1,421,612	1,248,860	1,101,650	20.55	53,608
1985	2,057,576.55	1,397,888	1,228,019	1,138,194	21.28	53,487
1986	2,742,199.66	1,817,537	1,596,673	1,556,857	22.03	70,670
1987	2,179,886.12	1,408,184	1,237,064	1,269,805	22.79	55,718
1988	2,445,056.47	1,537,838	1,350,963	1,460,852	23.56	62,006
1989	1,881,088.95	1,150,677	1,010,849	1,152,403	24.34	47,346
1990	2,099,046.05	1,247,336	1,095,762	1,318,141	25.13	52,453
1991	2,054,611.73	1,184,592	1,040,642	1,322,161	25.93	50,990
1992	2,037,147.17	1,138,023	999,732	1,342,987	26.74	50,224
1993	231,282.44	125,008	109,817	156,158	27.56	5,666
1994	4,780,918.27	2,496,337	2,192,986	3,305,070	28.39	116,417
1995	4,429,354.65	2,230,455	1,959,414	3,134,344	29.23	107,230
1996	550,449.52	266,842	234,416	398,601	30.08	13,251
1997	6,997,315.64	3,260,529	2,864,315	5,182,598	30.93	167,559
1998	4,511,154.04	2,015,263	1,770,372	3,417,455	31.80	107,467
1999	3,747,269.17	1,601,918	1,407,256	2,902,104	32.67	88,831
2000	2,735,213.55	1,115,456	979,908	2,165,588	33.56	64,529
2001	4,697,031.34	1,823,035	1,601,503	3,800,083	34.45	110,307
2002	4,105,494.25	1,511,719	1,328,017	3,393,301	35.35	95,992
2003	3,352,066.34	1,167,565	1,025,684	2,829,192	36.25	78,047
2004	1,089,435.47	357,539	314,091	938,760	37.16	25,263
2005	15,718,615.72	4,838,874	4,250,862	13,825,546	38.08	363,066
2006	6,924,786.01	1,989,363	1,747,619	6,215,885	39.01	159,341
2007	16,842,649.24	4,492,069	3,946,200	15,422,847	39.94	386,150
2008	13,816,921.66	3,397,961	2,985,047	12,904,413	40.88	315,666
2009	14,549,945.36	3,272,530	2,874,858	13,857,579	41.83	331,283
2010	9,554,903.86	1,948,307	1,711,552	9,276,587	42.78	216,844

EL PASO ELECTRIC COMPANY

ACCOUNT 368.00 LINE TRANSFORMERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 52-R3
NET SALVAGE PERCENT.. -15

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
2011	15,249,426.32	2,789,059	2,450,137	15,086,703	43.73	344,997
2012	17,096,629.93	2,763,961	2,428,089	17,233,035	44.69	385,613
2013	10,451,153.72	1,467,739	1,289,382	10,729,445	45.65	235,037
2014	12,013,984.23	1,429,412	1,255,712	12,560,370	46.62	269,420
2015	11,456,828.14	1,117,402	981,617	12,193,735	47.59	256,225
2016	20,949,366.27	1,589,093	1,395,990	22,695,781	48.57	467,280
2017	15,340,009.34	834,596	733,177	16,907,834	49.54	341,297
2018	12,068,975.96	395,006	347,006	13,532,316	50.52	267,861
2019	12,923,815.70	140,004	122,991	14,739,397	51.51	286,146
	283,609,011.85	77,179,496	67,802,856	258,347,508		6,629,377

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 39.0 2.34

EL PASO ELECTRIC COMPANY

ACCOUNT 369.00 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 65-S3
NET SALVAGE PERCENT.. -15

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1939	11,846.03	11,940	13,623			
1940	11,803.19	11,845	13,574			
1941	14,682.50	14,667	16,885			
1942	7,016.95	6,976	8,069			
1943	2,587.40	2,560	2,976			
1944	6,103.35	6,007	7,019			
1945	10,204.13	9,993	11,735			
1946	19,097.14	18,600	21,962			
1947	28,423.52	27,527	32,687			
1948	38,963.42	37,521	44,808			
1949	42,692.59	40,871	49,096			
1950	75,892.48	72,198	87,276			
1951	76,085.81	71,924	87,499			
1952	80,461.65	75,563	92,531			
1953	108,262.61	100,981	124,502			
1954	114,629.62	106,168	131,824			
1955	324,398.13	298,215	373,058			
1956	113,961.79	103,977	131,056			
1957	125,132.36	113,263	143,902			
1958	203,082.15	182,309	233,544			
1959	158,397.88	140,990	182,158			
1960	112,291.96	99,077	129,136			
1961	180,208.67	157,533	207,059	181	15.59	12
1962	172,583.18	149,433	196,413	2,058	16.06	128
1963	152,305.67	130,554	171,598	3,554	16.55	215
1964	189,983.56	161,171	211,841	6,640	17.05	389
1965	196,336.00	164,790	216,598	9,188	17.56	523
1966	201,519.07	167,215	219,785	11,962	18.10	661
1967	236,600.99	194,064	255,075	17,016	18.64	913
1968	234,812.50	190,228	250,033	20,001	19.21	1,041
1969	292,910.49	234,291	307,949	28,898	19.79	1,460
1970	321,234.23	253,592	333,318	36,101	20.38	1,771
1971	239,492.08	186,435	245,047	30,369	21.00	1,446
1972	331,021.07	253,997	333,850	46,824	21.63	2,165
1973	414,087.15	312,973	411,367	64,833	22.28	2,910
1974	555,876.28	413,651	543,697	95,561	22.94	4,166
1975	350,564.88	256,589	337,257	65,893	23.63	2,789
1976	466,416.91	335,607	441,117	95,262	24.33	3,915
1977	763,302.19	539,512	709,127	168,671	25.05	6,733
1978	799,826.65	554,851	729,288	190,513	25.79	7,387
1979	800,868.43	544,946	716,269	204,730	26.54	7,714
1980	875,574.26	583,857	767,413	239,497	27.31	8,770
1981	711,501.78	464,499	610,531	207,696	28.10	7,391

