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April 11, 2024

VIA ELECTRONIC FILING

Honorable Debbie-Anne A. Reese, Acting Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, DC 20426

> Re: *El Paso Electric Company*, Docket No. ER22-282-00_ Settlement Agreement and Offer of Settlement

Dear Secretary Reese:

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.602, El Paso Electric Company ("EPE") hereby files the attached Settlement Agreement ("Settlement") resolving all issues set for hearing in the above-referenced proceeding. EPE respectfully requests that these materials be transmitted to the Settlement Judge, Andrea McBarnette, in accordance with Rule 602(b)(2)(i).¹

I. DOCUMENTS ENCLOSED

This filing consists of the following:

- This transmittal letter;
- Settlement Agreement;
- Explanatory Statement;
- Attachment A: *pro forma* Attachment H-1 to EPE's Open Access Transmission Tariff ("Tariff"), transmission formula rate template (clean);
- Attachment B: *pro forma* Attachment H-1 to the Tariff, transmission formula rate template (marked);

¹ Rule 602(b)(2)(i) directs the filing of an Offer of Settlement with the Secretary and the Secretary transmits the offer to the presiding officer if the offer is filed after a hearing has been ordered but before the presiding officer certifies the record to the Commission. 18 C.F.R. § 385.602(b)(2)(i).

- Attachment C: *pro forma* Attachment H-2 to the Tariff, transmission formula rate protocols ("Protocols") (clean);
- Attachment D: *pro forma* Attachment H-2 to the Tariff, Protocols (marked);
- Attachment E: *pro forma* Part III, Section 34, and Schedules 1, 7, and 8 of the Tariff (clean);
- Attachment F: *pro forma* Part III, Section 34, and Schedules 1, 7, and 8 of the Tariff (marked);
- Exhibit 1: populated transmission formula rate template in live Excel format reflecting the transmission formula rate for calendar year 2022 agreed to under the Settlement; and
- Exhibit 2: depreciation accrual rates for year ending December 31, 2022 reflecting adjustments agreed to under the Settlements.

II. SERVICE

Copies of the Settlement will be electronically served on all parties in the above-referenced proceeding and all persons required to be served in accordance with Rule 602(d).²

III. COMMENTS

In accordance with Rule 602(f), comments on this Settlement may be filed not later than May 1, 2024, and reply comments may be filed not later than May 11, 2024, unless otherwise provided by the Commission or the presiding officer.³

² 18 C.F.R. § 385.602(d).

³ 18 C.F.R. § 385.602(f).

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IV. RELIEF REQUESTED

The Settling Parties request that the Settlement Agreement be certified by the Settlement Judge to the Commission for its approval, and that the Commission approve the Settlement Agreement without condition or modification

Respectfully submitted,

By: <u>/s/ Wendy Warren</u> Wendy Warren Priyanka Vashisht Wright & Talisman P.C. 1200 G Street N.W., Suite 600 Washington, DC warren@wrightlaw.com vashisht@wrightlaw.com

Attorneys for El Paso Electric Company

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person

designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC, this 11th day of April 2024.

/s/ Priyanka Vashisht Priyanka Vashisht WRIGHT & TALISMAN, P.C. 1200 G Street, N.W., Suite 600 Washington, DC 20005-3898 (202) 393-1200

Attorney for the El Paso Electric Company

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company

Docket No. ER22-282-00

SETTLEMENT AGREEMENT

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April 11, 2024

This Settlement Agreement ("Settlement" or "Settlement Agreement") is entered into as of April 8, 2024 by and among Arizona Electric Power Cooperative, Inc. ("AEPCO"); Central Arizona Water and Conservation District ("CAWCD"); El Paso Electric Company ("EPE"); Public Service Company of New Mexico ("PNM"); Tucson Electric Power Company ("TEP"); UNS Electric, Inc. ("UNS"); and Tri-State Generation and Transmission Association, Inc. ("Tri-State") (collectively the "Settling Parties").¹

This Settlement is filed with the Federal Energy Regulatory Commission ("Commission" or "FERC"), pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602, to resolve all issues set for hearing in the captioned docket. It is unanimously supported or not opposed by all parties to the proceeding. The terms and conditions of this Settlement comprise an interrelated package that reflects negotiated compromises among the parties to achieve an agreed resolution, thereby avoiding the time, expense and uncertainty of protracted litigation. The Settlement is subject in every particular respect to the conditions set forth herein, and is made with the

¹ The City of El Paso, Texas ("City") is a party to the captioned case, participated in the lengthy settlement negotiations in this proceeding, and does not oppose the Settlement.

understanding that each term, including the attachments to this Settlement Agreement, is material and integral to the Settlement as a whole. For the avoidance of doubt, any workpapers provided during the process that led to this Settlement Agreement have been provided as a courtesy, are not part of this Settlement Agreement, and changes to those workpapers will not necessitate amendment to this Settlement Agreement or any type of filing with the Commission.

ARTICLE I BACKGROUND

1.1. On October 29, 2021, EPE submitted a filing (the "OATT Formula Rate Revisions"), pursuant to section 205 of the Federal Power Act ("FPA") and part 35 of the Commission's regulations. EPE proposed revisions to its Open Access Transmission Tariff ("OATT" or "Tariff") to transition from stated rates to a forward-looking formula rate ("Formula Rate") for transmission service and to use a formula rate template ("Template" or "Formula Rate Template") and implementation protocols ("Protocols") to calculate its annual transmission revenue requirement ("ATRR"). The OATT, as revised, establishes Formula Rates for the following services: Network Integration Transmission Service, Long-Term Firm Point-to-Point Transmission Service, and ancillary services provided under Schedule 1 of the OATT.

- **1.2.** On November 5, 2021, the City filed a timely motion to intervene and then filed a protest on November 19, 2021.² The protest alleged that EPE's rate filing used an excessive rate of return on equity ("ROE") and that its formula rate protocols provided inadequate protection to customers. The protest requested that the Commission establish settlement and hearing procedures because more information was required to properly address the treatment of excess and deficient Accumulated Deferred Income Tax, verify the proposed depreciation rates, and ensure that the EPE Formula Rate is just and reasonable.
- 1.3. On November 12, 2021, as supplemented on November 19, 2021, EPE submitted, in Docket No. ER22-392, a compliance filing ("ER22-392 Compliance Filing")³ demonstrating that its OATT, with the OATT Formula Rate Revisions filed in this proceeding, complies with the Commission's November 21, 2019 Order No. 864.⁴
- **1.4.** On November 19, 2021, Tri-State, UNS, and TEP filed timely motions to intervene.⁵ AEPCO and CAWCD also filed a joint motion to intervene and a

² Motion to Intervene of City of El Paso, Texas, Docket No. ER22-282-000 (Nov. 5, 2021); Protest of the City of El Paso, Texas, Docket No. ER22-282-000 (Nov. 19, 2021).

³ See Compliance Filing Re: Order No. 864 of El Paso Electric Company, Docket No. ER22-392-000 (Nov. 12, 2021); Supplemental Compliance Filing Re: Order No. 864 of El Paso Electric Company, Docket No. ER22-392-000 (Nov. 19, 2021).

⁴ Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes, Order No. 864, 169 FERC ¶ 61,139 (2019), order on reh'g & clarification, Order No. 864-A, 171 FERC ¶ 61,033 (2020).

⁵ Motion to Intervene of Tri-State Generation & Transmission Association, Inc., Docket No. ER22-282-000 (Nov. 19, 2021); Motion to Intervene of UNS Electric,

protest on November 19, 2021.⁶ The protest alleged that the proposed rate was not just and reasonable and requested that the Commission suspend the proposed rate for five months and set the rate filing for hearing. Issues raised in the protest included whether EPE-owned transmission facilities located in the vicinity of the Palo Verde Generating Station in Arizona ("Palo Verde Facilities") are integrated with EPE's transmission facilities located in the EPE Balancing Authority Area under the *Mansfield*⁷ test, as well as allegations of cost-of-service deficiencies in the proposed rate formula.

1.5. On December 3, 2021, the City filed a motion to intervene and protest in the ER22-392 Compliance Filing proceeding. The City alleged that it required more time and opportunity to conduct discovery in order to understand EPE's worksheets related to Order No. 864, and requested that the Commission establish a hearing to consider those portions of EPE's proposed formula rate. The motion also requested that the Commission consolidate the ER22-392 Compliance Filing proceeding with the proceedings in the above-captioned docket.⁸

Inc., Docket No. ER22-282-000 (Nov. 19, 2021); Motion to Intervene of Tucson Electric Power Company, Docket No. ER22-282-000 (Nov. 19, 2021).

⁶ Joint Motion to Intervene and Protest of Arizona Electric Power Cooperative and Central Arizona Water Conservation District, Docket No. ER22-282-000 (Nov. 19, 2021) ("AEPCO-CAWCD Protest").

⁷ Mansfield Municipal Elec. Dep't v. New England Power Company, 97 FERC ¶ 61,134, at 61,613-14 (2001) ("Mansfield").

⁸ Motion to Intervene, Protest, and Motion to Consolidate Proceedings of the City of El Paso, Texas, Docket Nos. ER22-392-000 et al., at 4 (Dec. 3, 2021).

- 1.6. On December 10, 2021, EPE filed a motion for leave to answer and answer in response to the City's protest and the AEPCO-CAWCD Protest.⁹ EPE requested that the Commission reject the AEPCO-CAWCD Protest request for the maximum suspension of the Formula Rate Filing and accept the filing with only a nominal one-day suspension. EPE also requested that if the Commission were to set the Formula Rate Filing for settlement and hearing procedures, it limit the scope of such procedures to the proposed formula rate template, protocols, and inputs. EPE argued the Order No. 864 compliance issues were beyond the scope of this proceeding and requested that the Commission deny the motion to consolidate the above-captioned proceeding with the ER22-392 Compliance Filing proceeding.
- 1.7. On December 21, 2021, AEPCO and CAWCD filed a joint motion for leave to answer and answer.¹⁰ The Joint Motion asserted that the Commission must address the applicability of the *Mansfield* test to the Palo Verde Facilities, reiterated cost-of-service issues raised in the initial protest, including ROE and depreciation rates, and questioned EPE's Order No. 864 compliance; AEPCO and CAWCD also requested that the Commission consolidate resolution of the ER22-392 Compliance Filing with this proceeding.

⁹ Motion for Leave to Answer and Answer of El Paso Electric Company, Docket No. ER22-282-000 (Dec. 10, 2021).

¹⁰ Joint Motion of Arizona Electric Power Cooperative and the Central Arizona Water Conservation District to Answer El Paso Electric Company's Answer to Motion to Intervene and Protest, Docket No. ER22-282-000 (Dec. 21, 2021) ("Joint Motion").

- **1.8.** On December 30, 2021, the Commission issued an order accepting EPE's proposed OATT revisions, suspending them for a nominal period, to become effective January 1, 2022, and establishing hearing and settlement judge procedures based on the Commission's finding that the OATT revisions raise issues of material fact and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful.¹¹ The Commission denied the City's motion to consolidate this proceeding with the ER22-392 Compliance Filing proceeding. It accepted and suspended EPE's proposed ADIT worksheets, subject to refund and subject to the outcome of the ER22-392 Compliance Filing proceeding.¹²
- 1.9. On January 6, 2022, the Acting Chief Administrative Law Judge designated Judge Andrea McBarnette as the Settlement Judge¹³ to facilitate settlement discussions among the participants.¹⁴ Judge McBarnette convened and participants attended eleven formal settlement conferences and one technical conference in Docket No. ER22-282-000. Virtual settlement conferences were held on February 23, 2022, June 23, 2022, July 14, 2022, October 4, 2022, November 16, 2022, January 11, 2023, and June 6, 2023. A virtual technical conferences were held on May 2, 2022. In-person settlement conferences were held

¹¹ *El Paso Elec. Co.*, 177 FERC ¶ 61,228 (2021) ("2021 Order").

¹² *Id.* at P 41, ordering para. (H).

¹³ El Paso Elec. Co., Order of Chief Judge Designating Settlement Judge, Docket No. ER22-282-000 (Jan. 6, 2022).

¹⁴ As used herein, "participant" refers to the parties to this Docket No. ER22-282-000 proceeding and Commission Trial Staff.

on August 2, 2023, September 28 and 29, 2023, and October 20, 2023. The participants also had numerous informal discussions during the period from February 2022 through November 2023 and exchanged multiple written settlement offers. After the October 20, 2023 settlement conference and further informal discussions, the Settling Parties reached the settlement set forth herein.

1.10. On May 20, 2022, EPE made an informational filing in this proceeding to inform the Commission of certain errors in the filed and accepted Formula Rate Template that were identified in the course of settlement information exchange. EPE stated that it had provided a corrected formula rate template ("Corrected Template") to the parties and Commission Trial Staff in the settlement process and noted that rates derived from the Corrected Template are lower than the rates filed with and placed into effect by the Commission, subject to refund, in the 2021 Order. EPE further explained that in April 2022 it had begun billing its transmission customers (first for service during March 2022) using rates derived from the Corrected Template, and had re-billed transmission service customers for service provided in January and February 2022 at the lower, corrected rates, and credited customer invoices for the difference between the rates initially charged for January and February 2022 and the rates derived from the Corrected Template. EPE stated it would continue billing transmission customers the lower rates derived from the Corrected Template, subject to the conditions of the 2021 Order.

ARTICLE II SETTLEMENT EFFECTIVE DATE

2.1 Settlement Effective Date. The various provisions of this Settlement are not severable, and shall become binding and effective upon issuance of a Commission order approving this Settlement Agreement without material modification or condition or subject to modification or condition acceptable to all Settling Parties, including as provided in Article VI hereof, and such Commission order becomes final and non-appealable ("Final Commission Order") ("Settlement Effective Date"). For the purposes of this Settlement Agreement, the Commission order shall be deemed a Final Commission Order on one of the following dates, whichever is applicable: (1) as of the date all requests for rehearing of the Commission order approving the Settlement Agreement are denied and the date on which the right to petition for review expires; (2) in the absence of any requests for rehearing, the date on which the right to apply for rehearing expires; or (3) if a petition for review of a rehearing order is filed in any federal court of appeals, as of the date that proceedings on review are complete or any orders on remand are not subject to further rehearing or review.

ARTICLE III COST-OF-SERVICE TERMS

3.1 *Revisions to Tariff Attachment H-1.*

3.1.1 The OATT Formula Rate Template accepted by the Commission subject to refund, effective January 1, 2022, as modified by the Corrected Template that EPE provided to participants and has been using to bill transmission customers, shall remain in effect until this Settlement and the

pro forma Tariff records filed herewith become effective as proposed herein. EPE submits with this Settlement, as Attachment H-1 to its Tariff, and Attachment A to this Settlement, a pro forma Tariff record for the EPE transmission Formula Rate Template agreed to under this Settlement, with a proposed effective date of January 1, 2022. EPE includes as Exhibit 1 to this Settlement a populated Tariff, Attachment H-1 in Excel format reflecting the transmission Formula Rate for calendar year 2022 agreed to under this Settlement. EPE includes also Attachment B, the marked Tariff, Attachment H-1 showing the changes to the Formula Rate Template agreed to in this Settlement. EPE will make a compliance eTariff filing as directed by the Commission in a Commission order approving this Settlement Agreement without material modification or condition or subject to modification or condition acceptable to all Settling Parties, including as provided in Article VI hereof, to convert the pro forma Tariff records submitted herewith to active Tariff records.

- **3.1.2** EPE's Schedule 1 rates and the derivation of those rates are included in Attachment H-1 to EPE's Tariff and the changes to Schedule 1 associated with this Settlement are shown on the clean Tariff, Attachment H-1 (Attachment A hereto) and the marked Tariff, Attachment H-1 (Attachment B hereto).
- **3.1.3** EPE also submits with this Settlement *pro forma* Tariff records for Part III, Section 34, and Schedules 1, 7, and 8 of the OATT to make revisions consistent with the EPE transmission Formula Rate Template agreed to

under this Settlement, with a proposed effective date of January 1, 2022, and the Palo Verde Facilities rate relief provided for in section 4.2 of this Settlement Agreement. These records constitute Attachments E and F, which reflect, respectively, the clean Part III, Section 34, and Schedules 1, 7, and 8 of the OATT and the marked Part III, Section 34, and Schedules 1, 7, and 8 of the OATT showing the changes to those portions of the OATT agreed to in this Settlement. EPE will make a compliance eTariff filing as directed by the Commission in a Commission order approving this Settlement Agreement without material modification or condition or subject to modification or condition acceptable to all Settling Parties, including as provided in Article VI hereof, to convert the *pro forma* Tariff records submitted herewith to active Tariff records.

3.2 *Return on Equity*. EPE's ROE to be used in Attachment H-1 to EPE's Tariff shall be set at 10.25 percent. The Settling Parties agree that no filings pursuant to FPA sections 205 or 206 may be made seeking a change to EPE's ROE to be used in Attachment H-1 with an effective date before January 1, 2026.

3.3 Depreciation Rates.

- **3.3.1** The Settling Parties agree that EPE will:
 - **3.3.1.1** reduce the proposed 2022 depreciation expense for Uniform System of Accounts ("USofA") Account 353 from \$2,800,000 to \$2,570,000;
 - **3.3.1.2** reduce the proposed 2022 depreciation expense for USofA Account 355 from \$3,100,000 to \$3,000,000; and

- **3.3.1.3** reduce the proposed 2022 depreciation expense for USofA Account 356 from \$1,580,000 to \$1,350,000.
- 3.3.1.4 Exhibit 2 attached to this Settlement provides the depreciation accrual rates resulting from the adjustments set forth in subsections 3.3.1.1, 3.3.1.2, and 3.3.1.3.
- **3.3.2** The Settling Parties agree that, other than the depreciation expense agreed upon and the depreciation accrual rates derived for the three USofA accounts enumerated in Section 3.3.1, which provides the settled resolution for those three accounts, the depreciation accrual rates filed in this proceeding on October 29, 2021, in Exhibit No. EPE-0032, which are supported by the EPE Depreciation Study prepared by Gannett Fleming for the year ending December 31, 2019 ("2019 EPE Depreciation Study"), Exhibit No. EPE-0031, shall be used for OATT rate making purposes for USofA accounts that factor into the Attachment H-1 formula transmission rates, are appropriate, and are resolved by this Settlement.
- **3.3.3** The Settling Parties agree that although the depreciation accrual rates set forth in Attachment H-1, Worksheet P13, include all the depreciation accrual rates supported by the 2019 EPE Depreciation Study, the rates for production plant, other production plant, and distribution plant are not subject to the Commission's jurisdiction over transmission rates, are included solely for informational purposes, and EPE may update those rates in state proceedings without filing such changes with the Commission.

ARTICLE IV RATE DESIGN

4.1 *Rolled-In Formula Rates.* Except as addressed in section 4.2 of this Article IV, EPE's rates for OATT transmission services are to be determined and charged in accordance with EPE's transmission Formula Rate Template (Tariff, Attachment H-1, Attachments A and B hereto), Protocols (Tariff, Attachment H-2, Attachments C and D hereto), and OATT (including the revisions to Part III, Section 34, and Schedules 1, 7, and 8 of the OATT contained in Attachments E and F hereto).

4.2 *Palo Verde Facilities Rate Relief During Stay Period.* The Settlement provides for a temporary stay in the assessment of fully rolled-in rates for OATT services at points of receipt and delivery on the Palo Verde Facilities. The stay period for Long-Term Firm Point-to-Point Transmission Service on the Palo Verde Facilities runs from January 1, 2023 through December 31, 2025 ("LTF Stay Period"). The stay period for Short-Term Firm Point-to-Point Transmission Service and for Non-Firm Point-to-Point Transmission Service on the Palo Verde Facilities runs from January 1, 2026 ("STF/NF Stay Period").

- **4.2.1** *Long-Term Firm Transmission Service*. During the LTF Stay Period, EPE will charge stated rates for long-term firm transmission service on the Palo Verde Facilities as follows:
 - o \$ 8,000/MW-year on the PV-Westwing facilities
 - o \$19,275/MW-year on the PV-Jojoba-Kyrene facilities
 - **4.2.1.1** If a long-term firm transmission service customer redirects service to/from a secondary point, EPE will charge the customer for

service to/from the secondary point at the higher of the incremental (stated) rate applicable under its long-term firm transmission service agreement or the rolled-in formula rate.

- **4.2.1.2** If a long-term firm transmission service customer reassigns its service agreement or any of the capacity thereunder, EPE will charge the rolled-in formula rate to the customer to which the agreement or capacity has been assigned.
- **4.2.1.3** If a long-term firm transmission service customer rolls over a transmission service agreement during the LTF Stay Period, service under the rolled-over transmission service agreement will be charged the stated rate above for the remainder of the LTF Stay Period, after which time the rolled-in formula rate will apply, subject to the provisions above governing service at secondary points and reassignments.
- **4.2.1.4** All long-term firm transmission service agreements commencing January 1, 2022 or later, other than rollovers of prior long-term firm transmission service during the LTF Stay Period but including transmission service agreements for new long-term firm transmission service provided by EPE on the Palo Verde Facilities entered into by a signatory to this Settlement Agreement, will be charged the rolled-in formula rate.
- **4.2.2** Short-Term Firm and Non-Firm Transmission Services. The temporary stay in rolled-in rates for Short-Term Firm Point-to-Point Transmission

Service and for Non-Firm Point-to-Point Transmission Service under the Settlement applies only to service from points of receipt on the PV-Westwing facilities to points of delivery on the PV-Westwing facilities. During the STF/NF Stay Period, EPE will provide rate relief in the form of the following rates for transmission service customers that take shortterm firm and/or non-firm transmission service on the Palo Verde-Westwing lines at levels at or above 350,000 megawatt-hour ("MWh") annually on that path.

\$666.670/MW-month
\$153.850/MW-week
\$25.642/MW-day On-Peak
\$21.979/MW-day Off-Peak
\$1.603/MW-hour On-Peak
\$0.916/MW-hour Off-Peak

Such rate relief will be applied prospectively in each calendar year of the STF/NF Stay Period, based upon the customer's levels of service in the prior year, as follows:

4.2.2.1 Eligibility for the volume rate relief on the PV-Westwing lines will be determined based on the level of transmission service taken by a particular customer on the PV-Westwing lines during the prior year, measured on an MWh basis. Short-term and non-firm transmission service customers that do not meet the eligibility criteria will be charged for transmission service on the PV-

Westwing lines at the full rolled-in formula rate. Short-term and non-firm transmission service customers will be charged for service on the PV-Jojoba-Kyrene line at the full rolled-in formula rate.

- **4.2.2.2** Eligibility for the rate relief on the PV-Westwing lines will be determined for each calendar year in year-end evaluations performed at the end of years 2023, 2024 and 2025 to determine the rate relief to be provided in years 2024, 2025 and 2026.
- **4.2.2.3** For short-term and non-firm customers taking transmission service on the PV-Jojoba-Kyrene line or on both the PV-Jojoba-Kyrene and the PV-Westwing lines, the rolled-in formula rate will be charged.
- **4.2.2.4** The stated rate on the PV-Westwing lines for short-term firm and non-firm transmission services expires on December 31, 2026, after which the full rolled-in formula rate will apply.
- **4.2.3** Revenue collected by EPE from short-term firm and non-firm OATT services is credited under the transmission Formula Rate Template to reduce the EPE ATRR that forms the basis for the derivation of the transmission formula rates.
- **4.2.4** At the expiration of the LTF Stay Period or STF/NF Stay Period, as applicable, all OATT services on the Palo Verde Facilities automatically will be priced under the Formula Rate on a fully rolled-in basis, without the need for any FPA section 205 filing by EPE.

4.2.5 Settling Parties agree that this Settlement fully resolves the implementation of rolled-in rates on the EPE system and that there is no situation in which any party will file (whether under FPA section 205, FPA section 206, or otherwise) to oppose the roll in to EPE's transmission formula rates of EPE's costs associated with its interests in the Palo Verde Facilities, with the single exception of a situation in which EPE were to join a Regional Transmission Organization ("RTO") or Independent System Operator ("ISO") located in the Western Interconnection. In recognition that EPE is one of several joint owners of the Palo Verde facilities, should one or more of the other joint owners of the Palo Verde facilities join an RTO or ISO located in the Western Interconnection, the Settling Parties would not be prohibited by this Settlement from taking any position in such third-party proceeding with respect to the pricing zone(s) in which that joint owner's interests in the Palo Verde facilities should be located under an RTO or ISO market structure.

ARTICLE V OTHER ISSUES RESOLVED

5.1 *EPE's Formula Rate Protocols.* EPE submits with this Settlement, as Attachment H-2 to its Tariff, a *pro forma* Tariff record for the EPE transmission formula rate protocols ("Protocols") agreed to under this Settlement. The Settling Parties agree that the Protocols will not be implemented retroactively, and the version of the Protocols submitted as part of this Settlement ("Revised Protocols") will become effective prospectively thirty (30) days after the Settlement Effective Date. If a deadline or due

date in the Protocols filed by EPE on October 29, 2021, has not passed by thirty (30) days after the Settlement Effective Date, and the Revised Protocols provide for a longer deadline or later due date, the longer deadline or later due date will apply. EPE includes Attachments C and D, which reflect, respectively, the clean Tariff, Attachment H-2 containing the Revised Protocols and the marked Tariff, Attachment H-2 showing the changes to the Protocols filed by EPE on October 29, 2021.

5.2 *Real Power Losses.* EPE agrees to file with the Commission, no later than six months following the Settlement Effective Date, revisions to Schedule 10 of the EPE OATT to reflect updated transmission loss factors based on a transmission loss study.

5.3 *Refunds*.

5.3.1 Refunds for Rate Year 2022. The Settling Parties agree that refunds will be calculated for EPE transmission service charges from January 1, 2022, to December 31, 2022 ("Rate Year 2022") to return to transmission service customers the amounts actually paid for transmission service in calendar year 2022 in excess of the rolled-in rates determined in accordance with this Settlement Agreement. Such refunds will be paid for Rate Year 2022 for all forms of OATT service no earlier than ninety (90) calendar days after FERC acceptance of EPE's compliance filing described in Section 3.1.1 of this Settlement Agreement or December 15, 2024, whichever is later, and shall include interest at the FERC interest rate calculated in accordance with 18 C.F.R. § 35.19a(a)(2)(iii).

- **5.3.2** *Refunds for Rate Year 2023.* The Settling Parties agree that refunds will be calculated for EPE transmission service charges from January 1, 2023 to December 31, 2023 ("Rate Year 2023") to return to transmission service customers the amounts actually paid for transmission service in calendar year 2023 in excess of the rates, both rolled-in and stated, determined in accordance with this Settlement Agreement. Such refunds will be paid for Rate Year 2023 for all forms of OATT service no earlier than ninety (90) calendar days after FERC acceptance of EPE's compliance filing described in Section 3.1.1 of this Settlement Agreement or December 15, 2024, whichever is later, and shall include interest at the FERC interest rate calculated in accordance with 18 C.F.R. § 35.19a(a)(2)(iii).
- **5.3.3** Refunds for the Period from January 1, 2024, to the Date of Acceptance of EPE's Compliance Filing for Services Subject to Rolled-In Rates. The Settling Parties agree that for purposes of calculating refunds for EPE transmission service provided during the period from January 1, 2024, to the date the Commission accepts the EPE compliance filing described in Section 3.1.1 of this Settlement Agreement, the changes to formula rate inputs resulting from this Settlement, except for any changes relating to or arising from Section 4.2 hereof (addressed in Section 5.3.4 hereof), shall be incorporated into the Tariff, Attachment H-1 submitted with this Settlement and the charges or credits produced therefrom shall be incorporated into the Annual Update for the next Rate Year following the

Commission's acceptance of EPE's compliance filing described in Section 3.1.1 of this Settlement Agreement. 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.

5.3.4 Refunds for the Period from January 1, 2024, to the Date of Acceptance of EPE's Compliance Filing for Services Subject to Stated Rates. The Settling Parties agree that refunds will be calculated for EPE transmission service provided on the Palo Verde Facilities that is subject to stated rates pursuant to Section 4.2 of this Settlement Agreement during the period from January 1, 2024, to the date the Commission accepts EPE's compliance filing described in Section 3.1 of this Settlement Agreement, to return to transmission service customers qualifying for rate relief under Section 4.2 of this Settlement amounts paid in excess of the stated rates set forth in that Section 4.2. Refunds will be paid no earlier than ninety (90) calendar days after FERC acceptance of EPE's compliance filing described in Section 3.1.1 of this Settlement Agreement or April 1, 2025, whichever is later, and shall include interest at the FERC interest rate calculated in accordance with 18 C.F.R. § 35.19a(a)(2)(iii).

5.4 Exclusion of Certain Transmission Plant from Formula Rate ATRR.

5.4.1 EPE agrees that for purposes of the transmission formula rates established by this Settlement beginning January 1, 2022, and as shown on Attachment H-1, Worksheet A5, the following transmission facilities will be excluded

from transmission plant and the ATRR from which the formula rates are derived:

Anthony to Border Steel Rio Grande to Border Steel Apollo to Cox Jornada to Hatch Emerald to Largo to Mar Oro Grande to White Sands Arroyo to Jornada

5.4.2 Exclusion of the Apollo to Cox and Arroyo to Jornada transmission lines from transmission plant and the EPE ATRR derived in the Formula Rate Template is temporary, as those lines currently are undergoing configuration changes, such that their radial characteristics are expected to be eliminated. EPE's agreement to exclude the Apollo to Cox and Arroyo to Jornada transmission lines is without prejudice to EPE including these two lines in the EPE ATRR upon completion of this reconfiguration. EPE agrees that if it includes the costs of the Apollo to Cox and Arroyo to Jornada transmission lines in its rolled-in transmission formula rates, it will provide notification of the change in treatment in the first Annual Update, as defined in the Revised Protocols, following that inclusion.

5.5 *400 Megawatt Inclusion in the Formula Rate Divisor.* EPE agrees that, for purposes of the formula rates in effect from January 1, 2022 through December 31, 2026, the divisor in any relevant populated Formula Rate Template will include 400 megawatts

("MW") of no-charge transmission service associated with an exchange agreement between EPE and TEP, EPE Rate Schedule Nos. 38 and 65, unless such rights expire or are terminated earlier. This agreement is without prejudice to EPE removing all or part of the 400 MW from the formula rate divisor in the derivation of OATT rates to take effect after December 31, 2026, including in the derivation of EPE's projected 2027 rates; provided, however, that if EPE should do so, a Settling Party may oppose EPE's removal and/or the means by which EPE implemented the removal, including, but not limited to, challenging whether the removal constitutes a Material Change as defined in Section II.3(d) of the Revised Protocols. For the avoidance of doubt, during the period from January 1, 2022 through December 31, 2026, the Attachment H-1 formula rate tab labeled "A-6 Divisor" will not include the Note B that was shown in EPE's June 2023 true-up/projection filing.¹⁵

5.6 *All Issues Resolved.* This Settlement provides for the full implementation of EPE's October 29, 2021 OATT revisions, as modified by the terms of this Settlement and as reflected in the Settlement's Attachments A through F and Exhibit Nos. 1 and 2. The Settling Parties agree that this Settlement resolves all issues arising from, or related to, EPE's transmission formula rate case in Docket No. ER22-282-000. In supporting the settled resolution of this proceeding, the Settling Parties agree that, subject to the terms of the Settlement, their protests to the rate filing and the Formula Rate Template are fully resolved and they have no challenges to EPE's True Up and Annual Update posted

¹⁵ Information Filing of El Paso Electric Company, Docket No. ER23-2216-000, at Attachment 4 (June 15, 2023).

June 15, 2023; provided, however, that certain Settling Parties have submitted a conditional challenge to preserve their right to advocate that the addition of Note B to the Attachment H-1 formula rate tab labeled "A-6 Divisor" and the removal of the 400 MW from the formula rate divisor in the June 15, 2023 posting was inconsistent with the filed formula rate, FPA section 205, and Commission policy ("TEP Exchange Issue") until such time as the Commission acts on the Settlement and accepts Section 5.5 of this Settlement Agreement. Until the Settlement Effective Date, Settling Parties may submit Preliminary and Formal Challenges regarding the TEP Exchange Issue or any other issue identified in a subsequent EPE True Up and/or Annual Update that may occur prior to the Settlement Effective Date and which does not relate to the matters resolved by this Settlement. If this Settlement is filed but still pending action by the Settlement Judge or the Commission by the due date of a Formal Challenge of the TEP Exchange Issue, a Settling Party may submit a conditional Formal Challenge that indicates the challenge will be withdrawn as soon as practical but no later than five business days following the Settlement Effective Date. Any such conditional Formal Challenge shall state clearly that filing party(ies) will withdraw the challenge following the Settlement Effective Date, and shall request that the Commission stay any action on the challenge pending Commission review and action on the Settlement.

5.7 *Rate Case Expense and Amortization*. The Settling Parties stipulate to the amortization over a three-year period of rate case expense for this proceeding in Account No. 928 through inclusion of annual amounts at Attachment H-1, Tab A16.

ARTICLE VI MODIFICATION OR CONDITION OF SETTLEMENT

6.1 *Conditions to Effectiveness of the Settlement.* This Settlement is expressly conditioned upon the approval of all provisions in the Settlement by the Commission in accordance with Rule 602, without modification, provided that, if the Commission conditions its approval of this Settlement Agreement or requires modification of the Settlement Agreement, any Settling Party may notify the other Settling Parties within five (5) business days of the issuance of such order that it opposes the Settlement Agreement as so conditioned or modified. In such event, the Settling Parties shall meet or confer within ten (10) business days after such notification is provided to evaluate whether the concerns of the Settling Party(ies) can be addressed through a revision to the Settlement. If a revised offer of settlement cannot be reached and the concerns of the Settling Party(ies) cannot otherwise be adequately addressed within five (5) business days of such meeting or conference (unless mutually extended by the Settling Parties), the Settlement Agreement shall be of no force and effect and the objecting Settling Party(ies) shall so inform the Commission. Any Settling Party that does not so communicate its objections to any such condition or modification in accordance with this Section 6.1 shall be deemed to have waived all objections and may not seek rehearing of the Commission order conditioning its approval of this Settlement Agreement or modifying this Settlement Agreement. No Settling Party shall be bound by any part of this Settlement and the Settlement shall be null and void unless it becomes effective in the manner provided by Articles II and VI.

- 6.2 *Cooperation in Filing and Approval of the Settlement.* Each Settling Party shall cooperate with, and shall not take any action inconsistent with: (i) the filing of this Settlement with the Commission, or (ii) efforts to obtain Commission approval of this Settlement and the OATT revisions reflected in Attachments A through F without change or condition.
- **6.3** *Support for the Settlement.* The Settling Parties are obligated to make reasonable efforts to support and defend the terms of the Settlement against any attempt to modify or nullify any terms of the Settlement at the Commission, before other regulatory agencies, or in the courts. This agreement will not limit any Settling Party's right to respond to any pleading or other filing, submitted by a participant other than a Settling Party, to the Commission or any other forum that seeks to alter or terminate the effectiveness of any term or provision of the Settlement; provided that any such response is consistent with the Settling Party's obligation to support and defend the terms of the Settlement.

ARTICLE VII MISCELLANEOUS PROVISIONS AND RESERVATIONS

7.1 *Entire Agreement.* This Settlement, including any exhibits or attachments, constitutes the entire agreement with regard to the matters in the captioned proceeding and implies no right, duties or other restrictions not expressly set forth herein. No other agreement with regard to these matters shall be binding on the Settling Parties except by written amendment. The terms of this Settlement may only be submitted as an integrated whole, and it is understood that each provision of this Settlement is in consideration and support of all the other provisions, and

expressly conditioned upon approval by the Commission as provided for herein. Except for the terms and conditions enumerated herein, the Settling Parties acknowledge and agree that they have not made any other promises, warranties, or representations to each other regarding any aspect of the resolution of the matters addressed in this Settlement. Each Settling Party acknowledges that it has read this Settlement and executed it without relying upon any other promise, warranty, or representation, written or otherwise, of any other party.