EL PASO ELECTRIC COMPANY

ACCOUNT 369.00 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 65-S3
NET SALVAGE PERCENT.. -15

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1982	801,360.92	511,681	672,546	249,019	28.91	8,614
1983	1,049,797.46	655,087	861,037	346,230	29.73	11,646
1984	1,138,303.76	693,390	911,382	397,667	30.57	13,008
1985	1,044,420.03	620,504	815,581	385,502	31.42	12,269
1986	903,573.98	522,911	687,307	351,803	32.29	10,895
1987	802,403.71	451,868	593,929	328,835	33.17	9,914
1988	738,189.56	403,958	530,957	317,961	34.07	9,333
1989	837,242.36	444,682	584,484	378,345	34.98	10,816
1990	824,935.29	424,713	558,237	390,439	35.90	10,876
1991	740,696.83	369,290	485,389	366,412	36.82	9,951
1992	851,212.76	410,235	539,207	439,688	37.76	11,644
1993	6,199.00	2,883	3,789	3,340	38.71	86
1994	1,507,909.00	675,760	888,209	845,886	39.67	21,323
1995	1,285,661.04	554,323	728,594	749,916	40.63	18,457
1997	1,799,193.00	713,664	938,030	1,131,042	42.58	26,563
1998	1,008,319.00	382,483	502,730	656,837	43.56	15,079
1999	549,898.00	199,055	261,635	370,748	44.54	8,324
2000	1,020,817.63	351,642	462,193	711,747	45.53	15,632
2001	871,771.03	285,031	374,641	627,896	46.52	13,497
2002	835,903.25	258,510	339,782	621,507	47.52	13,079
2003	939,163.09	273,995	360,135	719,903	48.51	14,840
2004	1,105,897.02	303,078	398,361	873,421	49.51	17,641
2005	4,226,368.58	1,084,241	1,425,110	3,435,214	50.50	68,024
2006	0.11					
2007	2,775,535.97	613,828	806,806	2,385,060	52.50	45,430
2008	5,666.28	1,153	1,515	5,001	53.50	93
2010	969,221.23	162,899	214,112	900,492	55.50	16,225
2011	839,696.00	126,278	165,978	799,672	56.50	14,153
2012	1,187,345.00	157,545	207,075	1,158,372	57.50	20,146
2013	891,459.00	102,518	134,748	890,430	58.50	15,221
2015	4,828,753.00	384,439	505,301	5,047,765	60.50	83,434
2016	795,015.88	49,233	64,711	849,557	61.50	13,814
2017	2,990,342.85	132,260	173,841	3,265,053	62.50	52,241
2018	2,783,762.45	73,887	97,116	3,104,211	63.50	48,885
2019	3,168,374.79	28,020	36,830	3,606,801	64.50	55,919
	56,297,451.56	20,228,004	26,484,850	38,257,220		779,571

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 49.1 1.38

EL PASO ELECTRIC COMPANY

ACCOUNT 370.00 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R2.5						
NET SALVAGE PERCENT.. -15						
1970	2,470.10	2,531	2,841			
1971	69,163.44	70,357	79,538			
1972	68,517.24	69,182	78,795			
1973	79,307.46	79,426	91,204			
1974	74,270.03	73,770	85,411			
1975	94,835.43	93,388	109,061			
1976	115,894.35	113,096	133,279			
1977	150,762.92	145,736	173,377			
1978	127,849.82	122,284	147,027			
1979	206,728.96	195,556	237,738			
1980	248,429.01	232,229	285,693			
1981	163,088.60	150,524	187,552			
1982	390,227.73	355,289	448,762			
1983	340,531.84	305,457	388,830	2,782	7.70	361
1984	392,387.39	346,299	440,820	10,425	8.14	1,281
1985	566,506.53	491,407	625,535	25,948	8.60	3,017
1986	579,762.80	493,758	628,527	38,200	9.08	4,207
1987	590,650.12	493,134	627,733	51,515	9.59	5,372
1988	857,509.49	701,005	892,342	93,794	10.12	9,268
1989	649,071.07	518,666	660,234	86,198	10.68	8,071
1990	745,379.90	581,421	740,118	117,069	11.26	10,397
1991	855,064.25	650,115	827,562	155,762	11.86	13,133
1992	589,927.24	436,513	555,658	122,758	12.48	9,836
1993	129,167.00	92,860	118,206	30,336	13.12	2,312
1994	1,156,984.26	807,061	1,027,345	303,187	13.77	22,018
1995	392,360.06	264,926	337,237	113,977	14.45	7,888
1997	1,542,295.21	970,429	1,235,304	538,335	15.85	33,964
1998	888,648.06	537,840	684,642	337,303	16.58	20,344
1999	1,563,325.68	908,153	1,156,030	641,795	17.32	37,055
2000	1,749,442.40	973,156	1,238,775	773,084	18.07	42,783
2001	2,622,320.56	1,392,364	1,772,405	1,243,264	18.84	65,991
2002	1,664,568.64	841,181	1,070,778	843,476	19.62	42,991
2003	1,245,095.77	596,885	759,803	672,057	20.41	32,928
2004	247.30	112	143	141	21.22	7
2005	4,298,300.14	1,830,360	2,329,950	2,613,095	22.04	118,561
2006	2,577,593.83	1,027,314	1,307,716	1,656,517	22.87	72,432
2007	94,509.99	35,059	44,628	64,058	23.71	2,702
2008	72,174.13	24,758	31,516	51,484	24.56	2,096
2009	8,316,390.76	2,615,043	3,328,809	6,235,040	25.43	245,184
2010	18,313.65	5,235	6,664	14,397	26.30	547
2011	15,949.33	4,098	5,217	13,125	27.18	483
2012	21,319.44	4,847	6,170	18,347	28.08	653
2013	8,863,865.70	1,753,273	2,231,822	7,961,624	28.98	274,728