- **7.2** *Filing Rights.* Nothing contained in this Settlement Agreement shall be construed as affecting in any way EPE's right unilaterally to make an application to the FERC for a change in rates, terms or conditions of service under FPA section 205, or as affecting in any way any participant's right to comment upon or protest any such application, except as provided in Article III, Section 3.2; Article IV, Section 4.2.5; Article V, Section 5.5; and Article VI, Sections 6.1, 6.2, and 6.3, herein. Nothing contained in this Settlement Agreement will be construed as affecting in any way any participant's rights to submit filings to FERC under FPA section 206 concerning such rates, terms or conditions of service, except as provided in Article III, Section 3.2; Article V, Section 5.5; and Article IV, Section 4.2.5; Article V, Section 3.2; Article IV, Section 206 concerning such rates, terms or conditions of service, except as provided in Article III, Section 3.2; Article IV, Section 5.5; and Article IV, Section 4.2.5; Article V, Section 5.6, and 6.3, herein.
- **7.3** *Declaration of Privilege.* The discussions that produced this Settlement have been conducted with the explicit understanding that all such discussions and documents, including offers of settlement, are and shall remain privileged, and shall be without prejudice to the positions of any Settling Party or participant presenting any such offer or participating in any such discussion, and are not to be publicly disclosed,

except that the Settlement as filed at the Commission and as approved by the Commission may be publicly disclosed; provided however that parties may introduce matters pertaining to the Settlement in any proceeding seeking to enforce the terms hereof. In the event the Commission rejects the Settlement, Rule 602(e) of the Commission's Rules of Practice and Procedure will apply to bar the admissibility, in this proceeding or otherwise, of this Settlement and of any data submissions, document submissions, and/or negotiations leading up to this Settlement.

- **7.4** *No Admission.* This Settlement is entered into upon the understanding that it constitutes an integrated, negotiated agreement and, except as explicitly set forth herein, no Settling Party shall be deemed to have approved, accepted, agreed to, or consented to any principle or position advanced or taken in this proceeding by any other participant, or to have prejudiced positions taken or that may be taken by such Settling Party in this or any other proceeding.
- 7.5 *No Precedent or Settled Practice.* This Settlement shall not be cited or relied upon as precedent for any purpose or as establishing any issue or principle. Neither the Settling Parties nor the Commission shall be deemed to have approved, accepted, agreed, or otherwise consented to any ratemaking principle or methodology or to any Tariff interpretation or modification or to any other factor or concept underlying or supposed to underlie any of the matters herein, unless expressly provided in this Settlement. The Commission's approval of this Settlement shall not constitute precedent nor be used to prejudice any otherwise available rights or arguments of any party in a future proceeding (including but not limited to

proceedings before the Commission or other regulatory bodies or proceedings in a court), other than to enforce the terms of this Settlement, and shall not be used as evidence that a particular method is a "long standing practice" as that term is used in *Columbia Gas Transmission Corp. v. FERC*, 628 F.2d 578 (D.C. Cir. 1979), or a "settled practice" as that term is used in *Pub. Serv. Comm 'n of N.Y. v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980).

- **7.6** *Standard of Review.* The standard of review for any proposed changes to the terms of this Settlement unilaterally sought by a Settling Party shall be the "public interest" standard of review commonly referred to as the "*Mobile Sierra*" standard of review.¹⁶ The standard of review for any modifications to this Settlement proposed by any other person or entity, including any modifications resulting from the Commission acting *sua sponte*, will be the ordinary just and reasonable standard.
- **7.7** *Waiver.* No provision of this Settlement may be waived if such waiver would cause financial injury to any other party to this Settlement, unless the injured party consents in writing.¹⁷ No provision of this Settlement may be waived except through a writing signed by an authorized representative of the waiving party.

¹⁶ See NRG Power Mktg., LLC v. Me. Pub. Utils. Comm'n, 558 U.S. 165 (2010); Morgan Stanley Cap. Grp. Inc. v. Pub. Util. Dist. No. 1, 554 U.S. 527 (2008); United Gas Pipe Line Co. v. Mobile Gas Serv. Corp., 350 U.S. 332 (1956); FPC v. Sierra Pacific Power Co., 350 U.S. 348 (1956).

¹⁷ See CPV Fairview, LLC, 174 FERC ¶ 61,029, at P 12 (2021); Midcontinent Indep. Sys. Operator, Inc., 154 FERC ¶ 61,059, at P 7 (2016).

Waiver of any one provision of this Settlement shall not be deemed to waive any other provision.

- **7.8** *Successors and Assigns.* This Settlement is binding upon and for the benefit of the Settling Parties and their successors and assigns.
- **7.9** *Requisite Waivers*. The Commission's approval of this Settlement shall constitute the requisite grant of any waivers of any regulations as may be necessary to permit the implementation of the provisions of this Settlement by its terms.
- **7.10** *Ambiguities.* This Settlement is the result of negotiations among, and has been reviewed by, each Settling Party and its respective counsel. Accordingly, no ambiguity shall be construed in favor of or against any Settling Party.
- **7.11** *Headings.* Section headings are used in this Settlement solely for convenience of reference and shall not be used to interpret or modify the terms of this Settlement.
- 7.12 *Execution in Counterparts.* This Settlement Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, taken together, shall constitute only one legal document. A Settling Party may deliver an executed counterpart of this Settlement Agreement by electronic means.
- **7.13** *Authorization.* Each person executing this Settlement Agreement represents and warrants that he or she is duly authorized and empowered to act on behalf of, and to sign for, the Settling Party on whose behalf he or she has signed.

By: James Selicit	By:
Date:	Date:
James Schichtl	Benjamin Engelby
Vice President – Regulatory and Governmental Affairs	General Counsel
on behalf of El Paso Electric Company	on behalf of Arizona Electric Power Cooperative, Inc.
By:	By:
Date:	Date:
Darrin Francom	Stacey J. Goodwin
Assistant General Manager	Associate General Counsel
on behalf of Central Arizona Water and Conservation District	on behalf of Public Service Company of New Mexico
By:	By:
Date:	Date:
Duane Highley	Amy Welander
Chief Executive Officer	General Counsel
on behalf of Tri-State Generation and Transmission Association, Inc.	on behalf of Tucson Electric Power Company/UNS Electric, Inc.

By: Date:	By: Description Date: April 8, 2024
James Schichtl	Benjamin Engelby
Vice President – Regulatory and	General Counsel
Governmental Affairs	on behalf of Arizona Electric Power
on behalf of El Paso Electric Company	Cooperative, Inc.
By:	By:
Date:	Date:
Darrin Francom	Stacey J. Goodwin
Assistant General Manager	Associate General Counsel
on behalf of Central Arizona Water and	on behalf of Public Service Company of
Conservation District	New Mexico
By:	By:
Date:	Date:
Duane Highley	Amy Welander
Chief Executive Officer	General Counsel
on behalf of Tri-State Generation and	on behalf of Tucson Electric Power
Transmission Association, Inc.	Company/UNS Electric, Inc.

Ву:	By:
Date:	Date:
James Schichtl Vice President – Regulatory and Governmental Affairs on behalf of El Paso Electric Company	Benjamin Engelby General Counsel on behalf of Arizona Electric Power Cooperative, Inc.
By: Date: April 8, 2024 Darrin Francom Assistant General Manager on behalf of Central Arizona Water Conservation District	By: Date: Stacey J. Goodwin Associate General Counsel on behalf of Public Service Company of New Mexico
By: Date: Duane Highley Chief Executive Officer on behalf of Tri-State Generation and	By: Date: Amy Welander General Counsel on behalf of Tucson Electric Power
Transmission Association, Inc.	Company/UNS Electric, Inc.

By:	Ву:
Date:	Date:
James Schichtl Vice President – Regulatory and Governmental Affairs on behalf of El Paso Electric Company	Benjamin Engelby General Counsel on behalf of Arizona Electric Power Cooperative, Inc.
By: Date: Darrin Francom Assistant General Manager on behalf of Central Arizona Water and Conservation District	 By: <u>Stacey Goodwin</u> Date: April 10, 2024 Stacey J. Goodwin Associate General Counsel on behalf of Public Service Company of New Mexico
By: Date: Duane Highley Chief Executive Officer	By: Date: Amy Welander General Counsel
on behalf of Tri-State Generation and Transmission Association, Inc.	on behalf of Tucson Electric Power Company/UNS Electric, Inc.

IN WITNESS WHEREOF, this Settlement is entered into as of the date first written above by and between the Settling Parties through their authorized representatives, who represent that they are fully authorized to do so on behalf of their principals.

Respectfully submitted,

Ву:	By:		
Date:	Date:		
James Schichtl Vice President – Regulatory and Governmental Affairs on behalf of El Paso Electric Company	Benjamin Engelby General Counsel on behalf of Arizona Electric Power Cooperative, Inc.		
By:	By:		
Date:	Date:		
Darrin Francom Assistant General Manager on behalf of Central Arizona Water and Conservation District	Stacey J. Goodwin Associate General Counsel on behalf of Public Service Company of New Mexico		
By: Duare Highley Date:	By: Date:		
Duane Highley Chief Executive Officer	Amy Welander General Counsel		
on behalf of Tri-State Generation and Transmission Association, Inc.	on behalf of Tucson Electric Power Company/UNS Electric, Inc.		

IN WITNESS WHEREOF, this Settlement is entered into as of the date first written above by and between the Settling Parties through their authorized representatives, who represent that they are fully authorized to do so on behalf of their principals.

Respectfully submitted,

By:	By:
Date:	Date:
James Schichtl Vice President – Regulatory and Governmental Affairs on behalf of El Paso Electric Company	Benjamin Engelby General Counsel on behalf of Arizona Electric Power Cooperative, Inc.
By: Date:	By: Date:
Darrin Francom Assistant General Manager on behalf of Central Arizona Water and Conservation District	Stacey J. Goodwin Associate General Counsel on behalf of Public Service Company of New Mexico
By: Date:	By: July Welande Date: 4-9-2024
Duane Highley	Amy Welander
Chief Executive Officer on behalf of Tri-State Generation and Transmission Association, Inc.	Vice President, General Counsel & Asst. Corporate Secretary on behalf of Tucson Electric Power Company/UNS Electric, Inc.

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

El Paso Electric Company

Docket No. ER22-282-00_

EXPLANATORY STATEMENT TO SETTLEMENT AGREEMENT OF EL PASO ELECTRIC COMPANY AND OTHER SETTLING PARTIES

)

Pursuant to Rule 602(c)(1) of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.602(c)(1), El Paso Electric Company ("EPE"); Arizona Electric Power Cooperative, Inc.; Central Arizona Water and Conservation District; Public Service Company of New Mexico; Tucson Electric Power Company ("TEP"); UNS Electric, Inc.; and Tri-State Generation and Transmission Association, Inc. (collectively the "Settling Parties")¹ provide this Explanatory Statement to the concurrently filed Settlement Agreement ("Settlement"),² which resolves all issues in this proceeding. The Settling Parties are aware of no opposition to the Settlement.

I. BACKGROUND

On October 29, 2021, EPE submitted a filing (the "OATT Formula Rate Revisions"), pursuant to section 205 of the Federal Power Act ("FPA") and part 35 of the Commission's regulations, proposing revisions to its Open Access Transmission Tariff ("OATT" or "Tariff") to transition from stated rates to a forward-looking formula rate ("Formula Rate") for transmission service and to use a formula rate template ("Template"

¹ The City of El Paso, Texas ("City") is a party to the captioned case, participated in the lengthy settlement negotiations in this proceeding, and does not oppose the Settlement.

² This Explanatory Statement is provided for informational purposes only. The terms of the Settlement are controlling.

or "Formula Rate Template") and implementation protocols ("Protocols") to calculate its annual transmission revenue requirement ("ATRR"). The OATT, as revised, establishes Formula Rates for the following services: Network Integration Transmission Service, Long-Term Firm Point-to-Point Transmission Service, Short-Term Firm and Non-Firm Point-to-Point Transmission Service, and ancillary services provided under Schedule 1 of the OATT.

On November 12, 2021, as supplemented on November 19, 2021, EPE submitted, in Docket No. ER22-392, a compliance filing ("ER22-392 Compliance Filing")³ demonstrating that its OATT, with the OATT Formula Rate Revisions filed in this proceeding, complies with the Commission's November 21, 2019 Order No. 864.⁴

On December 30, 2021, the Commission issued an order accepting EPE's proposed OATT Formula Rate Revisions, suspending them for a nominal period, to become effective January 1, 2022, and establishing hearing and settlement judge procedures based on the Commission's finding that the OATT revisions raise issues of material fact and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful.⁵ It accepted and suspended EPE's proposed ADIT worksheets, subject to refund and subject to the outcome of the ER22-392 Compliance Filing proceeding.⁶

³ See Compliance Filing Re: Order No. 864 of El Paso Electric Company, Docket No. ER22-392-000 (Nov. 12, 2021); Supplemental Compliance Filing Re: Order No. 864 of El Paso Electric Company, Docket No. ER22-392-000 (Nov. 19, 2021).

⁴ Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes, Order No. 864, 169 FERC ¶ 61,139 (2019), order on reh'g & clarification, Order No. 864-A, 171 FERC ¶ 61,033 (2020).

⁵ *El Paso Elec. Co.*, 177 FERC ¶ 61,228 (2021) ("2021 Order").

⁶ *Id.* at P 41, ordering para. (H).

On January 6, 2022, the Acting Chief Administrative Law Judge designated Judge Andrea McBarnette as the Settlement Judge⁷ to facilitate settlement discussions among the participants.⁸ Judge McBarnette convened and participants attended eleven formal settlement conferences and one technical conference in Docket No. ER22-282-000 during 2022 and 2023. The participants also had numerous informal discussions during the period from February 2022 through November 2023 and exchanged multiple written settlement offers. After an in-person settlement conference on October 20, 2023 and further informal discussions, the Settling Parties reached the Settlement.

On May 20, 2022, EPE made an informational filing in this proceeding to inform the Commission of certain errors in the filed and accepted Formula Rate Template that were identified in the course of settlement information exchange. EPE stated that it had provided a corrected formula rate template ("Corrected Template") to the parties and Commission Trial Staff in the settlement process and noted that rates derived from the Corrected Template are lower than the rates filed with and placed into effect by the Commission, subject to refund, in the 2021 Order. EPE further explained that in April 2022 it had begun billing its transmission customers (first for service during March 2022) using rates derived from the Corrected Template, and had re-billed transmission service customers for service provided in January and February 2022 at the lower, corrected rates, and credited customer invoices for the difference between the rates initially charged for January and February 2022 and the rates derived from the Corrected Template. EPE stated

⁷ El Paso Elec. Co., Order of Chief Judge Designating Settlement Judge, Docket No. ER22-282-000 (Jan. 6, 2022).

⁸ As used herein, "participant" refers to the parties to this Docket No. ER22-282-000 proceeding and Commission Trial Staff.

it would continue billing transmission customers the lower rates derived from the Corrected Template, subject to the conditions of the 2021 Order.

II. DESCRIPTION OF THE SETTLEMENT

Article I (Background): Sections 1.1 through 1.10 describe the procedural history in this proceeding, including: EPE's OATT Formula Rate Revisions filed on October 29, 2021, initiating this proceeding; EPE's ER22-392 Compliance Filing with Order No. 864; the pleadings submitted by the parties to this proceeding and EPE's responsive pleadings; the Commission's 2021 Order accepting EPE's OATT Formula Rate Revisions, suspending them for a nominal period, to become effective January 1, 2022, and establishing hearing and settlement judge procedures; the appointment of Judge McBarnette as Settlement Judge; the formal and informal settlement discussions in which the parties and participants engaged; and EPE's informational filing concerning the Corrected Template.

Article II (Settlement Effective Date): Section 2.1 provides that the provisions of this Settlement are not severable, and become binding and effective upon issuance of a final and non-appealable Commission order ("Final Commission Order") approving the Settlement without material modification, condition or subject to modification, or condition acceptable to all Settling Parties. Section 2.1 defines when the Commission order is deemed a Final Commission Order.

Article III (Cost-of-Service Terms): Section 3.1 provides that the OATT Formula Rate Template accepted by the Commission subject to refund, effective January 1, 2022, as modified by the Corrected Template, shall remain in effect until the Settlement and the *pro forma* Tariff records filed herewith become effective. Section 3.1 explains that EPE submits with the Settlement, as Attachment H-1 to its Tariff, and Attachment A to this Settlement, a *pro forma* Tariff record for the EPE transmission Formula Rate Template agreed to under this Settlement, with a proposed effective date of January 1, 2022, and provides as Exhibit 1 to this Settlement a populated Tariff, Attachment H-1 in Excel format reflecting the transmission Formula Rate for calendar year 2022 agreed to under this Settlement. EPE includes also Attachment B, the marked Tariff, Attachment H-1 showing the changes to the Formula Rate Template agreed to in this Settlement. EPE will make a compliance eTariff filing as directed by the Commission in a Commission order approving this Settlement Agreement without material modification or condition or subject to modification or condition acceptable to all Settling Parties, including as provided in Article VI hereof, to convert the *pro forma* Tariff records submitted herewith to active Tariff records., as well as Attachments E and F reflecting clean and marked tariff records for Part III, Section 34, and Schedules 1, 7, and 8 of the OATT to make revisions consistent with the EPE transmission Formula Rate Template agreed to under the Settlement and the Palo Verde Facilities rate relief provided for in section 4.2 of the Settlement Agreement.

Section 3.2 provides that EPE's return on equity ("ROE") to be used in Attachment H-1 to EPE's Tariff shall be set at 10.25 percent, and documents the Settling Parties' agreement that no filings pursuant to FPA sections 205 or 206 may be made seeking a change to EPE's ROE to be used in Attachment H-1 with an effective date before January 1, 2026.

Section 3.3 specifies the agreed-upon 2022 depreciation expenses for Uniform System of Accounts ("USofA") Account 353, Account 355, and Account 356. Section 3.3 also provides that Exhibit 2 attached to the Settlement provides the depreciation accrual rates resulting from the aforementioned adjustments. Settling Parties agree that, besides the depreciation expenses enumerated for the aforementioned accounts, the depreciation

accrual rates in Exhibit No. EPE-0032⁹ shall be used for OATT rate making purposes for USofA accounts that factor into the Attachment H-1 formula transmission rates and are appropriate and resolved by this Settlement. Settling Parties also agree that although the depreciation accrual rates set forth in Attachment H-1, Worksheet P13, include all the depreciation accrual rates supported by the 2019 EPE Depreciation Study¹⁰, the rates for production plant, other production plant, and distribution plant are not subject to the Commission's jurisdiction over transmission rates and are included solely for informational purposes. EPE may update those rates in state proceedings without filing such changes with the Commission.