EL PASO ELECTRIC COMPANY

ACCOUNT 370.00 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R2.5						
NET SALVAGE PERCENT.. -15						
2014	1,087,534.18	182,960	232,898	1,017,766	29.88	34,062
2015	3,040,579.00	419,600	534,128	2,962,538	30.80	96,186
2016	3,279,447.95	353,415	449,879	3,321,486	31.72	104,713
2017	2,686,806.35	207,451	264,074	2,825,753	32.65	86,547
2018	2,055,357.95	95,232	121,225	2,242,437	33.59	66,759
2019	3,669,322.26	56,671	72,139	4,147,581	34.53	120,115
	61,010,255.32	22,721,426	28,815,140	41,346,653		1,598,992

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 25.9 2.62

EL PASO ELECTRIC COMPANY

ACCOUNT 371.00 INSTALLATIONS ON CUSTOMERS' PREMISES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R2						
NET SALVAGE PERCENT.. -15						
1969	544.59	554	570	56	4.03	14
1970	1,811.32	1,826	1,878	205	4.32	47
1971	9,038.51	9,022	9,277	1,117	4.62	242
1972	14,382.79	14,210	14,612	1,928	4.93	391
1973	22,224.10	21,731	22,346	3,212	5.24	613
1974	18,470.90	17,867	18,372	2,870	5.56	516
1975	22,429.87	21,461	22,068	3,726	5.88	634
1976	18,812.23	17,789	18,292	3,342	6.22	537
1977	22,525.80	21,042	21,637	4,268	6.57	650
1978	26,194.64	24,151	24,834	5,290	6.94	762
1979	24,209.19	22,018	22,641	5,200	7.32	710
1980	23,668.30	21,223	21,823	5,396	7.71	700
1981	50,891.13	44,947	46,218	12,307	8.12	1,516
1982	85,598.29	74,391	76,495	21,943	8.55	2,566
1983	101,495.29	86,739	89,192	27,528	8.99	3,062
1984	70,313.91	59,029	60,698	20,163	9.45	2,134
1985	60,952.05	50,228	51,648	18,447	9.92	1,860
1986	66,340.96	53,601	55,117	21,175	10.41	2,034
1987	91,448.13	72,354	74,400	30,765	10.92	2,817
1988	96,745.97	74,861	76,978	34,280	11.45	2,994
1989	125,836.91	95,138	97,828	46,884	11.99	3,910
1990	82,634.51	60,927	62,650	32,380	12.56	2,578
1991	132,038.94	94,882	97,565	54,280	13.13	4,134
1992	250,292.88	175,005	179,954	107,883	13.72	7,863
1993	122.15	83	85	55	14.33	4
1994	359,042.48	236,413	243,098	169,801	14.96	11,350
1995	366,096.93	233,362	239,961	181,050	15.60	11,606
1996	601.97	371	381	311	16.25	19
1997	553,001.23	328,513	337,803	298,148	16.92	17,621
1998	333,861.42	190,872	196,269	187,672	17.60	10,663
1999	373,187.40	204,896	210,690	218,476	18.29	11,945
2000	312,788.75	164,436	169,086	190,621	19.00	10,033
2001	478,448.79	240,208	247,001	303,215	19.72	15,376
2002	513,869.23	245,498	252,440	338,510	20.46	16,545
2003	916,813.79	415,714	427,470	626,866	21.20	29,569
2004	324,199.49	138,905	142,833	229,996	21.96	10,473
2005	1,796,393.47	724,226	744,706	1,321,146	22.73	58,123
2006	67,332.18	25,420	26,139	51,293	23.51	2,182
2007	965,946.51	339,594	349,197	761,641	24.30	31,343
2008	362,620.38	117,835	121,167	295,846	25.11	11,782
2009	427,195.40	127,451	131,055	360,220	25.92	13,897
2010	452,723.51	122,869	126,343	394,289	26.74	14,745
2011	378,806.84	92,479	95,094	340,534	27.57	12,352