Article IV (Rate Design): Section 4.1 affirms that, except as addressed in Section 4.2, EPE's rates for OATT transmission services are to be determined and charged in accordance with EPE's transmission Formula Rate Template (Tariff, Attachment H-1, Attachments A and B), Protocols (Tariff, Attachment H-2, Attachments C and D), and OATT (including the revisions to Part III, Section 34, and Schedules 1, 7, and 8 of the OATT contained in Attachments E and F).

Section 4.2 provides for a temporary stay in the assessment of fully rolled-in rates for OATT services at points of receipt and delivery on the EPE-owned portion of the Palo Verde facilities ("Palo Verde Facilities"). This section specifies the agreed upon stated rates EPE will charge during the stay periods for (1) Long-Term Firm Point-to-Point Transmission Service on the Palo Verde Facilities,¹¹ and (2) Short-Term Firm Point-to-

⁹ See Formula Rate Filing at Exhibit EPE-0032.

¹⁰ *Id.* at Exhibit EPE-0031.

¹¹ From January 1, 2023 through December 31, 2025, called the "LTF Stay Period."

Point Transmission Service and for Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing portion of the Palo Verde Facilities.¹² At the expiration of the LTF Stay Period or STF/NF Stay Period, as applicable, all OATT services on the Palo Verde Facilities automatically will be priced under the formula rate on a fully rolled-in basis, without the need for any FPA section 205 filing by EPE.

Article V (Other Issues Resolved): Section 5.1, regarding EPE's Formula Rate Protocols, explains that EPE submits, along with the Settlement, Attachment H-2 to its Tariff: a *pro forma* Tariff record for the EPE transmission Protocols agreed to by the Settling Parties. The Protocols will not be implemented retroactively, and the version of the Protocols submitted as part of the Settlement ("Revised Protocols") will become effective prospectively 30 days after the Settlement Effective Date. If a deadline or due date in the Protocols filed by EPE on October 29, 2021, has not passed by thirty (30) days after the Settlement Effective provide for a longer deadline or later due date, the longer deadline or later due date will apply. The Settlement includes Attachments C and D, which reflect the clean Tariff, Attachment H-2 containing the Revised Protocols and the marked Tariff, Attachment H-2 showing the changes to the Protocols filed by EPE on October 29, 2021.

Section 5.3 sets forth the calculation and method of provision of refunds for (1) Rate Year 2022; (2) Rate Year 2023; (3) the period from January 1, 2024, to the date the Commission accepts EPE's compliance filing described in Section 3.1 of the Settlement Agreement, for services subject to rolled-in rates; and (4) the period from January 1, 2024,

¹² From January 1, 2024 through December 31, 2026, called the "STF/NF Stay Period."

to the date the Commission accepts EPE's compliance filing described in Section 3.1 of the Settlement Agreement, for services subject to stated rates. All refunds or surcharges shall be determined with Commission interest.¹³

Section 5.4 provides for the exclusion of certain transmission plant from the Formula Rate ATRR and specifies which transmission lines are excluded.

Section 5.5 provides that EPE agrees that, for purposes of the formula rates in effect from January 1, 2022 through December 31, 2026, the divisor in any relevant populated Formula Rate Template will include 400 megawatts ("MW") of no-charge transmission service associated with an exchange agreement between EPE and TEP (EPE Rate Schedule Nos. 38 and 65), unless such rights expire or are terminated earlier. This agreement is without prejudice to EPE removing all or part of the 400 MW from the formula rate divisor in the derivation of OATT rates to take effect after December 31, 2026, including in the derivation of EPE's projected 2027 rates. If EPE elects this option at that time, a Settling Party may oppose EPE's removal.

Section 5.6 states that the Settlement provides for the full implementation of EPE's October 29, 2021 OATT revisions, as modified by the Settlement, as reflected in Tariff, Attachments H-1 and H-2 and other OATT revisions being filed with the Settlement. The section further provides that the Settling Parties agree that this Settlement resolves all issues arising from, or related to, EPE's transmission formula rate case in Docket No. ER22-282-000. Until the Settlement Effective Date, Settling Parties may submit Preliminary and Formal Challenges regarding the issue that is the subject of Section 5.5 of the Settlement, or any other issue identified in a subsequent EPE True Up

¹³ Calculated in accordance with 18 C.F.R. § 35.19a.

and/or Annual Update that may occur prior to the Settlement Effective Date, and which does not relate to the matters resolved by this Settlement.

Section 5.7 states that the Settling Parties stipulate to amortization of rate case expense for this proceeding, over a three-year period, in Account No. 928 (*see* Attachment H-1, Tab A16).

Article VI (Modification or Condition of Settlement): Under Section 6.1, the Settlement is expressly conditioned upon its approval by the Commission in accordance with Rule 602. If the Commission conditions approval of the Settlement Agreement or requires its modification, any Settling Party may notify the other Settling Parties of its opposition within five (5) business days of the Commission's order. In that instance, the Settling Parties will confer within ten (10) business days to evaluate whether the concerns can be addressed through a revision to the Settlement. If a revised offer of settlement cannot be reached within five (5) business days of the Settlement Parties' conference (unless mutually extended by the Settling Party), the Settlement Agreement shall have no force and effect and the objecting Settling Party(ies) must inform the Commission. Any Settling Party that does not communicate its objections to the conditions or modifications in accordance with this section will have waived all objections and may not seek rehearing of the Commission order.

Section 6.2 provides that each Settling Party shall cooperate with, and not take any action inconsistent with, the filing of the Settlement, or efforts to obtain Commission approval of this Settlement and the OATT revisions agreed upon in the Settlement without change or condition.

Section 6.3 states that the Settling Parties are obligated to make reasonable efforts to support and defend the terms of the Settlement against any attempt to modify or nullify

any terms of the Settlement at the Commission, before other regulatory agencies, or in the courts, but that the Settlement will not limit any Settling Party's right to respond to a pleading or filing submitted by a participant other than a Settling Party.

Article VII (Miscellaneous Provisions and Reservations): Section 7.1 provides that the Settlement constitutes the entire agreement with regard to the matters addressed in the captioned proceedings, has been submitted as an integrated whole, and implies no right, duties, or other restrictions not expressly set forth in the Settlement.

Section 7.2 states that nothing in the Settlement will affect EPE's right to file changes in rates, terms or conditions of service under FPA section 205, or will affect any participant's right to comment upon or protest any such application, except as provided in Article III, Section 3.2; Article IV, Section 4.2.5; Article V, Section 5.5; and Article VI, Sections 6.1, 6.2, and 6.3 of the Settlement Agreement. Additionally, nothing in the Settlement will affect any participant's rights to submit filings to the Commission under FPA section 206 concerning such rates, terms or conditions of service, except as provided in the aforementioned sections.

Section 7.3 provides that all settlement communications and discussions are: (1) privileged and not to be publicly disclosed, (2) without prejudice to the position of any party or participant making those communications or participating in any such discussions, and (3) not to be used in this proceeding or otherwise except to the extent necessary to enforce the terms of the Settlement. In the event the Commission rejects the Settlement, Rule 602(e) of the Commission's Rules of Practice and Procedure will apply to bar the admissibility of the Settlement.

Section 7.4 provides that the Settlement is entered into with the understanding that it constitutes an integrated, negotiated agreement, and except as explicitly set forth in the

Settlement, no Settling Party shall be deemed to have approved, accepted, agreed to, or consented to any principle or position advanced or taken in this proceeding by any other participant, or to have prejudiced positions taken or that may be taken by such Settling Party in this or any other proceeding.

Section 7.5 provides that the Settlement shall not be cited or relied upon as precedent for any purpose or as establishing any issue or principle, and the Commission's approval of the Settlement shall not constitute precedent or evidence that a particular method is a "long standing practice"¹⁴ or "settled practice."¹⁵

Section 7.6 establishes the "public interest" standard of review, commonly referred to as the "*Mobile Sierra*" standard of review,¹⁶ as the standard of review for any changes to the terms of the Settlement unilaterally proposed by any Settling Party, and the ordinary just and reasonable standard for any changes to the Settlement proposed by any other person or entity, including the Commission.

Section 7.7 establishes that no provision of the Settlement may be waived if waiver would cause financial injury to any other Settling Party, unless the injured Settling Party consents in writing, and further provides that no provision of the Settlement can be waived except through a signed writing by an authorized representative of the waiving party. Section 7.8 makes the Settlement binding on and for the benefit of the Settling Parties and

¹⁴ Columbia Gas Transmission Corp. v. FERC, 628 F.2d 578 (D.C. Cir. 1979).

¹⁵ *Pub. Serv. Comm'n of N.Y. v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980).

¹⁶ See NRG Power Mktg. v. Me. Pub. Utils. Comm'n, 558 U.S. 165 (2010); Morgan Stanley Cap. Grp. Inc. v. Pub. Util. Dist. No. 1, 554 U.S. 527 (2008); United Gas Pipe Line Co. v. Mobile Gas Serv. Corp., 350 U.S. 332 (1956); FPC v. Sierra Pac. Power Co., 350 U.S. 348 (1956).

their successors and assigns. Section 7.9 provides that the Commission's approval of the Settlement shall constitute the requisite grant of waivers of any regulations as may be necessary to permit the implementation of the Settlement.

Section 7.10 establishes that the Settlement is the product of negotiations among and review by each Settling Party, and no ambiguity will be construed in favor of or against any Settling Party on the basis of that party being the drafter. Section 7.11 explains that section headings are used in the Settlement solely for convenience of reference and shall not be used to interpret or modify the terms of the Settlement; section 7.12 provides for execution in counterparts.

III. POLICY AND OTHER ISSUES ARISING UNDER THE SETTLEMENT

Consistent with Commission policy, EPE addresses policy and other issues arising under the Settlement.¹⁷

1. Does the settlement affect other pending cases?

No other pending cases are affected by the Settlement.

2. Does the settlement involve issues of first impression?

The Settlement involves no issues of first impression.

3. Does the settlement depart from Commission precedent?

The Settlement does not depart from Commission precedent.

¹⁷ The Amended Notice to the Public on Information to Be Provided with Settlement Agreements and Guidance on the Role of Settlement Judges, Notice to the Public (Dec. 15, 2016) requires parties submitting settlement agreements to address four questions: (1) Does the settlement affect other pending cases? (2) Does the settlement involve issues of first impression? (3) Does the settlement depart from Commission precedent? (4) Does the settlement seek to impose a standard of review other than the ordinary just and reasonable standard with respect to any changes to the settlement that might be sought by either a third party or the Commission acting sua sponte?

4. Does the settlement seek to impose a standard of review other than the ordinary just and reasonable standard with respect to any changes to the settlement that might be sought by either a third party or the Commission acting *sua sponte*?

No. Section 7.6 of the Settlement sets the standard of review for any proposed changes to the terms of the Settlement sought by any person or entity other than a Settling Party, including the Commission acting *sua sponte*, as the ordinary just and reasonable standard.

IV. CONCLUSION

For the reasons set forth above, the Settling Parties respectfully request that the

Commission issue an order approving the Settlement without change or condition.

Attachment A

Pro forma Attachment H-1 to EPE's Open Access Transmission Tariff, transmission formula rate template (clean)

El Paso Electric Company Formula Rate Template Table of Contents

Line No.	Worksheet	Description	Actual / Projected	Year
	[a]	[b]	[c]	[d]
1	Attachment H	Formula Rate Template Attachment H	Actual	2020
2	Worksheet A1	FERC Form No. 1 Inputs	Actual	2020
3	Worksheet A2	Network Transmission Load (MW)	Actual	2020
4	Worksheet A3	Revenue Credits	Actual	2020
5	Worksheet A3-1	Incremental Palo Verde Revenue Credits	Actual	2020
6	Worksheet A4	Plant in Service and Accumulated Depreciation	Actual	2020
7	Worksheet A5	Excluded Transmission Plant	Actual	2020
8	Worksheet A6	Construction Work in Progress (CWIP)	Actual	2020
9	Worksheet A7	Deferred Income Tax (DIT) Averages Accumulated Deferred Income Taxes (ADIT)	Actual	2020
10	Worksheet A8	Balances	Actual	2020
11	Worksheet A9	Excess and Deficient Deferred Income Taxes	Actual	2020
12	Worksheet A10	Regulatory Assets and Liabilities	Actual	2020
13	Worksheet A11	Abandoned Plant	Actual	2020
14	Worksheet A12	Unfunded Reserves	Actual	2020
15	Worksheet A13	Hold Harmless Adjustments	Actual	2020
16	Worksheet A14	Land and Land Rights Held for Future Use	Actual	2020
17	Worksheet A15	Working Capital	Actual	2020
18	Worksheet A16	Operating Expense Adjustments	Actual	2020
19	Worksheet A17	Taxes Other than Income Taxes	Actual	2020
20	Worksheet A18	Cost of Capital	Actual	2020
21	Worksheet A19	Corporate Income Tax Rates	Actual	2020
22	Worksheet A20	Permanent Book-Tax Differences	Actual	2020
23	Worksheet A21	Incentive Plant Return and Taxes	Actual	2020
24	Worksheet A22	Allocation Factors	Actual	2020
25	Schedule 1	Schedule 1 - Load Dispatch Revenue Requirement	Actual	2020
26	Attachment H	Formula Rate Template Attachment H	Projected	2022
27	Worksheet P1	Network Transmission Load (MW)	Projected	2022
28	Worksheet P2	Projected Transmission Plant Activity	Projected	2022
29	Worksheet P3	Construction Work in Progress (CWIP)	Projected	2022
30	Worksheet P4	Deferred Income Tax (DIT) Averages Accumulated Deferred Income Taxes (ADIT)	Projected	2022
31	Worksheet P5	Balances	Projected	2022
32	Worksheet P6	Excess and Deficient Deferred Income Taxes	Projected	2022
33	Worksheet P7	Regulatory Assets and Liabilities	Projected	2022
34	Worksheet P8	Abandoned Plant	Projected	2022

35	Worksheet P9	Projected Expenses	Projected	2022
36	Worksheet P10	Corporate Income Tax Rates	Projected	2022
37	Worksheet P11	Incentive Plant Return and Taxes	Projected	2022
38	Worksheet P12	Allocation Factors	Projected	2022
39	Worksheet P13	Depreciation and Amortization Rates	Projected	2022
40	Worksheet P14	Composite Depreciation Rate Calculation	Projected	2022
41	Worksheet P15	True-Up Adjustment	Projected	2022
42	Schedule 1	Schedule 1 - Load Dispatch Revenue Requirement	Projected	2022

El Paso Electric Company Formula Rate Template (Actuals)

Formula Rate Template (Actuals) Attachment H (Actuals) 12 Months Ended December 31, 2020

Line No.	Description	Reference	Total Comp any		work cator ⁴	Network Transmission
	Description	Kelefence	Amou nt	Code	%	Network Transmission
	[a]	[b] ⁵	[c]	[d]	[e]	[f] = [c] x [e]
	SECTION I: RATE SUMMARY					
1	Gross Revenue Requirement	Ln. 86				
	Revenue Credits					
2	Rent from Electric Property (Account No. 454)	Worksheet A3, Ln. 9 Cols. [i] and [l]				
3	Other Electric Revenues (Account No. 456.1)	Worksheet A3, Ln. 26 Cols. [i] and [l]				
4	Incremental Palo Verde Revenue Credit	Worksheet A3, Ln. 27 Cols. [i] and [l]				
5	Total Revenue Credits	Sum Lns. (2 through 4)				
6	Net Revenue Requirement	Lns. (1 - 5)				
7	Divisor (kW)	Worksheet A2, Ln. 16				
	Rates					
8	Annual (MW-year)	Lns. (6 / 7) x 1,000				
9	Monthly (MW-month)	Ln. 8 / 12.0 Months				
10	Weekly (MW-week)	Ln. 8 / 52.0 Weeks				
11	Daily On-Peak (MW-day)	Ln. 10 / 6.0 Days				
12	Daily Off-Peak (MW-day)	Ln. 10 / 7.0 Days				
13	Hourly On-Peak (MW-hour)	Ln. 11 / 16.0 Hours				
14	Hourly Off-Peak (MW-hour)	Ln. 12 / 24.0 Hours				

SECTION II: RATE BASE

Gross Plant in Service¹

15	Production	Worksheet A4, Lns. (15 - 30)	NA
16	Transmission	Worksheet A4, Lns. (15 - 30)	TP
17	Distribution	Worksheet A4, Lns. (15 - 30)	NA
18	General & Intangible	Worksheet A4, Lns. (15 - 30)	WS
19	Total Gross Plant in Service	Sum Lns. (15 through 18)	

Accumulated Depreciation¹

20	Production	Worksheet A4, Lns. (44 - 58)	NA
21	Transmission	Worksheet A4, Lns. (44 - 58)	TP
22	Distribution	Worksheet A4, Lns. (44 - 58)	NA
23	General & Intangible	Worksheet A4, Lns. (44 - 58)	WS
24	Total Accumulated Depreciation	Sum Lns. (20 through 23)	

Net Plant in Service

25	Production	Lns. (15 - 20)
26	Transmission	Lns. (16 - 21)
27	Distribution	Lns. (17 - 22)
28	General & Intangible	Lns. (18 - 23)
29	Total Net Plant in Service	Sum Lns. (25 through 28)

30 Construction Work in Progress (CWIP)

Worksheet A6, Ln. 2, Cols. [s] and [v]

Rate Base Adjustments

31	Accumulated Deferred Income Taxes (ADIT)	Worksheet A7, Ln. 58
32	Unamortized Excess/Deficient Deferred Income Taxes	Worksheet A7, Ln. 97
33	Unamortized Regulatory Assets	Worksheet A10, Ln. 3, Cols. [aa] and [cc]
34	Unamortized Regulatory Liabilities	Worksheet A10, Ln. 4, Cols. [aa] and [cc]
35	Unamortized Abandoned Plant	Worksheet A11, Ln. 2, Cols. [z] and [bb]
36	Unfunded Reserves	-1.0 x Worksheet A12, Ln. 2, Cols. [r] and [u]
37	Hold Harmless Adjustments	Worksheet A13, Ln. 2, Cols. [u] and [v]
38	Total Rate Base Adjustments	Sum Lns. (31 through 37)

	Working Capital			
40	Cash Working Capital ²	Ln. 58 x 1/8		
41	Material and Supplies (Transmission)	Worksheet A15, Ln. 15	TP	
42	Material and Supplies (Stores Expense)	Worksheet A15, Ln. 15	WS	
43	Prepayments	Worksheet A15, Ln. 15	GP	
44	Total Working Capital	Sum Lns. (40 through 43)		
45	Rate Base	Lns. (29 + 30 + 38 + 39 + 44)		
-15	Kate Dase	Lis. (2) + 50 + 56 + 55 + 44)		
	SECTION III: COST OF SERVICE			
	Adjusted Transmission O&M			
46	Transmission O&M Expenses	Worksheet A1, Ln. 57	TP	
47	Less: Account Nos. 561.1-561.8 (Load Dispatch)	Worksheet A1, Sum Lns. (48 through 55)	TP	
48	Less: Account No. 565 (Transmission of Electricity by Others)	Worksheet A1, Ln. 56	TP	
49	Total Adjusted Transmission O&M	Lns. (46 - 47 - 48)		
	Adjusted A&G A&G (Excluding Property Insurance and Regulatory			
50	Commission Expense)	Worksheet A1, Lns. (61 - 58 - 59)	WS	
51	Less: Non-Recoverable A&G	Worksheet A16, Ln. 5	WS	
52	Plus: Property Insurance	Worksheet A1, Ln. 58	GP	
53	Plus: Regulatory Commission Expense	Worksheet A16, Lns. 7 and 9		
54	Less: Actual OPEB Expense	Worksheet A16, Ln. 6	WS	
55	Plus: Fixed OPEB Expense	Fixed Amount ³	WS	
56	Total Adjusted A&G	Lns. (50 - 51 + 52 + 53 - 54 + 55)		
57	Hold Harmless Expense Adjustments	Worksheet A13, Ln. 2, Cols. [d] and [g]		
58	Total Operating Expenses	Lns. (49 + 56 + 57)		

Worksheet A14, Ln. 2, Cols. [q] and [t]

39

Land and Land Rights Held for Future Use

Depreciation and Amortization¹

59	Transmission	Worksheet A1, Lns. (65 - 66)	ТР	
60	General & Intangible	Worksheet A1, Lns. (63 - 64 + 67 - 68)	WS	
61	Amortization of Abandoned Plant	Worksheet A11, Ln. 2, Cols. [h] and [l]		
62	Amortization of Regulatory Assets	Worksheet A10, Ln. 3, Cols. [i] and [m]		
63	Amortization of Regulatory Liabilities	Worksheet A10, Ln. 4, Cols. [i] and [m]		
64	Total Depreciation and Amortization	Sum Lns. (59 through 63)		
	Taxes Other than Income Taxes			
65	Payroll	Worksheet A17, Ln. 2	WS	
66	Highway and Vehicle	Worksheet A17, Ln. 4	WS	
67	Property	Worksheet A17, Ln. 6	NP	
68	Gross Receipts	Worksheet A17, Ln. 8	NA	
69	Other	Worksheet A17, Ln. 10	 GP	
70	Total Taxes Other than Income Taxes	Sum Lns. (65 through 69)		
	Return on Rate Base			
71	Weighted Cost of Long-Term Debt	Worksheet A18, Ln. 18, Col, [g]		
72	Weighted Cost of Common Equity	Worksheet A18, Ln. 18, Col, [f]		
73	Weighted Average Cost of Capital	Lns. (71 + 72)		
74	Return on Equity	Lns. (45 x 72)		
75	Interest Expense	Lns. (45 x 71)		
76	Total Return on Rate Base	Lns. (74 + 75)		
	Income Tax Computations			
77	Composite Income Tax Rate (T)	Worksheet A19, Ln. 8		
78	Composite Income Tax Rate Gross-Up Rate	Ln. 77 / (1.0 - Ln. 77)		
79	Amortization of Excess/Deficient Deferred Income Taxes	Worksheet A9, Ln. 9, Col. [dd] x -1.0		
80	Permanent Differences	Worksheet A20, Ln. 8, Cols. [b] and [e]		
	Income Taxes			
81	Income Tax on Equity Return	Lns. (74 x 78)		
	1 2			

82	Tax Adjustment-Excess/Deficient Deferred Income Taxes	(1.0 + Ln. 78) x Ln. 79
83	Tax Adjustment-Permanent Differences	(1.0 + Ln. 78) x Ln. 77 x Ln. 80
84	Total Income Taxes	Sum Lns. (81 through 83)
85	Incentive Plant Return and Taxes	Worksheet A21, Ln. 2, Col. [qq]
86	Gross Revenue Requirement	Sum Lns. (58, 64, 70, 76, 84, and 85)

Notes and Sources:

1 2 3	Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC. Cash working capital calculated using the 1/8th O&M methodology.
4	Fixed other post-employment benefits (OPEB) expense of (\$3,848,723) as established in Docket No. ER22-282-000. This amount cannot be modified absent a ruling from the Commission. The fixed OPEB expense will be used in lieu of the actual OPEB expense incurred in the year absent FERC approval. The Company reviews internal records and identifies the PBOP expenses to be removed from A&G as shown on Worksheet A16, line 6.
5	Throughout this Formula Rate Template (Actuals), network allocators are sourced from Worksheet A22.
3	Throughout this Formula Rate Template yellow-shaded cells are sourced from Company manual inputs.

El Paso Electric Company Formula Rate Template (Actuals) FERC Form No. 1 Inputs 12 Months Ended December 31, 2020

Line No.	Description	Reference	Beginning of Year Input	Current Year/End of Year Input
	[a]	[b]	[c]	[d]
1	Year of FERC Form No. 1 Inputs (Historic True- Up Year)	Manual Input (Enter as "1/1/YYYY")		1/1/2020
2	Year of Rate Projections (Rate Year)	Manual Input (Enter as "1/1/YYYY")		1/1/2022
	Balance Sheet Inputs			
3	Prepayments	Page 111, Line 57, Columns (c) and (d)		
4	Unamortized Debt Expenses (181)	Page 111, Line 69, Columns (c) and (d)		
5	Unamortized Loss on Reaquired Debt (189)	Page 111, Line 81, Columns (c) and (d)		
6	Preferred Stock Issued (204)	Page 112, Line 3, Columns (c) and (d)		
7	Unappropriated Undistributed Subsidiary Earnings (216.1) Accumulated Other Comprehensive Income	Page 112, Line 12, Columns (c) and (d)		
8	(219)	Page 112, Line 15, Columns (c) and (d)		
9	Total Proprietary Capital	Page 112, Line 16, Columns (c) and (d)		
10	Total Long-Term Debt	Page 112, Line 24, Columns (c) and (d)		
11	Unamortized Gain on Reaquired Debt (257)	Page 113, Line 61, Columns (c) and (d)		
	Interest Charges			

12	Interest on Long-Term Debt (427) Amortization of Debt Discount and Expense	Page 117, Line 62, Column (c)	
13	(428)	Page 117, Line 63, Column (c)	
14	Amortization of Loss on Reaquired Debt (428.1)	Page 117, Line 64, Column (c)	
15	Amortization of Premium on Debt-Credit (429) Amortization of Gain on Reaquired Debt-Credit	Page 117, Line 65, Column (c)	
16	(429.1)	Page 117, Line 66, Column (c)	
17	Interest on Debt to Associated Companies (430)	Page 117, Line 67, Column (c)	

18 Amortization of Other Utility Plant

Construction Work in Progress

32

Page 200, Line 21, Column (c) (for respective yr)

	End of Year Gross Plant in Service Balances		
		Pages 204-205, Line 5, Columns (b)	
19	Total Intangible Plant	and (g)	
		Pages 204-205, Line 15, Columns (b)	
20	Asset Retirement Costs (Steam Production Plant)	and (g)	
	Asset Retirement Costs (Nuclear Production	Pages 204-205, Line 24, Columns (b)	
21	Plant)	and (g)	
	Asset Retirement Costs (Hydraulic Production	Pages 204-205, Line 34, Columns (b)	
22	Plant)	and (g)	
		Pages 204-205, Line 44, Columns (b)	
23	Asset Retirement Costs (Other Production Plant)	and (g)	
		Pages 204-205, Line 46, Columns (b)	
24	Total Production Plant	and (g)	
		Pages 206-207, Line 57, Columns (b)	
25	Asset Retirement Costs (Transmission Plant)	and (g)	
		Pages 206-207, Line 58, Columns (b)	
26	Total Transmission Plant	and (g)	
		Pages 206-207, Line 74, Columns (b)	
27	Asset Retirement Costs (Distribution Plant)	and (g)	
		Pages 206-207, Line 75, Columns (b)	
28	Total Distribution Plant	and (g)	
		Pages 206-207, Line 98, Columns (b)	
29	Asset Retirement Costs (General Plant)	and (g)	
		Pages 206-207, Line 99, Columns (b)	
30	Total General Plant	and (g)	
		Page 214, Lines 1 through 20, Column	
31	Land and Rights Held for Future Use	(d)	
51	Land and Rights field for Future Use	(u)	

Page 216, Line 43, Column (b)

	End of Year Accumulated Depreciation Balances		Adjustment per the Docket ER22- 282 Settlement Adjusted Amount
33	Steam Production	Page 219, Line 20, Column (c)	
34	Nuclear Production	Page 219, Line 21, Column (c)	
35	Hydraulic Production	Page 219, Lines 22+23, Column (c)	
36	Other Production	Page 219, Line 24, Column (c)	

37	Transmission	Page 219, Line 25, Column (c)	
38	Distribution	Page 219, Line 26, Column (c)	
39	General	Page 219, Line 28, Column (c)	

Materials and Supplies Balances

40

41

42

43 44

45

53

54

55

56 57

Transmission Plant (Estimated) (154)	Page 227, Line 8, Columns (b) and (c)	
Stores Expense Undistributed) (163)	Page 227, Line 16, Columns (b) and (c)	

Accumulated Deferred Income Taxes and ITCs

Account No. 190	Page 234, Line 8, Columns (b) and (c)	
	Pages 266-267, Line 8, Columns (b)	
Account No. 255	and (h)	
	Pages 274-275, Line 2, Columns (b)	
Account No. 282	and (k)	
	Pages 276-277, Line 9, Columns (b)	
Account No. 283	and (k)	

Rent from Electric Property (454) 46 Page 300, Line 19, Column (b) Revenues from Transmission of Electricity of Others (456.1) Page 300, Line 22, Column (b) 47

48	Load Dispatch-Reliability (561.1)
	Load Dispatch-Monitor and Operate
49	Transmission System (561.2)

Other Revenues

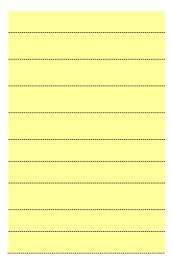
Operating Expenses

	Load Dispatch-Transmission Service and
50	Scheduling (561.3)
	Scheduling, System Control and Dispatch

51 Services (561.4) Reliability, Planning and Standards Develop 52 (561.5)

Transmission System (561.2)	Page 321, Line 86, Column (b)
Load Dispatch-Transmission Service a	nd
Scheduling (561.3)	Page 321, Line 87, Column (b)
Scheduling, System Control and Dispa	tch
Services (561.4)	Page 321, Line 88, Column (b)
Reliability, Planning and Standards De	velopment
(561.5)	Page 321, Line 89, Column (b)
Transmission Service Studies (561.6)	Page 321, Line 90, Column (b)
Generation Interconnection Studies (56 Reliability, Planning and Standards De	
Services (561.8)	Page 321, Line 92, Column (b)
Services (Solid)	r_{uge} s_{21} , r_{me} s_{2} , $column (b)$
Transmission of Electricity by Others (565) Page 321, Line 96, Column (b)
Total Transmission Expenses	
Total Transmission Expenses	Page 321, Line 112, Column (b)

Page 321, Line 85, Column (b)



58	Property Insurance (924)	Page 323, Line 185, Column (b)
59	Regulatory Commission Expenses (928) ¹	Page 323, Line 189, Column (b)
60	General Advertising Expenses (930.1)	Page 323, Line 191, Column (b)
61	Total Administrative and General Expenses	Page 323, Line 197, Column (b)
62	Industry Association Dues (930.2)	Page 335, Column (b)

	Depreciation and Amortization Charges		Adjustment per the Docket ER22- 282 Settlement Adjusted Amor
63	Total (Intangible Plant)	Page 336, Line 1, Column (f)	
64	Depreciation Expense for AROs (Intangible Plant)	Page 336, Line 1, Column (c)	
65	Total (Transmission Plant)	Page 336, Line 7, Column (f)	
66	Depreciation Expense for AROs (Transmission Plant)	Page 336, Line 7, Column (c)	
67	Total (General Plant)	Page 336, Line 10, Column (f)	
68	Depreciation Expense for AROs (General Plant)	Page 336, Line 10, Column (c)	
	Distribution of Salaries and Wages		
69	Production	Page 354, Line 20, Column (b)	
70	Transmission	Page 354, Line 21, Column (b)	
71	Distribution	Page 354, Line 23, Column (b)	
72	Customer Accounts	Page 354, Line 24, Column (b)	
73	Customer Service and Informational	Page 354, Line 25, Column (b)	
74	Sales	Page 354, Line 26, Column (b)	

Firm Network Service for Self

75	January	Page 400, Line 1, Column (e)
76	February	Page 400, Line 2, Column (e)
77	March	Page 400, Line 3, Column (e)
78	April	Page 400, Line 5, Column (e)
79	May	Page 400, Line 6, Column (e)

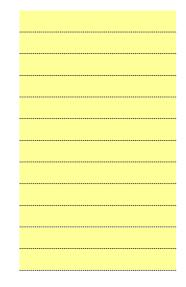
80	June	Page 400, Line 7, Column (e)
81	July	Page 400, Line 9, Column (e)
82	August	Page 400, Line 10, Column (e)
83	September	Page 400, Line 11, Column (e)
84	October	Page 400, Line 13, Column (e)
85	November	Page 400, Line 14, Column (e)
86	December	Page 400, Line 15, Column (e)

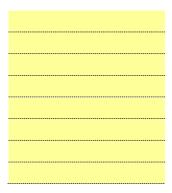
Firm Network Service for Others

87	January	Page 400, Line 1, Column (f)
88	February	Page 400, Line 2, Column (f)
89	March	Page 400, Line 3, Column (f)
90	April	Page 400, Line 5, Column (f)
91	May	Page 400, Line 6, Column (f)
92	June	Page 400, Line 7, Column (f)
93	July	Page 400, Line 9, Column (f)
94	August	Page 400, Line 10, Column (f)
95	September	Page 400, Line 11, Column (f)
96	October	Page 400, Line 13, Column (f)
97	November	Page 400, Line 14, Column (f)
98	December	Page 400, Line 15, Column (f)

Long-Term Firm Point-to-point Reservations

99	January	Page 400, Line 1, Column (g)
100	February	Page 400, Line 2, Column (g)
101	March	Page 400, Line 3, Column (g)
102	April	Page 400, Line 5, Column (g)
103	May	Page 400, Line 6, Column (g)
104	June	Page 400, Line 7, Column (g)
105	July	Page 400, Line 9, Column (g)
106	August	Page 400, Line 10, Column (g)





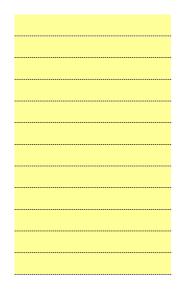
107	September	Page 400, Line 11, Column (g)	
108	October	Page 400, Line 13, Column (g)	
109	November	Page 400, Line 14, Column (g)	
110	December	Page 400, Line 15, Column (g)	

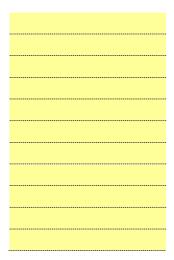
Other Long-Term Firm Service

111	January	Page 400, Line 1, Column (h)
112	February	Page 400, Line 2, Column (h)
113	March	Page 400, Line 3, Column (h)
114	April	Page 400, Line 5, Column (h)
115	May	Page 400, Line 6, Column (h)
116	June	Page 400, Line 7, Column (h)
117	July	Page 400, Line 9, Column (h)
118	August	Page 400, Line 10, Column (h)
119	September	Page 400, Line 11, Column (h)
120	October	Page 400, Line 13, Column (h)
121	November	Page 400, Line 14, Column (h)
122	December	Page 400, Line 15, Column (h)

Short-Term Firm Point-to-point Reservation

123	January	Page 400, Line 1, Column (i)
124	February	Page 400, Line 2, Column (i)
125	March	Page 400, Line 3, Column (i)
126	April	Page 400, Line 5, Column (i)
127	May	Page 400, Line 6, Column (i)
128	June	Page 400, Line 7, Column (i)
129	July	Page 400, Line 9, Column (i)
130	August	Page 400, Line 10, Column (i)
131	September	Page 400, Line 11, Column (i)
132	October	Page 400, Line 13, Column (i)
133	November	Page 400, Line 14, Column (i)





134	December	Page 400, Line 15, Column (i)	
	Other Service		
135	January	Page 400, Line 1, Column (j)	
136	February	Page 400, Line 2, Column (j)	
137	March	Page 400, Line 3, Column (j)	
138	April	Page 400, Line 5, Column (j)	
139	May	Page 400, Line 6, Column (j)	
140	June	Page 400, Line 7, Column (j)	
141	July	Page 400, Line 9, Column (j)	
142	August	Page 400, Line 10, Column (j)	
143	September	Page 400, Line 11, Column (j)	
144	October	Page 400, Line 13, Column (j)	
145	November	Page 400, Line 14, Column (j)	
146	December	Page 400, Line 15, Column (j)	

Notes and Sources:

Prior to January 1, 2023, a portion of the amount shown on this line was recorded in Account No. 408. They are

¹ now recorded in Account No. 928.