EL PASO ELECTRIC COMPANY

ACCOUNT 371.00 INSTALLATIONS ON CUSTOMERS' PREMISES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 35-R2						
NET SALVAGE PERCENT.. -15						
2012	364,624.46	78,832	81,061	338,257	28.42	11,902
2013	382,403.53	71,994	74,030	365,734	29.27	12,495
2014	410,175.60	65,633	67,489	404,213	30.13	13,416
2015	314,376.63	41,421	42,592	318,941	30.99	10,292
2016	599,675.52	61,673	63,417	626,210	31.87	19,649
2017	706,343.52	51,987	53,457	758,838	32.76	23,164
2018	470,778.41	20,882	21,473	519,922	33.65	15,451
2019	448,252.94	6,629	6,817	508,674	34.55	14,723
	14,098,583.74	5,483,192	5,638,247	10,575,125		454,004

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 23.3 3.22

EL PASO ELECTRIC COMPANY

ACCOUNT 373.00 STREET LIGHTING AND SIGNAL SYSTEMS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

SURVIVOR CURVE.. IOWA 55-R3
NET SALVAGE PERCENT.. -20

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1939	1,868.78	2,119	2,219	24	3.03	8
1940	1,499.73	1,692	1,772	28	3.29	9
1941	693.70	779	816	16	3.55	5
1942	705.02	788	825	21	3.80	6
1943	374.69	416	436	14	4.06	3
1944	681.73	754	790	28	4.32	6
1946	562.50	616	645	30	4.83	6
1947	4,278.59	4,658	4,878	256	5.10	50
1948	13,715.76	14,855	15,557	902	5.36	168
1949	17,086.15	18,408	19,277	1,226	5.62	218
1950	13,222.72	14,165	14,834	1,033	5.90	175
1951	11,887.43	12,665	13,263	1,002	6.17	162
1952	25,366.04	26,864	28,133	2,306	6.46	357
1953	31,199.75	32,845	34,396	3,044	6.75	451
1955	2,026.00	2,105	2,204	227	7.37	31
1957	10,961.81	11,231	11,761	1,393	8.04	173
1958	51,577.45	52,440	54,917	6,976	8.40	830
1959	72,812.60	73,443	76,912	10,463	8.77	1,193
1960	186,953.31	186,979	195,810	28,534	9.16	3,115
1961	62,059.48	61,527	64,433	10,038	9.56	1,050
1962	132,518.04	130,167	136,314	22,708	9.98	2,275
1963	68,297.68	66,445	69,583	12,374	10.41	1,189
1964	52,604.75	50,662	53,055	10,071	10.86	927
1965	99,671.65	94,967	99,452	20,154	11.33	1,779
1966	41,457.64	39,058	40,903	8,846	11.82	748
1967	119,743.67	111,479	116,744	26,948	12.33	2,186
1968	113,172.15	104,077	108,992	26,815	12.85	2,087
1969	113,036.76	102,622	107,469	28,175	13.39	2,104
1970	64,494.94	57,778	60,507	16,887	13.94	1,211
1971	62,013.57	54,784	57,371	17,045	14.51	1,175
1972	191,059.64	166,325	174,180	55,092	15.10	3,648
1973	104,934.38	89,953	94,201	31,720	15.71	2,019
1974	179,324.44	151,336	158,483	56,706	16.32	3,475
1975	82,068.19	68,114	71,331	27,151	16.96	1,601
1976	94,078.52	76,748	80,373	32,521	17.61	1,847
1977	72,356.49	57,985	60,723	26,105	18.27	1,429
1978	129,136.85	101,601	106,399	48,565	18.94	2,564
1979	66,800.92	51,551	53,986	26,175	19.63	1,333
1980	99,297.27	75,112	78,659	40,498	20.33	1,992
1981	68,559.88	50,799	53,198	29,074	21.04	1,382
1982	82,856.88	60,073	62,910	36,518	21.77	1,677
1983	70,603.66	50,064	52,428	32,296	22.50	1,435
1984	68,653.12	47,558	49,804	32,580	23.25	1,401

EL PASO ELECTRIC COMPANY

ACCOUNT 373.00 STREET LIGHTING AND SIGNAL SYSTEMS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. -20						
1985	87,457.73	59,134	61,927	43,022	24.01	1,792
1986	54,690.20	36,072	37,776	27,852	24.77	1,124
1987	42,658.82	27,410	28,704	22,487	25.55	880
1988	4,728.54	2,957	3,097	2,577	26.34	98
1989	8,738.04	5,312	5,563	4,923	27.14	181
1990	459,175.73	271,097	283,900	267,111	27.94	9,560
1991	414,869.08	237,516	248,733	249,110	28.76	8,662
1992	705,094.72	390,905	409,366	436,748	29.59	14,760
1993	471.79	253	265	301	30.42	10
1994	1,224,432.16	634,217	664,169	805,150	31.26	25,757
1995	507,695.77	253,551	265,526	343,709	32.11	10,704
1996	29,157.00	14,015	14,677	20,311	32.97	616
1997	967,815.08	446,817	467,919	693,459	33.84	20,492
1998	508,019.67	224,787	235,403	374,221	34.72	10,778
1999	346,188.03	146,533	153,453	261,973	35.60	7,359
2000	225,488.34	91,066	95,367	175,219	36.49	4,802
2001	20,135.35	7,736	8,101	16,061	37.39	430
2002	98,748.96	35,981	37,680	80,819	38.30	2,110
2003	97,851.02	33,710	35,302	82,119	39.21	2,094
2005	506,249.68	153,971	161,243	446,257	41.06	10,868
2006	429,206.02	121,834	127,588	387,459	41.99	9,227
2007	176,019.72	46,353	48,542	162,682	42.93	3,789
2008	52,363.46	12,716	13,317	49,519	43.87	1,129
2009	88,761.00	19,734	20,666	85,847	44.81	1,916
2010	40,223.83	8,100	8,483	39,786	45.77	869
2011	55,660.64	10,056	10,531	56,262	46.72	1,204
2012	812.17	130	136	839	47.69	18
2013	174,892.37	24,230	25,374	184,497	48.65	3,792
2014	147,307.20	17,292	18,109	158,660	49.62	3,198
2015	162,817.66	15,666	16,406	178,975	50.59	3,538
2016	572,077.54	42,810	44,831	641,662	51.57	12,443
2017	373,862.67	20,067	21,015	427,620	52.54	8,139
2018	350,126.46	11,306	11,839	408,313	53.52	7,629
2019	130,939.09	1,400	1,467	155,660	54.51	2,856
	11,751,009.87	5,803,341	6,077,418	8,023,794		242,324