El Paso Electric Company Formula Rate Template (Actuals) Network Transmission Load (MW) 12 Months Ended December 31, 2020

Worksheet A2

Line No.	Month [a]	Firm Network for Self [b]	Firm Network Service for Others [c]	Long-Term Firm Point to Point Reservations [d]	Other Long-Term Firm Service [e]	Short Term Firm Point to Point Reservation [f]	Other Service [g]	Transmission System Peak Load [h]=Sum([b]-[g])	12-Month Coincident Peak Average ¹ [i]=[h]-[f]
1	Reference for Monthly Loads	Worksheet A1, Lns. (75 through 86)	Worksheet A1, Lns. (87 through 98)	Worksheet A1, Lns. (99 through 110)	Worksheet A1, Lns. (111 through 122)	Worksheet A1, Lns. (123 through 134)	Worksheet A1, Lns. (135 through 146)		
2	January					-	-		-
3	February						-		-
4	March						-		-
5	April		-				-		-
6	May	-	-						-
7	June	-							-
8	July	-							-
9	August					_			-
10	September					_	-		-
11	October								-
12	November						-		-
13	December		-	-	-	<u> </u>	-	-	-
14	12-Month Total		-	-	-	-	-	-	-
15	12-Month CP Average (Ln. 14 / 12 Months)								-
16	12-Month CP Average (kW) (Ln. 15 x 1,000)								-

Notes and Sources:

12-month CP average includes all load with the exception of Short-Term Firm Point-to-Point load. 1

El Paso Electric Company Formula Rate Template (Actuals) Revenue Credits 12 Months Ended December 31, 2020

	Туре	Servi ce Type	Description	Reference	PTP Transmission	Network Transmission	Ancillary	Other	Total Company	Network <u>Allocator</u>		Network
Line No.			Destiquent		Schedules 7 & 8	Schedule 9	Service		Amount	Code	%	Transmission
	[a] [b] [c]		[d]	[e]	[f]	[g]	[h]	[i]=sum([e]-[h])	[j]	[k]	[1] = [i] x [k]	
	Account No. 454 (Rent from Electric Property) ²											
1	Affiliate General and Intangible Plant		Company Input/Records						WS			
2	Affilia	ate	Production Plant	Company Input/Records						NA		
3	Affilia	ate	Transmission Plant	Company Input/Records						TP		
4	Affilia	ate	Distribution Plant	Company Input/Records						NA		
5	Non-Aff	filiate	General and Intangible Plant	Company Input/Records						WS		
6	Non-Aff	filiate	Production Plant	Company Input/Records						NA		
7	Non-Aff	iliate	Transmission Plant	Company Input/Records					TP			
8	Non-Aff	filiate	Distribution Plant Total Account No. 454 (Rent from Electric	Company Input/Records						NA		
9	9		Property)	Sum Lns. (1 through 8)								

Account No. 456.1 (Other Electric Revenues)^{3, 5}

				FERC Form No. 1 Pages	
10	Divisor	FNO	Firm Network	328-330	
				FERC Form No. 1 Pages	
11	Ancillary	FNO	Firm Network	328-330	
				FERC Form No. 1 Pages	
12	Divisor	LFP	Long Term Firm	328-330	
				FERC Form No. 1 Pages	
13	Ancillary	LFP	Long Term Firm	328-330	
				FERC Form No. 1 Pages	
14	Divisor	OLF	Other Long Term Firm	328-330	
				FERC Form No. 1 Pages	
15	Ancillary	OLF	Other Long Term Firm	328-330	
				FERC Form No. 1 Pages	
16	Credit	SFP	Short Term Firm Point To Point	328-330	
				FERC Form No. 1 Pages	
17	Ancillary	SFP	Short Term Firm Point To Point	328-330	
17	Ancillary	SFP	Short Term Firm Point To Point	328-330	

18	Credit	NF	Non Firm	FERC Form No. 1 Pages 328-330				
10	citati			FERC Form No. 1 Pages				
19	Ancillary	NF	Non Firm	328-330				
	5			FERC Form No. 1 Pages				
20	Divisor	OS	Other Service	328-330				
				FERC Form No. 1 Pages				
21	Ancillary	OS	Other Service	328-330				
			Total Account No. 456.1 (Other Electric	Sum Lns. (10 through				
22			Revenues)	21)				
			Other Electric Revenues by Type ⁴					
				Taken from Lns. 10				
23			Credit	through 21			TP	
				Taken from Lns. 10				
24			Divisor	through 21			NA	
25				Taken from Lns. 10			27.4	
25			Ancillary	through 21		<u> </u>	NA	
24			Total Account No. 456.1 (Other Electric	Sum Lns. (23 through				
26			Revenues)	25)				
			Incremental LTF PTP Palo Verde Revenue	Worksheet A3-1, Ln				
27			Credits	17, Col [d]				
					-			
28			Total Revenue Credits	Lns. $(9 + 26 + 27)$				
					=			

Notes and Sources:

¹ Unless otherwise stated, source of shaded cells is company input/records.

Total company amount shown on line 9 must match the amount shown on Worksheet A1, line 46, which is taken from the Company's FERC

² Form No. 1.

Total company amount shown on line 22 must match the amount shown on Worksheet A1, line 47, which is taken from the Company's

³ FERC Form No. 1.

Amounts shown on lines 23 through 25 are automatically generated based on the Account No. 456.1 categorizations shown in column [a] for lines 10 through 21.

⁴ Categories described below:

Ancillary Ancillary services includes regulation & frequency, control & dispatch, voltage control, reactive, spinning reserve, and

scheduling; no revenue credit.

Divisor- Load associated with these revenues are included in the formula divisor; no revenue credit.

Credit- Revenue credit because the load is not included in divisor.

⁵ The revenues credited shall include only amounts received directly for transmission service provided by EPE under this tariff using EPE's integrated transmission facilities, except that these revenue credits shall not include revenues associated with transmission service for which loads are included in the rate divisor on Worksheet A2, line 16 of this Formula Rate Template. The revenues credited do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, and facilities for which costs are not recovered under this Formula Rate Template (e.g., direct assignment facilities and GSUs). As an exception to this principle, during the Docket No. ER22-282 Settlement's stay period associated with LTF PTP service, revenue credits include certain amounts associated with transmission service for which loads are included in the rate divisor on Worksheet A2, line 16.

Incremental Palo Verde Revenue Credits 12 Months Ended December 31, 2020

Line No.	Path	Description	Reference	Amount ^{1, 2}
	[a]	[b]	[c]	[d]
1	Long	Term Firm PV-WW		
2		Revenue included in FF1 (\$)	Company Records	
3		Revenue Calculated at Formula Rate		
4		Annual Demand (MW)	Company Records	
5	Applicable Firm Annual Formula Rate (\$/MW-year)		Company Records	
6		Revenue at Annual Formula Rate (\$)	Line 4 x Line 5	
7		Incremental Revenue Credit (\$)	Line 2 - Line 6	
8				
9	Long	<u>Term Firm PV-JO-KY</u>		
10		Revenue included in FF1 (\$)	Company Records	
11		Revenue Calculated at Formula Rate		
12		Annual Demand (MW) Applicable Firm Annual Formula Rate	Company Records	
13		(\$/MW-year)	Company Records	
14		Revenue at Annual Formula Rate (\$)	Line 12 x Line 13	
15		Incremental Revenue Credit (\$)	Line 10 - Line 14	
16				
17	Total	Incremental PV LTF Revenue Credit	Line 7 + Line 15	

Notes and Sources:

Unless otherwise stated, source of shaded cells

1 is company input/records.

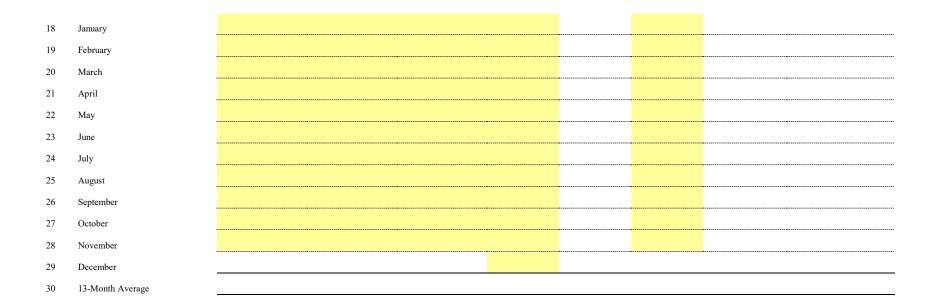
> The incremental revenue credits automatically expire under the Docket ER22-282 Settlement on the dates identified in the Settlement Agreement, without the need for Company action or Commission approval under Sections 205 or 206.

2

Line No.	Month [a]	Total Production [b]	Total Distribution [c]	Network Transmission [d]	Excluded Transmission Plant [e]	Total Transmission [f] = [d] + [e]	Total General	Total Intangible [h]	Total Plant [i]=[b]+[c]+[f]+[g]+[h]
	[a]	[0]	[C]	լսյ	[U]	[I] - [u] + [c]	[B]	լոյ	[1]-[0] [0] [1] [2] [1]
1	<u>Gross Plant in Service</u> ¹ Reference for BOY/EOY Balances	Worksheet A1, Lns. (24-20-21-22-23)	Worksheet A1, Lns. (28-27)	Col. [f] - Col. [e]	Worksheet A5, Ln. 2	Worksheet A1, Lns. (26-25)	Worksheet A1, Lns. (30-29)	Worksheet A1, Ln. 19	
2	Prior December								
3	January								
4	February								
5	March								
6	April								
7	May								
8	June								
9	July								
10	August								
11	September								
12	October								
13	November								
14	December								
15	13-Month Average								

Gross Plant in Service (AROs)^{1, 2}

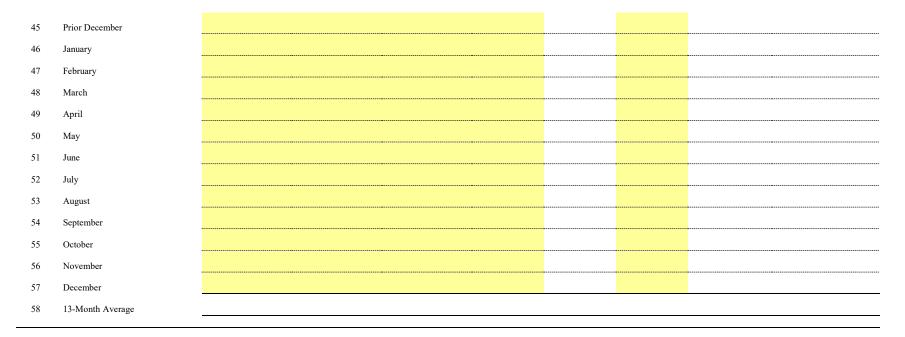
16	Reference for BOY/EOY Balances	Worksheet A1, Lns. (20+21+22+23)	Worksheet A1, Ln. 27	Col. [f] - Col. [e]	Company Input / Records	Worksheet A1, Ln. 25	Worksheet A1, Ln. 29	Fixed \$0
17	Prior December							



Accumulated Depreciation^{1, 3}

31	Prior December	
32	January	
33	February	
34	March	
35	April	
36	May	
37	June	
38	July	
30		
39	August	
40	September	
41	October	
42	November	
43	December	
44	13-Month Average	

Accumulated Depreciation (AROs)^{1, 2}



Notes and Sources:

¹ Unless otherwise stated, source of shaded cells is company input/records. Sources for certain BOY/EOY gross plant balances are listed on lines 1 and 16.

² Monthly ARO balances for the intangible plant function are fixed at \$0.

³ Accumulated depreciation balances for the intangible plant function reflect the Company's balances for Account No. 111 (Accumulated provision for amortization of electric utility plant).

Line No.	Description of Facilities ¹	Reason for Exclusion from Network Transmission	GROSS PLANT	IN SERVICE BALA	ANCES					GROSS PLANT	IN SERVICE BAL	ANCES				13-Month Average
			Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Balance
	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[i]	[k]	[1]	[m]	[n]	[0]	[p]
1a	Anthony to Border Steel	Agreed in Settlement, Docket No. ER22-282														
1b	Rio Grande to Border Steel	Agreed in Settlement, Docket No. ER22-282														
1c	Apollo to Cox ²	Agreed in Settlement, Docket No. ER22-282														
1d	Jornada to Hatch	Agreed in Settlement, Docket No. ER22-282														
1e	Emerald to Largo to Mar	Agreed in Settlement, Docket No. ER22-282														
1 f	Oro Grande to White Sands	Agreed in Settlement, Docket No. ER22-282														
1g	Arroyo to Jornada ²	Agreed in Settlement, Docket No. ER22-282														
1zz																
2	Total Excluded Transmission Plant (Sum Lns. (1a	through 1zz))														

Notes and Sources:

- ¹ Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of excluded transmission plant balances.
- ² These lines are undergoing configuration changes such that radial characteristics are expected to be eliminated. The settlement's exclusion from the OATT rate base is temporary. These lines will be included in the OATT rates upon reconfiguration completion.

El Paso Electric Company

Formula Rate Template (Actuals) Construction Work in Progress (CWIP)

12 Months Ended December 31, 2020

		FERC	Recovery %	Construction	Estimated				BALA	NCES					BALA	NCES			Average	<u>Netw</u> Alloc	ork ator	Network	Network
Line No.	Description ²	Approval Docket	Approved ³	Start Date	In-Service Date	Dec- 2019	Jan- 2020	Feb- 2020	Mar- 2020	Apr- 2020	May- 2020	Jun-2020	Jul- 2020	Aug- 2020	Sep- 2020	Oct- 2020	Nov- 2020	Dec- 2020	CWIP	Code	%	Transmission Balance	Allocator Justification ⁴
110.	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]	[1]	[m]	[n]	[0]	[p]	[q]	[r]	[s]=Avg. ([f] through [r])	[t]	[u]	[v]=[s]x[c]x[u]	[w]

1a					
1b					
1c					
1zz					
	Total Construction Work in Progress (Sum Lns. (1a through 1zz))				
2	Lns. (1a through 1zz))				

Notes and Sources:

Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of CWIP balances.

- ² The accrual of allowance for funds used during construction (AFUDC) ceases when CWIP is recovered in rate base corresponding to the amount of CWIP included in rate base. Accounting procedures must ensure that there is no duplicate recovery of CWIP and corresponding capitalized AFUDC.
- ³ Percentages greater than 0% listed in column [c] must be accompanied by a corresponding FERC docket number in column [b], where rate base treatment was specifically directed or approved by the Commission pursuant to a \$205, \$206, or \$219 filing.
- ⁴ Only network allocator codes listed on Worksheet A22 may be inputed.

Worksheet A6

El Paso Electric Company

Formula Rate Template (Actuals) Deferred Income Tax (DIT) Averages 12 Months Ended December 31, 2020

Line	Description / Month			Day	s in Period ¹					Calculation of Actu	al Monthly Bal	ances	
No.			Days in Month	Days Prorated	Days in Trued-Up Period	Proration Percentage	Prorated Projected Monthly Activity ²	Actual Monthly Activity ³	Difference Between Actual and Projected Activity ⁴	Monthly Actual Activity Above Projection (No Prorationing) ⁵	Monthly Actual Activity Below Projection (Prorate) ⁶	Monthly Actual Activity that Decreases Absolute Balance (No Prorationing) ⁷	Partially- Prorated Actual ADIT Balances ⁸
	[a]		[b]	[c]	[d]	[e]=[c]/[d]	[f]	[g]	[h] = [g] - [f]	[i]	[j]	[k]	[1]
Accun	nulated Deferred Income Taxes (Ac	count No. 190)											
1	Dec-2019 (Worksheet A8, Ln. 3,	1/1/2020											
2	Col. [q]) Jan-2020	1/31/2020	31										
3	Feb-2020	2/29/2020	29										
4	Mar-2020	3/31/2020	31										
5	Apr-2020	4/30/2020	30										
6	May-2020	5/31/2020	31										
7	Jun-2020	6/30/2020	30										
8	Jul-2020	7/31/2020	31										
9	Aug-2020	8/31/2020	31										
10	Sep-2020	9/30/2020	30										
11	Oct-2020	10/31/2020	31										
12	Nov-2020	11/30/2020	30										
13	Dec-2020	12/31/2020	31										
14	Total (Sum Lns. (1 through 13))												

Total Account No. 190 - Balances Not Subject to Prorationing

15 Beginning of Year Balance (Worksheet A8, Ln. 4,

Col. [q]) 16 End of Year Balance (Worksheet A8, Ln. 4, Col.

[cc])

17 Average of Beginning of Year and End of Year Balances (Average Lns. 15 and 16)

18 Total Account No. 190 - Prorated Balance at End of Year (Ln. 13, Col. [l])

19 Total Average Account No. 190 Balance (Lns. (17 + 18))

Accum	ulated Deferred Income Taxes - Of	ther Property (A	Account No. 282)	
20	Dec-2019 (Worksheet A8, Ln. 7,	1/1/2020		
21	Col. [q]) Jan-2020	1/31/2020	31	
22	Feb-2020	2/29/2020	29	
23	Mar-2020	3/31/2020	31	
24	Apr-2020	4/30/2020	30	
25	May-2020	5/31/2020	31	
26	Jun-2020	6/30/2020	30	
27	Jul-2020	7/31/2020	31	
28	Aug-2020	8/31/2020	31	
29	Sep-2020	9/30/2020	30	
30	Oct-2020	10/31/2020	31	
31	Nov-2020	11/30/2020	30	
32	Dec-2020	12/31/2020	31	
33	Total (Sum Lns. (20 through 32))			

Total Account No. 282 - Balances Not Subject to Prorationing

34 Beginning of Year Balance (Worksheet A8, Ln. 8, Col. [q])

35 End of Year Balance (Worksheet A8, Ln. 8, Col. [cc])

36 Average of Beginning of Year and End of Year Balances (Average Lns. 34 and 35)

37 Total Account No. 282 - Prorated Balance at End of Year (Ln. 32, Col. [l])

38 Total Average Account No. 282 Balance (Lns. (36 + 37))

Accun	ulated Deferred Income Taxes - Ot	ther Property (Account No. 283)		
39	Dec-2019 (Worksheet A8, Ln. 11, Col. [q])	1/1/2020		
40	Jan-2020	1/31/2020		
41	Feb-2020	2/29/2020		
42	Mar-2020	3/31/2020		
43	Apr-2020	4/30/2020		
44	May-2020	5/31/2020		
45	Jun-2020	6/30/2020		
46	Jul-2020	7/31/2020		
47	Aug-2020	8/31/2020		
48	Sep-2020	9/30/2020		
49	Oct-2020	10/31/2020		
50	Nov-2020	11/30/2020		
51	Dec-2020	12/31/2020		
52	Total (Sum Lns. (39 through 51))			

Total Account No. 283 - Balances Not Subject to Prorationing

- 53 Beginning of Year Balance (Worksheet A8, Ln. 12, Col. [q])
- 54 End of Year Balance (Worksheet A8, Ln. 12, Col. [cc])
- 55 Average of Beginning of Year and End of Year Balances (Average Lns. 53 and 54)
- 56 Total Account No. 283 Prorated Balance at End of Year (Ln. 51, Col. [l])
- 57 Total Average Account No. 283 Balance (Lns. (55 + 56))

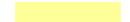
58 Total Average Actual ADIT for Network Transmission (Lns. (14 + 33 + 52))