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 33.1 2.06

EL PASO ELECTRIC COMPANY

ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SYSTEMS OPERATIONS BUILDING						
INTERIM SURVIVOR CURVE.. IOWA 80-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2041						
NET SALVAGE PERCENT.. 0						
1991	3,248,534.25	1,846,987	1,639,551	1,608,984	20.61	78,068
1995	147,847.30	78,534	69,714	78,134	20.75	3,765
1996	1,101.93	574	510	592	20.78	28
1997	4,017.94	2,049	1,819	2,199	20.81	106
1998	15,214.70	7,584	6,732	8,482	20.85	407
1999	95,821.92	46,638	41,400	54,422	20.87	2,608
2000	38,230.33	18,129	16,093	22,137	20.90	1,059
2003	38,583.83	16,700	14,824	23,759	20.98	1,132
2005	45,754.98	18,365	16,302	29,453	21.03	1,401
2006	749,370.72	287,998	255,653	493,718	21.05	23,455
2010	1,102,763.13	336,773	298,950	803,813	21.13	38,041
2014	1,947,260.00	395,450	351,037	1,596,223	21.19	75,329
2015	11,150.00	1,923	1,707	9,443	21.21	445
2016	4,427,780.30	617,675	548,304	3,879,477	21.22	182,822
2017	1,501,783.48	155,885	138,377	1,363,406	21.24	64,190
2018	953,716.96	62,097	55,123	898,594	21.25	42,287
2019	989,803.46	22,300	19,795	970,008	21.26	45,626
	15,318,735.23	3,915,661	3,475,891	11,842,845		560,769
STANTON TOWER						
INTERIM SURVIVOR CURVE.. IOWA 80-R2.5						
PROBABLE RETIREMENT YEAR.. 6-2058						
NET SALVAGE PERCENT.. 0						
2008	17,007,410.68	3,937,726	3,454,669	13,552,741	36.71	369,184
2010	2,529,852.70	503,011	441,305	2,088,548	36.87	56,646
2011	3,555,513.94	645,895	566,660	2,988,853	36.94	80,911
2012	86,690.19	14,200	12,458	74,232	37.01	2,006
2013	1,793,213.74	260,070	228,166	1,565,048	37.08	42,207
2014	2,769,987.00	347,633	304,987	2,465,000	37.14	66,370
2015	2,988,216.00	314,121	275,587	2,712,629	37.20	72,920
2016	4,954,631.13	414,306	363,481	4,591,150	37.26	123,219
2017	1,658,116.15	101,361	88,927	1,569,190	37.32	42,047
2018	1,044,033.19	39,245	34,431	1,009,603	37.38	27,009
2019	545,457.79	7,047	6,183	539,275	37.43	14,408
	38,933,122.51	6,584,615	5,776,854	33,156,269		896,927

EL PASO ELECTRIC COMPANY

ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
EASTSIDE OPERATIONS CENTER						
INTERIM SURVIVOR CURVE.. IOWA 80-R2.5						
PROBABLE RETIREMENT YEAR.. 12-2065						
NET SALVAGE PERCENT.. 0						
2015	40,665,138.00	3,661,489	3,167,413	37,497,725	43.86	854,941
2016	272,657.19	19,470	16,843	255,814	43.95	5,821
2017	249,021.26	12,972	11,222	237,800	44.04	5,400
2018	315,984.35	10,118	8,753	307,232	44.13	6,962
2019	1,128,618.72	12,121	10,485	1,118,133	44.22	25,286
	42,631,419.52	3,716,170	3,214,715	39,416,705		898,410
OTHER STRUCTURES						
SURVIVOR CURVE.. IOWA 40-S0.5						
NET SALVAGE PERCENT.. 0						
1964	26,691.00	21,086	14,292	12,399	8.40	1,476
1965	15,860.00	12,391	8,399	7,461	8.75	853
1966	243,327.23	187,909	127,367	115,960	9.11	12,729
1967	202,507.00	154,513	104,731	97,776	9.48	10,314
1968	299,598.00	225,897	153,116	146,482	9.84	14,886
1969	53,498.00	39,843	27,006	26,492	10.21	2,595
1970	33,169.00	24,388	16,530	16,639	10.59	1,571
1971	8,087.00	5,869	3,978	4,109	10.97	375
1972	15,465.00	11,077	7,508	7,957	11.35	701
1973	167,354.00	118,236	80,142	87,212	11.74	7,429
1974	48,381.00	33,709	22,848	25,533	12.13	2,105
1975	117,087.00	80,439	54,523	62,564	12.52	4,997
1976	264,998.00	179,404	121,602	143,396	12.92	11,099
1977	154,940.00	103,306	70,022	84,918	13.33	6,370
1978	33,195.00	21,793	14,772	18,423	13.74	1,341
1979	11,823.00	7,638	5,177	6,646	14.16	469
1980	85,641.96	54,404	36,876	48,766	14.59	3,342
1981	322,292.00	201,271	136,424	185,868	15.02	12,375
1982	104,206.56	63,957	43,351	60,856	15.45	3,939
1983	104,279.95	62,829	42,586	61,694	15.90	3,880
1984	61,639.69	36,444	24,702	36,937	16.35	2,259
1985	59,784.13	34,675	23,503	36,281	16.80	2,160
1986	151,138.98	85,885	58,214	92,925	17.27	5,381
1987	194,092.00	108,012	73,212	120,880	17.74	6,814
1989	283,178.19	150,722	102,161	181,017	18.71	9,675
1990	243,327.40	126,469	85,722	157,605	19.21	8,204
1992	107,041.28	52,878	35,841	71,200	20.24	3,518
1994	454,129.13	212,305	143,903	310,226	21.30	14,565

EL PASO ELECTRIC COMPANY

ACCOUNT 390.00 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

OTHER STRUCTURES
SURVIVOR CURVE.. IOWA 40-S0.5
NET SALVAGE PERCENT.. 0

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1995	205,690.41	93,332	63,262	142,429	21.85	6,518
1996	388,173.25	170,699	115,702	272,471	22.41	12,158
1997	859,113.31	365,553	247,776	611,337	22.98	26,603
1998	201,769.16	82,877	56,175	145,594	23.57	6,177
1999	144,942.25	57,397	38,904	106,038	24.16	4,389
2002	214,249.81	74,827	50,719	163,531	26.03	6,282
2003	322,460.18	107,379	72,783	249,677	26.68	9,358
2004	49,103.16	15,541	10,534	38,569	27.34	1,411
2005	140,828.42	42,143	28,565	112,263	28.03	4,005
2006	220,637.05	62,220	42,173	178,464	28.72	6,214
2007	87,174.15	23,014	15,599	71,575	29.44	2,431
2008	222,606.77	54,706	37,080	185,526	30.17	6,149
2010	741,126.96	154,154	104,487	636,639	31.68	20,096
2011	313,055.13	58,933	39,946	273,110	32.47	8,411
2012	147,440.45	24,807	16,814	130,626	33.27	3,926
2013	57,010.69	8,409	5,700	51,311	34.10	1,505
2014	360,054.62	45,547	30,872	329,182	34.94	9,421
2015	4,731,988.23	495,676	335,975	4,396,013	35.81	122,759
2016	1,220,705.33	100,708	68,261	1,152,444	36.70	31,402
2017	1,950,945.37	116,569	79,012	1,871,933	37.61	49,772
2018	302,599.41	11,045	7,486	295,113	38.54	7,657
2019	880,425.26	10,785	7,310	873,115	39.51	22,099
	17,628,830.87	4,593,670	3,113,647	14,515,184		524,165
	114,512,108.13	18,810,116	15,581,106	98,931,003		2,880,271

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 34.3 2.52

EL PASO ELECTRIC COMPANY

ACCOUNT 391.00 OFFICE FURNITURE AND EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
2001	156,977.70	145,204	156,978			
2002	1,465,595.57	1,282,396	1,465,596			
2003	62,401.74	51,481	62,402			
2004	1,470,994.53	1,140,021	1,470,995			
2005	784,959.89	569,096	784,960			
2006	121,671.40	82,128	121,671			
2007	637,709.63	398,569	637,710			
2008	681,482.46	391,852	681,482			
2009	9,533.63	5,005	9,534			
2010	5,843.85	2,776	5,844			
2011	367,008.60	155,979	367,009			
2012	115,597.15	43,349	109,737	5,860	12.50	469
2013	82,105.15	26,684	67,550	14,555	13.50	1,078
2014	7,117.00	1,957	4,954	2,163	14.50	149
2015	73,802.00	16,605	42,035	31,767	15.50	2,049
2016	133,273.30	23,323	59,042	74,231	16.50	4,499
2017	208,254.91	26,032	65,899	142,356	17.50	8,135
2018	303,201.37	22,740	57,566	245,635	18.50	13,278
2019	64,426.01	1,611	4,078	60,348	19.50	3,095
	6,751,955.89	4,386,808	6,175,042	576,914		32,752

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 17.6 0.49

EL PASO ELECTRIC COMPANY

ACCOUNT 393.00 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1995	23,571.22	23,100	23,571			
1997	4,369.42	3,932	4,369			
1998	15,464.20	13,299	15,464			
1999	2,062.17	1,691	2,062			
2004	7,880.61	4,886	6,023	1,857	9.50	195
	53,347.62	46,908	51,489	1,858		195