Excess Deferred Income Taxes (Account No. 254)

 59
 Dec-2019 (Worksheet A9, Ln. 3, 1/1/2020

 Col. [q])
 60

 Jan-2020
 1/31/2020



Total Excess Deferred Income Taxes Acct No. 254 - Balances Not Subject to Prorationing

- 73 Beginning of Year Balance (Worksheet A9, Ln. 4, Col. [q])
- 74 End of Year Balance (Worksheet A9, Ln. 4, Col. [cc])

75 Average of Beginning of Year and End of Year Balances (Average Lns. 73 and 74)

76 Total Excess Deferred Income Taxes - Prorated Balance at End of Year (Ln. 71, Col. [l])

77 Total Average Excess Deferred Income Tax Balance (Lns. (75 + 76))

Deficient Deferred Income Taxes (Account No. 182.3)

78	Dec-2019 (Worksheet A9, Ln. 7, Col. [q])	1/1/2020		
79	Jan-2020	1/31/2020		
80	Feb-2020	2/29/2020		
81	Mar-2020	3/31/2020		
82	Apr-2020	4/30/2020		
83	May-2020	5/31/2020		
84	Jun-2020	6/30/2020		

91	Total (Sum Lns. (78 through 90			
90	Dec-2020	12/31/2020		
89	Nov-2020	11/30/2020		
88	Oct-2020	10/31/2020		
87	Sep-2020	9/30/2020		
86	Aug-2020	8/31/2020		
85	Jul-2020	7/31/2020		

Total Deficient Deferred Income	Taxes Acct No. 182.3	3 - Balances Not Subi	ect to Prorationing

- 92 Beginning of Year Balance (Worksheet A9, Ln. 8, Col. [q])
- 93 End of Year Balance (Worksheet A9, Ln. 8, Col. [cc])
- 94 Average of Beginning of Year and End of Year Balances (Average Lns. 92 and 93)
- 95 Total Deficient Deferred Income Taxes Prorated Balance at End of Year (Ln. 90, Col. [l])
- 96 Total Average Deficient Deferred Income Tax Balance (Lns. (94 + 95))

97 Total Average Actual Excess/Deficient Deferred Income Taxes for Network Transmission (Lns. (77 + 96))

Notes and Sources:

- ¹ Columns [b] through [e] are automatically populated based on the year inputed on Worksheet A1, line 1.
- ² Prorated projected monthly amounts must be taken directly from the projected rate filing for the year currently being trued-up (pursuant to actual costs). For example, if actual costs are being calculated for the year 2022, the amounts shown in column [f] must be taken from the Company's 2022 rate year projections.
- ³ See Worksheet A8, lines 3, 7, 11, columns [q] through [cc] for actual monthly ADIT activity. See Worksheet A9, lines 3 and 7, columns [q] through [cc] for actual monthly excess and deficient deferred income tax activity.
- ⁴ Column [h] identifies the difference between actual monthly activity and projected monthly activity. If projected and actual monthly activity (Columns [f] and [g], respectively) are both positive, a negative difference represents an over-projection of monthly activity (a portion of projected activity was in excess of what actually occurred). If projected and actual monthly activity (a portion of projected activity did not actually occurred) are both negative, a positive difference represents an over-projection of monthly activity (a portion of projected activity did not actually occurred). If projected and actual monthly activity (a portion of projected activity did not actually occur) and a negative difference represents an under-projection of monthly activity (a portion of projected activity did not actually occur) and a negative difference represents an under-projection of monthly activity (a portion of projected activity was in excess of what actually occurred).
- ⁵ Column [i] automatically identifies monthly ADIT and excess/deficient deferred income tax activity that is in excess of the originally-projected prorated amounts. This incremental actual activity is not subject to prorationing.

- ⁶ Column [j] automatically identifies monthly ADIT and excess/deficient deferred income tax activity that is below the originally-projected prorated amounts but still increases the absolute size of the ADIT or excess/deficient deferred income tax balance. This actual activity is subject to prorationing.
- ⁷ Column [k] automatically identifies monthly actual ADIT and excess/deficient deferred activity that is opposite in direction from the originally-projected monthly activity. For example, if the originally-projected monthly activity was negative and the actual monthly activity was positive, Column [k] will automatically populate with the full monthly activity. This activity is not subject to prorationing.
- ⁸ If the originally-projected monthly activity and the actual monthly activity are in opposite directions (i.e., one is positive and one is negative), then the monthly balance will be calculated by adding the value in Column [k] to the balance for the prior month. If the originally-projected monthly activity and the actual monthly activity are in the same direction (i.e., both are positive or both are negative) then the monthly balance will be calculated by adding the values in Columns [f], [i], and [j] to the balance for the prior month. If the originally-projected monthly activity is zero, then the monthly balance will be calculated by adding the actual monthly activity in Column [g] to the balance for the prior month.

Worksheet A8

Line No.	Description					<u>Total (</u>	Company	End-of-N	Aonth Ba	ances					<u>Netw</u> Alloc						Netwo	rk Transn	nission End	l-of-Mont	h Balance	<u>es</u>				Prorated?5	Network Allocator Justification ⁶
		Dec- 2019	Jan- 2020	Feb- 2020	Mar- 2020	Apr- 2020	May- 2020	Jun- 2020	Jul- 2020	Aug- 2020	Sep- 2020	Oct- 2020	Nov- 2020	Dec- 2020	Code	%	Dec- 2019	Jan- 202 0	Feb- 2020	Mar- 2020	Apr- 2020	May- 2020	Jun- 2020	Jul- 2020	Aug- 2020	Sep- 2020	Oct- 2020	Nov- 2020	Dec- 2020		
	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[i]	[k]	[1]	[m]	[n]	[0]	[p]	[q] = [b] x [p]	[r] = [c] x [p]	[s] = [d] x [p]	[t] = [e] x [p]	[u] = [f] x [p]	[v] = [g] x [p]	[w] = [h] x [p]	[x] = [i] x [p]	[y] = [j] x [p]	[z] = [k] x [p]	[aa] = [l] x [p]	[bb] = [m] x [p]	[cc] = [n] x [p]	[dd]	[ee]

Accumulated Deferred Income Taxes (Account No. 190)^{1,}

1a	Alternative	No	Not relate
	Minimum Tax Credit		jurisdictional
	Carryforward		of-service
1b	AOCI Amortization	No	Account no.
	of Debt Costs		included in 1
			transmission i
1c	AOCI	No	Account no.
	Decommissioning		included in 1
d	Costs AOCI Retirement	N.	transmission i Account no.
	Plans	No	included in 1
	r lans		transmission i
	Capitalized Interest	Yes	Differences
	Capitalized Interest	105	capitalized
			calculation fo
			tax purposes
			related)
	CIAC	Yes	CIACs not i
			in
			transmission
	Coal Reclamation	No	Four
	Costs		Generation
			land recl
			(production-r
	Decommissioning	Yes	Portion
	Costs		decommissio
			costs relat
			transmission
	Deferred Fuel FERC	No	Deferred
			regulatory as
			included in
			transmission
	Deferred Fuel NM	No	Deferred
			regulatory as included in 1
			transmission i
	Deferred Fuel TX	No	Deferred
		INO	regulatory as
			included in 1
			transmission
			uanonnosi0n

11	Depreciation Differences	Yes	Not related to jurisdictional cost-
lm	Excess Deferred Taxes Fed	No	of-service Tax gross-up for excess deferred income tax regulatory liability excluded from rate
1n	ITC	No	base Not related to jurisdictional cost-
10	NOL Carryforward - AZ	Yes	of-service ADIT for NOL includable in rate base. <i>Kern River</i>
1p	NOL Carryforward -	Yes	Gas Transmission Co., 117 FERC ¶ 61,077 ADIT for NOL
	Federal		includable in rate base. Kern River Gas Transmission Co., 117 FERC ¶ 61,077
1q	NOL Carryforward - NM	Yes	ADIT for NOL includable in rate base. Kern River Gas Transmission
1r	Other	No	Co., 117 FERC ¶ 61,077 Not related to jurisdictional cost- of-service
1s	Other Employee	No	Related to A&G
1t	Benefits R & D Credit	Yes	expenses Not related to jurisdictional cost-
1u	Retirement Plans	No	of-service Related to A&G
1v	SFAS 143 ARO	Yes	expenses AROs not included in network
1w	Strategic Costs	No	transmission rates Not related to jurisdictional cost- of-service
1x	Taxes Other Than Federal Income Tax	No	Not related to jurisdictional cost- of-service
1y	Unbilled Revenue	No	Not related to jurisdictional cost- of-service
1zz			
-	Tetel Assessed No. 100 (Comp Lags 1, Alexandr 1, a)		

2 Total Account No. 190 (Sum Lns. 1a through 1zz)

3	Total Account No.	190 - Balances	Subject to Pro	orationing

4 Total Account No. 190 - Balances Not Subject to Prorationing

Accumulated Deferred Income Taxes - Other Property (Account No. 282)^{1,3}

5a	ABFUDC - CWIP	No	No CWIP included
Ja		110	in rate base
5b	AEFUDC	No	Corresponding
			Account 182.3
			regulatory asset
			excluded from rate
~		X	base No CWIP included
5c	AEFUDC - CWIP	No	in rate base
5d	Decommissioning	Yes	Portion of
54	Costs		decommissioning
			costs related to
			transmission
5e	Depreciation	Yes	Accelerated/straight-
	Differences		line depreciation differences
5f	Nuclear Fuel	No	Production-related
51			rioduction related
5g	Repair Allowance	Yes	Tax deduction
			(expense) for repairs in the year in which
			in the year in which
			the expenditures are incurred
5h	Section 174 R&D	Yes	Tax deduction
011			(expense) for R&D
			in the year in which
			the expenditures are
			incurred
5zz			
JLL			
6	Total Account No. 282 (Sum Lns. 5a through 5zz)		
. <u> </u>			
7	Total Account No. 282 - Balances Subject to Prorationing		

8 Total Account No. 282 - Balances Not Subject to Prorationing

Accumulated Deferred Income Taxes - Other (Account No. 283)^{1,4}

9a	AEFUDC	No	Corresponding
			Account 182.3
			regulatory asset
			excluded from rate
			base
9b	AEFUDC - CWIP	No	No CWIP included
			in rate base
9c	Amortization of Debt	Yes	Amortization of debt
	Costs		costs included in
			network
			transmission rates

9d	Decommissioning	No	Related to
	Costs		gains/losses not
			included in network
			transmission rates
9e	Deferred Fuel FERC	No	Deferred fuel
			regulatory assets not
			included in network
			transmission rates
9f	Deferred Fuel NM	No	Deferred fuel
			regulatory assets not
			included in network
			transmission rates
9g	Deferred Fuel TX	No	Deferred fuel
U			regulatory assets not
			included in network
			transmission rates
9h	Excess Deferred	No	Tax gross-up for
	Taxes Fed		excess deferred
			income tax
			regulatory liability
			excluded from rate
			base
9i	Excess Deferred	No	Tax gross-up for
<i></i>	Taxes State		excess deferred
			income tax
			regulatory liability
			excluded from rate
			base
9j	Other	No	Not related to
~J			jurisdictional cost-
			of-service
9k	Taxes Other Than	No	Not related to
	Federal Income Tax		jurisdictional cost-
			of-service
9zz			
) LL			
10	Total Account No.		
	283 (Sum Lns. 9a		
	through 9zz)		
	× ·		
11	Total Account No.		
	283 - Balances		
	Subject to		
	Prorationing		
12	Total Account No.		
	283 - Balances Not		
	Subject to		
	Prorationing		
	Townshing		

13 Total ADIT (Lns. 2 + 6 + 10)

Notes and Sources:

¹ Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz, 5a through 5zz and 9a through 9zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of ADIT items.

- ² Total company Account No. 190 balances shown on line 2 must match the balances showns on Worksheet A1, line 42, which are taken from the Company's FERC Form No. 1.
- ³ Total company Account No. 282 balances shown on line 6 must match the balances showns on Worksheet A1, line 44, which are taken from the Company's FERC Form No. 1.
- ⁴ Total company Account No. 283 balances shown on line 10 must match the balances showns on Worksheet A1, line 45, which are taken from the Company's FERC Form No. 1.
- ⁵ Enter 'Yes' or 'No.' Only plant-related ADIT balances are subject to prorationing. Values on lines 3, 4, 7, 8, 11, and 12 will populate automatically based on the inputs to column [dd]. Inputs only needed for ADIT items with non-zero allocations to network transmission rates.
- ⁶ Only network allocator codes listed on Worksheet A22 may be inputed. Only deferred taxes related to rate base, construction, or other costs and revenues affecting jurisdictional cost-of-service may be included as rate base reductions/additions.

Formula Rate Template (Actuals) Excess and Deficient Deferred Income Taxes 12 Months Ended December 31, 2020

			Tot	tal Com	pany E	nd-of-N	Ionth Ba	lances ¹⁴		Tot	al Com	pany E Balanco		onth		twork ocator	<u>1</u>	letwork	Transr	nission I	End-of-N	Aonth B	alances	Net	twork T		ssion Er ances	nd-of-M	<u>onth</u>				Amorti zation	
		Dec	Jan-	Feb	Mar	Apr	May		Iul	Aug	Sep	Oct	Nov	Dec			Dec	Ian	Feb	Mar	Apr	May		Iul	Aug	Sep	Oct	Nov	Dec				Period	
T .		201	202	202	- 202	202	202	Jun- 2020	Jul- 202	- 202	202	- 202	202	202	Cod e	%	201	202	- 202	202	202	202	Jun- 2020	202	- 202	- 202	- 202	202	202	Annual Amortizati	Prorated	Protected or Unprotected	/ Metho	Network Allocator
Line No.	Description	9	0	0	0	0	0		0	0	0	0	0	0			9	0	0	0	0	0		0	0	0	0	0	0	on	2 ²	?	dology	Justification ³
NO.	-																[q]	[r]	[s]	[t]	[u]	[v]		[x]	[y]	[z]	[aa]	[bb]	[cc]					
				F 13				61 3	C 13	613		F13					=	=	=	=	=	=	[w] = [h]	=	=	=	=	=	=	[dd] = [cc]		F. 07		
	[a]	[b]	[c]	[d]	[e]	[1]	[g]	[h]	[1]	ננו	[K]	[1]	[m]		[0]	[p]	[b]	[c]	[d]	[e]	[1]	[g]	x [p]	[1]	[j] x	[k]	[1]	[m]	[n]	- [q]	[ee]	[11]	[gg]	
														[n]			x [p]	x [p]	x [p]	x [p]	x [p]	x [p]		x [p]	[p]	x [p]	x [p]	x [p]	x [p]	. 11				[hh]

	Deferred Income		
Taxes	Account No. 254)		
	Excess Deferred		
	FIT - Tax Rate		
1a	Change 1989		
	Excess Deferred		
	FIT - 2017		
	TCJA -		
	Protected		
1b	(Plant)		
	Excess Deferred		
	SIT - Tax Rate		
1c	Change 2017		
	Excess Deferred		
	SIT - Tax Rate		
1d	Change 2018		
le			
	Excess Deferred		
	FIT - Tax Rate		
1f	Change 1989		
1zz			
	Total Excess		
	Deferred		
	Income Taxes		
	Acct No. 254		
	(Sum Lns. 1a		
2	through 1zz)		

Excess Deferred Income Taxes Subject to Prorationing

3

Excess Deferred Income Taxes Not Subject to 4 Prorationing

Defici	nt Deferred		
	e Taxes (Account		
No. 18	2.3)		
	Deficient		
	Deferred FIT -		
	Tax Rate		
5a	Change 1993		
Ja	Change 1993	<mark></mark>	
	Deficient		
	Deferred FIT -		
	2017 TCJA-		
	Unprotected		
5b	(Labor)		
	Deficient		
	Deferred FIT -		
	2017 TCJA-		
	Unprotected		
5c	(Not allocated)		
	Deficient		
	Deferred SIT		
5d	Normalization		
54	Normanzaron		
5zz			
ULL	Total Deficient		
	Deferred		
	Income Taxes		
	Acet No. 182.3		
	(Sum Lns, 5a		
6	through 5zz)		
0			
	Deficient		
	Deferred		
	Income Taxes		
_	Subject to		
7	Prorationing		
	Deficient		
	Deferred		
	Income Taxes		
	Not Subject to		
8	Prorationing		
	Total Excess		
	and Deficient		
	Deferred		
	Income Taxes		
9	(Lns. 2 + 6)		
	Total Excess		
	and Deficient		
	Deferred		
10	Income Taxes		
10	income rakes		

```
Subject to
Prorationing
Total Excess
and Deficient
Deferred
Income Taxes
Not Subject to
Prorationing
```

Notes and Sources:

11

- ¹ Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz and 5a through 5zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of excess and deficient deferred income tax items.
- ² Enter 'Yes' or 'No.' Only plant-related ADIT balances are subject to prorationing. Values on lines 3, 4, 7, 8, 10, and 11 will populate automatically based on the inputs to column [ee].
- ³ Only network allocator codes listed on Worksheet A22 may be inputed. Only deferred taxes related to rate base, construction, or other costs and revenues affecting jurisdictional cost-ofservice may be included as rate base reductions/additions.
- ⁴ Excess and deficient deferred income tax balances exclude income tax gross-ups recorded to accounts 182.3 and 254.

Regulatory Assets and Liabilities 12 Months Ended December 31, 2020

Line No.	Type ²	Descriptio n	FERC Accou nt No.	FERC Approva l Docket	Amo unt ³	Recovery Period (Months)	Monthly Amortizat ion Expense	Amortizati on Months in Current Year	Current Year Amortizatio n Expense	% Approved for Rate Recovery ⁴	<u>Networ</u> <u>k</u> <u>Allocato</u> <u>r</u> Cod e	Network Transmissio n Amortizatio 6 n Expense	Dec - 201 9	<u>U1</u> Jan- 202 0	NAMOR Feb - 202 0	Mar- 2020	Apr - 202 0		Jun - 202 0	Jul- 202 0	<u>UNAM</u> Aug - 202 0	IORTIZ Sep - 202 0	ED BAL Oct- 2020	ANCES Nov- 2020	Dec - 202 0	13-Month Avg. Unamortize d Balance	% Approved for Rate Base Treatment ⁵	Network Transmission Unamortized Balance	Network Allocator Justificati on ⁶
	[a]	[b]	[c]	[d]	[e]	[f]	[g]=[e]/[f]	[h]=If [n]/[g] <12, [n]/[g]. Otherwise, 12	[i]=[g]x[h]	[1]	[[k] 1]	[m]=[i]x[j]x[l]	[n]	[o]	[p]	[q]	[r]	[s]	[t]	[u]	[v]	[w]	[x]	[y]	[z]	[aa]=Avg. ([n] through [z])	[bb]	[cc]=[aa]x[l] x[bb]	[dd]
1a	Asset Liabilit																												
1b 1c	y Asset		····	 																									
1zz																													
2	Assets a Liabiliti																												
3	Total Re Assets	egulatory																											
4	Total Re Liabilitie	egulatory es																											

Notes and Sources:

Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of regulatory assets and liabilities.