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.5 0.37

EL PASO ELECTRIC COMPANY

ACCOUNT 394.00 TOOLS, SHOP AND GARAGE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1992	0.25					
1993	0.01					
1994	182,442.45	182,442	182,442			
1995	7,285.34	7,140	7,285			
1996	168,391.99	158,288	168,392			
1997	215,123.08	193,611	211,135	3,988	2.50	1,595
1998	89,898.59	77,313	84,311	5,588	3.50	1,597
1999	45,835.65	37,585	40,987	4,849	4.50	1,078
2000	12,490.79	9,743	10,625	1,866	5.50	339
2001	131,389.69	97,228	106,028	25,362	6.50	3,902
2002	69,769.18	48,838	53,258	16,511	7.50	2,201
2003	27,767.36	18,326	19,985	7,782	8.50	916
2004	217,340.15	134,751	146,947	70,393	9.50	7,410
2007	313,676.74	156,838	171,034	142,643	12.50	11,411
2010	240,653.60	91,448	99,725	140,929	15.50	9,092
2011	22,566.80	7,673	8,367	14,200	16.50	861
2012	219,690.49	65,907	71,872	147,818	17.50	8,447
2013	334,404.64	86,945	94,815	239,590	18.50	12,951
2014	514,830.00	113,263	123,515	391,315	19.50	20,067
2015	243,753.00	43,876	47,847	195,906	20.50	9,556
2016	402,336.21	56,327	61,425	340,911	21.50	15,856
2017	565,800.16	56,580	61,701	504,099	22.50	22,404
2018	1,037,142.18	62,229	67,862	969,280	23.50	41,246
2019	617,487.64	12,350	13,467	604,020	24.50	24,654
	5,680,075.99	1,718,701	1,853,025	3,827,051		195,583

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 19.6 3.44

EL PASO ELECTRIC COMPANY

ACCOUNT 395.00 LABORATORY EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2004	192,560.17	192,560	192,560			
2005	49,129.80	47,492	45,691	3,439	0.50	3,439
2007	414,152.23	345,125	332,038	82,114	2.50	32,846
2008	11,738.77	9,000	8,659	3,080	3.50	880
2010	415,102.66	262,897	252,928	162,175	5.50	29,486
2011	517,148.78	293,053	281,940	235,209	6.50	36,186
2012	316,791.37	158,396	152,390	164,401	7.50	21,920
2013	30,060.00	13,026	12,532	17,528	8.50	2,062
2014	442,295.00	162,176	156,026	286,269	9.50	30,134
2015	400,113.00	120,034	115,482	284,631	10.50	27,108
2016	802,637.69	187,279	180,178	622,460	11.50	54,127
2017	931,011.19	155,172	149,288	781,723	12.50	62,538
2018	122,182.71	12,218	11,755	110,428	13.50	8,180
2019	581,209.01	19,372	18,637	562,572	14.50	38,798
	5,226,132.38	1,977,800	1,910,104	3,316,028		347,704

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 9.5 6.65

EL PASO ELECTRIC COMPANY

ACCOUNT 396.00 POWER OPERATED EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 21-R2.5						
NET SALVAGE PERCENT.. +15						
1999	53,296.61	33,977	37,508	7,794	5.25	1,485
2000	18,771.36	11,587	12,791	3,165	5.75	550
2001	32,732.87	19,489	21,514	6,309	6.29	1,003
2004	1,911.68	996	1,100	525	8.13	65
2005	8,539.02	4,213	4,651	2,607	8.81	296
2007	922,486.89	401,764	443,519	340,595	10.24	33,261
2009	14,473.95	5,407	5,969	6,334	11.77	538
2010	163,750.56	55,874	61,681	77,507	12.57	6,166
2013	85,916.45	20,587	22,727	50,302	15.08	3,336
2014	49,907.00	10,181	11,239	31,182	15.96	1,954
2015	714,189.00	119,967	132,435	474,626	16.85	28,168
2016	1,698,864.02	223,479	246,705	1,197,329	17.75	67,455
2017	164,322.73	15,564	17,182	122,492	18.66	6,564
2018	227,365.28	12,976	14,324	178,936	19.59	9,134
2019	143,801.26	2,736	3,021	119,211	20.53	5,807
	4,300,328.68	938,797	1,036,366	2,618,914		165,782

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 15.8 3.86

EL PASO ELECTRIC COMPANY

ACCOUNT 397.00 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2003	0.19					
2004	1,267,061.83	1,267,062	1,267,062			
2005	212,305.76	205,230	172,933	39,373	0.50	39,373
2006	2,589,374.71	2,330,437	1,963,692	625,683	1.50	417,122
2007	3,129,064.33	2,607,543	2,197,189	931,875	2.50	372,750
2008	482,036.87	369,563	311,404	170,633	3.50	48,752
2009	818,608.69	573,026	482,848	335,761	4.50	74,614
2010	480,535.43	304,338	256,444	224,091	5.50	40,744
2011	6,669,762.72	3,779,554	3,184,759	3,485,004	6.50	536,154
2012	880,838.98	440,419	371,109	509,730	7.50	67,964
2013	1,104,193.98	478,480	403,181	701,013	8.50	82,472
2014	1,588,013.00	582,277	490,643	1,097,370	9.50	115,513
2015	637,735.00	191,320	161,212	476,523	10.50	45,383
2016	3,250,578.76	758,458	639,098	2,611,481	11.50	227,085
2017	4,063,375.81	677,243	570,664	3,492,712	12.50	279,417
2018	2,433,353.26	243,335	205,041	2,228,312	13.50	165,060
2019	1,009,369.15	33,642	28,347	981,022	14.50	67,657
	30,616,208.47	14,841,927	12,705,626	17,910,582		2,580,060

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 6.9 8.43

EL PASO ELECTRIC COMPANY

ACCOUNT 398.00 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2019

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
2004	9,773.71	9,774	9,774			
2006	8,443.72	7,599	5,568	2,876	1.50	1,917
2007	404,801.10	337,333	247,159	157,642	2.50	63,057
2009	248,862.72	174,204	127,637	121,226	4.50	26,939
2010	153,929.31	97,488	71,428	82,501	5.50	15,000
2011	749,639.70	424,798	311,244	438,396	6.50	67,446
2012	490,964.60	245,482	179,861	311,104	7.50	41,481
2013	505,422.86	219,015	160,469	344,954	8.50	40,583
2014	264,413.00	96,952	71,035	193,378	9.50	20,356
2016	712,764.87	166,309	121,853	590,912	11.50	51,384
2017	481,547.21	80,259	58,805	422,742	12.50	33,819
2018	154,348.09	15,435	11,309	143,039	13.50	10,595
2019	390,450.66	13,014	9,535	380,916	14.50	26,270
	4,575,361.55	1,887,662	1,385,677	3,189,685		398,847

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT .. 8.0 8.72

EL PASO ELECTRIC COMPANY

TABLE 1. SUMMARY OF ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO ELECTRIC PLANT AS OF DECEMBER 31, 2019

DEPRECIABLE GROUP	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2019	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TRANSMISSION PLANT								
350.10 LAND RIGHTS	80-R3	0	18,917,746.38	6,016,208	12,901,538	192,753	1.02	66.9
350.10 LAND RIGHTS - ISLETA	SQUARE	0	16,824,155.75	1,540,524	15,283,632	636,818	3.79	24.0
352.00 STRUCTURES AND IMPROVEMENTS	75-R4	(5)	12,463,442.58	4,224,229	8,862,386	144,867	1.16	61.2
353.00 STATION EQUIPMENT	50-R4	(5)	188,643,565.70	88,164,203	109,911,541	2,948,962	1.56	37.3
354.00 STEEL TOWERS AND FIXTURES	75-R4	(10)	30,170,781.59	14,800,075	18,387,784	359,891	1.19	51.1
355.00 WOOD AND STEEL POLES	55-S3	(20)	163,484,540.27	64,248,195	131,933,253	3,115,165	1.91	42.4
356.00 OVERHEAD CONDUCTORS AND DEVICES	60-R5	(15)	98,265,748.68	54,924,539	58,081,072	1,579,563	1.61	36.8
359.00 ROADS AND TRAILS	70-R3	0	3,573,352.94	662,951	2,910,402	45,874	1.28	63.4
TOTAL TRANSMISSION PLANT			**532,343,333.89**	**234,580,925**	**358,271,608**	**9,023,893**	**1.70**	**39.7**
GENERAL PLANT								
390.00 STRUCTURES AND IMPROVEMENTS								
SYSTEMS OPERATIONS BUILDING	80-R2.5 *	0	15,318,735.23	3,475,891	11,842,845	560,769	3.66	21.1
STANTON TOWER	80-R2.5 *	0	38,933,122.51	5,776,854	33,156,269	896,927	2.30	37.0
EASTSIDE OPERATIONS CENTER	80-R2.5 *	0	42,631,419.52	3,214,715	39,416,705	898,410	2.11	43.9
OTHER STRUCTURES	40-S0.5	0	17,628,830.87	3,113,647	14,515,184	524,165	2.97	27.7
TOTAL ACCOUNT 390			114,512,108.13	15,581,106	98,931,003	2,880,271	2.52	34.3
391.00 OFFICE FURNITURE AND EQUIPMENT	20-SQ	0	6,751,955.89	6,175,042	576,914	32,752	0.49	17.6
393.00 STORES EQUIPMENT	25-SQ	0	53,347.62	51,489	1,858	195	0.37	9.5
394.00 TOOLS, SHOP AND GARAGE EQUIPMENT	25-SQ	0	5,680,075.99	1,853,025	3,827,051	195,583	3.44	19.6
395.00 LABORATORY EQUIPMENT	15-SQ	0	5,226,132.38	1,910,104	3,316,028	347,704	6.65	9.5
396.00 POWER OPERATED EQUIPMENT	21-R2.5	15	4,300,328.68	1,036,366	2,618,914	165,782	3.86	15.8
397.00 COMMUNICATION EQUIPMENT	15-SQ	0	30,616,208.47	12,705,626	17,910,582	2,580,060	8.43	6.9
398.00 MISCELLANEOUS EQUIPMENT	15-SQ	0	4,575,361.55	1,385,677	3,189,685	398,847	8.72	8.0
TOTAL GENERAL PLANT			**171,715,518.71**	**40,698,436**	**130,372,035**	**6,601,194**	**3.84**	
TOTAL DEPRECIABLE ELECTRIC PLANT			**704,058,852.60**	**275,279,361**	**488,643,643**	**15,625,087**	**2.22**	