- ² Must be listed as either 'Asset' or 'Liability'. Lines 3 and 4 populate automatically based on these labels.
- ³ Total amount of regulatory asset/liability should be listed.
- ⁴ Percentages greater than 0% listed in column [j] must be accompanied by a corresponding FERC docket number in column [d], where recovery was specifically directed or approved by the Commission pursuant to a \$205, \$206, or \$219 filing. The associated recovery period resulting from the Commission direction or approval must be listed in column [f].
- ⁵ Percentages greater than 0% listed in column [bb] must be accompanied by a corresponding FERC docket number in column [d], where rate base treatment was specifically directed or approved by the Commission pursuant to a §205, §206, or §219 filing. To the extent that rate base inclusion for the regulatory asset/liability was approved in a separate docket than the docket in which the rate recovery (through amortization) was approved, list both dockets in column [d].
- ⁶ Only network allocator codes listed on Worksheet A22 may be inputed.

El Paso Electric Company

Formula Rate Template (Actuals) Abandoned Plant

12 Months Ended December 31, 2020

Lin e	Descriptio n	FERC Accoun t No.	FERC Appro val Docke t	Amount ²	Recover y Period (Months)	Monthly Amortizatio n Expense	Amortizatio n Months in Current Year	Current Year Amortizatio n Expense	% Approve d for Rate Recovery 3	<u>Network</u> <u>Allocator</u> Cod % e	Network Transmissio n Amortization Expense	Dec - 201 9	Jan- 202 0	Feb- 202 0	Mar		<u>D BALAN</u> May - 2020		Jul- 202 0	Aug- 2020	Sep- 202 0		ORTIZE ANCES Nov - 202 0		13-Month Avg. Unamortize d Balance	% Approved for Rate Base Treatment 4	Network Transmission Unamortized Balance	Network Allocator Justificatio n ⁵
No.	[a]	[b]	[c]	[d]	[e]	[f]=[d]/[e]	[g]=If [m]/[f] <12, [m]/[f]. Otherwise, 12	[h]=[f]x[g]	[i]	[j] [k]	[l]=[h]x[i]x[k]	[m]	[n]	[0]	[p]	[q]	[r]	[s]	[t]	[u]	[v]	[w]	[x]	[y]	[z]=Avg. ([m] through [y])	[aa]	[bb]=[z]x[aa]x[k]	[cc]
la																												
1b																												
1c		<u></u>																										
		<u></u>																										
		<u> </u>																										
1zz																												
2	Total Abane Lns. (1a thr																											

Notes and Sources:

Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of abandoned plant.

² Total amount of abandoned plant should be listed.

- Percentages greater than 0% listed in column [i] must be
 accompanied by a corresponding FERC docket number in column [c], where recovery was specifically directed or approved by the Commission pursuant to a §205, §206, or §219 filing. The associated recovery period resulting from the Commission direction or approval must be listed in column [e].
- ⁴ Percentages greater than 0% listed in column [aa] must be accompanied by a corresponding FERC docket number in

column [c], where rate base treatment was specifically directed or approved by the Commission pursuant to a §205, §206, or §219 filing. To the extent that rate base \$205, \$206, or \$219 films. To the extent that rate base inclusion for the abandoned plant was approved in a separate docket than the docket in which the rate recovery (through amortization) was approved, list both dockets in column [c]. Only network allocator codes listed on Worksheet A22 may be inputed.

5

El Paso Electric Company Formula Rate Template (Actuals) Unfunded Reserves 12 Months Ended December 31, 2020

Line	Description ²	Subaccount No.	% Customer Funded	% Non- Restricted	Dec- 2019		Feb- 2020			<u>NCES</u> May- 2020	Jun- 2020	Jul- 2020	Aug-2020	Sep- 2020	Oct-	<u>NCES</u> Nov- 2020		Average Unfunded Reserves	<u>Netw</u> <u>Alloc</u> Code	ator	Network Transmission Balance	Network Allocator Justification ³
No.	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]	[1]	[m]	[n]	[0]	[p]	[q]	[r]=Avg. ([e] through [q])	[s]	[t]	[u]=[r]x[c]x[d]x[t]	[v]
1a	AP763 - OPEB																		WS			
1b	AP772 - OPEB - UNION																		WS			
1c	AP773 - OPEB - LIFE INSURANCE																		WS			
1d	AP774 - OPEB - 401(H)																		WS			
1e	AP761 - PENSIONS																		WS			
lf	AP764 - SERP																		WS			
1g	AP765 - EXCESS BENEFIT PLAN																		WS			
1h	AP710 - A/P ACCRUALS																		WS			
li	AP762 - 401K																		WS			
1j	AP766 - MEDICAL INSURANCE																		WS			
1k	AP767 - LIFE INSURANCE																		WS			
11	AP768 - DENTAL INSURANCE																		WS			
	AP769 - LT & ST																					
1m	DISABILITY INSURANCE																		WS			
	AP753 - PAYRL																					
1n	CORP BONUS BLANKET																		WS			

	P751 - PAYRL			
10 D	EDUCT CLEAR	WS		
A	P751 - PAYRL			
lp D	EDUCT CLEAR	 WS	 	
lq A	P764 - SERP	WS		
A	P765 - EXCESS			
lr B	ENEFIT PLAN	WS	1	
A	P766 - MEDICAL			
1s IN	NSURANCE	WS	1	
A	P780 - OTHER			
1t E	MPLY BENEFITS	WS		
A	P790 - WORKERS			
lu C	OMP	WS	1	
	·	 		•••
1zz				
	otal Unfunded Reserves (Sum			
2 L	ns. (1a through 1zz))			

Notes and Sources:

- ¹ Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of unfunded reserves.
- 2 Unfunded reserves are listed by subaccount, specifically including (but not limited to) all subaccounts for FERC Account Nos. 228.1 through 228.4, as well as accounts 242 and 253. "Unfunded reserve" is defined as 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 related to SFAS 109 and 158 shall not be included as unfunded reserves.

³ Only network allocator codes listed on Worksheet A22 may be inputed.

El Paso Electric Company Formula Rate Template (Actuals) Hold Harmless Adjustments 12 Months Ended December 31, 2020

Line	Description	FERC Account No.	FERC Merger / Acquisition Docket	Annual Expense Adjustment	<u>Netw</u> <u>Alloc</u> Code	<u>ator</u>	Network Transmission Expense Adjustment	Dec- 2019	MONTH Jan- 2020		<u>TE BAS</u> <u>USTME</u> Mar- 2020	NT	<u>ANCE</u> May-2020	<u>MON</u> Jun- 2020	Jul-	<u>RATE B</u> Aug- 2020	ASE BA Sep- 2020	<u>ALANC</u> Oct- 2020	<u>E ADJUS</u> Nov- 2020	<u>STMENT</u> Dec- 2020	13- Month Avg. Balance	Network Transmission Balance	Network Allocator Justification
No.	[a]	[b]	[c]	[d]	[e]	[f]	[g] = [d] x [f]	[h]	[i]	[j]	[k]	[1]	[m]	[n]	[0]	[p]	[q]	[r]	[s]	[t]	[u]=Avg. ([h] through [t])	[v] = [f] x [u]	[w]
1a																							
1b																							
1c																							
	•••	•••	···		<u></u>																		
			<u></u>		<u></u>									<u>-</u>									
	Total Hold Harmless Adjustments (Sum Lns. 1a through 1zz)																						

Notes and Sources:

Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of hold harmless adjustments. This worksheet allows for the removal of 2

any amounts pursuant to a hold harmless agreement in merger or acquisition proceedings before the Commission. This worksheet will only be populated with the required information if the Commission approves such an agreement. The docket number associated with such Commission approval must be listed.

approval must be listed. Only network allocator codes listed on Worksheet A22 may be inputed.

3

El Paso Electric Company

Formula Rate Template (Actuals) Land and Land Rights Held for Future Use 12 Months Ended December 31, 2020

Line	Description ²	Definite Plan for Future Use ²	Estimated In- Service	Dec-	Jan-	Feb-	BALAN Mar-	Apr-	May-	Jun-2020	Jul- 2020	Aug-	Sep-	Oct-	Nov-	Dec-	Average Land Held for Future	<u>Netw</u> <u>Alloc</u> Code		Network Transmission Balance	Network Allocator Justification ³
No.	[a]	[b]	Date ² [c]	[d]	2020 [e]	2020 [f]	2020 [g]	2020 [h]	2020 [i]	[1]	2020 [k]	2020 [1]	2020 [m]	2020 [n]	2020 [0]	2020 [p]	Use [q]=Avg. ([d] through [p])	[r]	[s]	[t]=[q]x[s]	[u]

1										
la	•••	•••								•••
1b										
1c	•••									•••
1zz										
	Total Land and Land Rights Held for Future Use (Sum Lns. (1a through 1zz))									
	Held for Future Use (Sum									
		uture obe (build								
2	Lns. (1a t	hrough 1zz))								

Notes and

Sources:

- ¹ Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of land and land rights held for future use balances.
- ² As required by the general instruction for Account No. 105 (Electric plant held for future use). See 18 C.F.R. Part 101.
- ³ Only network allocator codes listed on Worksheet A22 may be inputed.

Line No.					
	Month [a]	Materials & Supplies: Transmission [b]	Materials & Supplies: Stores Expense [c]	Total Materials and Supplies [d] = [b] + [c]	Prepayments [e]
	<u>Working Capital</u> ¹ Reference for BOY/EOY Balances				
1 2	Prior December	Worksheet A1, Ln. 40	Worksheet A1, Ln. 41		Worksheet A1, Ln. 3
3	January				
4	February March				
6	April				
/	May				
8	June				
9	July				
10	August				
11	September				
12	October				
13	November				
14	December				_
15	13-Month Average				

Notes and Sources:

Unless otherwise stated, source of shaded cells is company input/records. Sources for certain BOY/EOY balances are listed on line 1.

El Paso Electric Company Formula Rate Template (Actuals) Operating Expense Adjustments 12 Months Ended December 31, 2020

Line No.	Description	Reference	Total Company Amount	Network Allocator			Network Transmission
	[a]	[b]	[c]		Code [d]	% [e]	[f]
	Development of Non-Recoverable A&G Expenses						
1	Portion of Industry Association Dues not recoverable	Company Input/Records					
2	[Intentionally Left Blank]						
3	General Advertising Expenses (930.1)	Worksheet A1, Ln. 60					
4	Less: Safety-Related Advertising ¹	Company Input/Records					
5	Total Non-Recoverable A&G Expenses	Lns. (1 + 2 + 3 - 4)					
6	OPEB Net Periodic Benefit Cost ²	Company Input/Records					
	Development of Network Transmission Regulatory Commission Expenses						
7	Regulatory Commission Expenses	Worksheet A1, Ln. 59					
	Transmission-Related Regulatory Commission Expenses ³						
7a	FERC General and Other	FF1, Page 351, Ln. 2, Col. (h)					
7b	FERC Annual Fee	FF1, Page 351, Ln. 3, Col. (h)					
7c	FERC Audit 2019	FF1, Page 351, Ln. 4, Col. (h)					
7zz							
9	Total Transmission-Related Regulatory Commission Expenses	Sum Lns. (7a through 7zz)			ТР		

Notes and Sources:

Includes line safety-related advertising expenses booked to Account No. 1

930.1.

- ² Reflects the Company's actual OPEB net periodic benefit cost for the relevant year. This amount should approximate the OPEB net periodic benefit cost shown in the Notes to the Financial Statements contained in the Company's FERC Form No. 1 (Pages 122-123).
- ³ Amounts included on lines 7a through 7zz are limited to transmission-related regulatory commission expenses as listed on pages 350-351 of the Company's FERC Form No. 1. Lines 7a through 7zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of transmission-related regulatory commission expenses.

El Paso Electric Company Formula Rate Template (Actuals) Taxes Other than Income Taxes 12 Months Ended December 31, 2020

Line No.	Description [a]	Jurisdiction [b]	FF1 Line Reference [c]	Taxes Charged [d]
Payrol	ll Taxes			
1a	FUTA	Federal	Ln. 4	
1b	Insurance Contributions	Federal	Ln. 5	
1c	Unemployment	Federal	Ln. 11	
1d	Unemployment	New Mexico	Ln. 21	
1e	Palo Verde Payroll Taxes	Arizona	Ln. 37	
1zz				
2	Total Payroll Taxes (Sum Lns. 1a through 1zz))		
Highw	ay and Vehicle Taxes			
<u>3a</u>				
3zz				
4	Total Highway and Vehicle Taxes (Sum Lns. 3	Ba through 3zz)		
	rty Taxes			
5a	Ad Valorem	Texas	Ln. 9	
5b	Ad Valorem	New Mexico	Ln. 19	
5c	Ad Valorem	Arizona	Ln. 35	
5zz				
6	Total Property Taxes (Sum Lns. 5a through 5z	z)		
	Receipts Taxes		T 10	
	Gross Receipts	Texas	Ln. 10	
<u></u>				
7zz		1.7.)		
8	Total Gross Receipts Taxes (Sum Lns. 7a throu	ugn /ZZ)		
Other	Taxes			
9a	Use Tax	Texas	Ln. 13	
9b	Compensating	New Mexico	Ln. 22	
9c	Other Taxes	New Mexico	Ln. 30	
 9zz				

11 Total Taxes Other than Income Taxes

Notes and Sources:

¹ Amounts shown must tie to the amounts shown on 263, column (i) of th Company's FERC Form No. 1. Only non-income related taxes charged in the current year should be included.

El Paso Electric Company Formula Rate Template (Actuals) Cost of Capital 12 Months Ended December 31, 2020

Line No.	Month [a]	Preferred Stock Issued (204) [b]	Unappropriated Undistributed Subsidiary Earnings (216.1) [c]	Accumulated Other Comprehensive Income (219) [d]	Total Proprietary Capital [e]	Total Common Stock [f] = [e]-[b]-[c]-[d]	Total Long-Term Debt (221 - 222 + 223 + 224 + 225 - 226) [g]	Total Capitalization [h]=[f]+[g]
1	Reference for BOY/EOY Balances	Worksheet A1, Ln. 6	Worksheet A1, Ln. 7	Worksheet A1, Ln. 8	Worksheet A1, Ln. 9		Worksheet A1, Ln. 10	
2	Prior December							
3	January							
4	February							
5	March							
6	April							
7	May							
8	June							
9	July							
10	August							
11	September							
12	October							
13	November							
14	December							
15	13-Month Average (Avg. Lns. 2 through 14)							

Capitalization Ratio² 16

Cost of Capital³ 17

Weighted Cost of Capital (Lns. 16 x 17) 18

Notes and Sources:

- ¹ Unless otherwise stated, source of shaded cells is company input/records. Sources for certain BOY/EOY balances are listed on line 1.
- Capitalization ratios derived by diving the total common stock and long-term debt averages on line 15, columns [f] and [g], respectively, by the total capitalization average shown on line 15, column [h].
- ³ Cost of capital for common stock (ROE) of 10.25% approved in Docket No. ER22-282-000. This ROE is fixed and cannot be changed absent Commission approval. Cost of long-term debt derived by dividing the following annual interest expense by the average long-term debt balance shown on line 15, column [g].

Interest Charges

Interest on Long-Term Debt (427)	Worksheet A1, Ln. 12
Amortization of Debt Discount and Expense (428)	Worksheet A1, Ln. 13
Amortization of Loss on Reaquired Debt (428.1)	Worksheet A1, Ln. 14
Amortization of Premium on Debt-Credit (429)	Worksheet A1, Ln. 15
Amortization of Gain on Reaquired Debt-Credit (429.1)	Worksheet A1, Ln. 16
Interest on Debt to Associated Companies (430)	Worksheet A1, Ln. 17
Annual Interest Expense	(427 + 428 + 428.1 - 429 - 429.1 + 430)

El Paso Electric Company Formula Rate Template (Actuals) Corporate Income Tax Rates 12 Months Ended December 31, 2020

Line No.	Description [a]	Source [b]	Federal [c]	New Mexico [d]	Arizona [e]	Texas [f]	Total [g]
1	Corporate Income Tax Rate	https://taxfoundation.org/state-corporate-income-tax-rates-brackets-2020/					
2	State Deduction for Federal Income Tax Purposes	-1.0 x Sum (Ln. 4, Cols. [d], [e], and [f]) x Ln. 1, Col. [c]					
3	State Apportionment Factor for Taxable Income/Losses	Company Input/Records					
4	Effective Rates ¹	Lns. (1 x 3)					
5	Blended State Income Tax Rate (SIT)	Ln. 4, Col. [g] less Ln. 4, Col. [c]					
6	Federal Income Tax Rate (FIT)	Lns. (4 - 5)					
7	Percent of Federal Income Deductible for State Tax Purposes (p)	Company Input/Records					
8	Composite Income Tax Rate (T)	(Ln. 6 x (1.0 - Ln. 5) + Ln. 5 x (1.0 - Ln. 6 x Ln. 7)) / (1.0 - Lns. (5 x 6 x 7))					

Notes and Sources:

Federal effective rate (column [c]) equals the sum on lines 1 and 2. Total effective rate equals the sum of line 4, columns [c] through [f]. 1

Formula Rate Template (Actuals) Permanent Book-Tax Differences 12 Months Ended December 31, 2020

No.	Description [a]	Total Company Amount [b]	<u>Network Al</u> Code [c]	l <u>locator</u> % [d]	Network Transmission [e]	Network Allocator Justification ³ [f]
Perma	nnent Book-Tax Differences ²					
1a	Decommissioning Costs		NP			Portion of decommissioning costs related to transmission
1b	Key Man Life Insurance		NA			Key Man premiums/proceeds not included in the cost of service
1c	Lobbying		NA			Lobbying expenses not included in the cost of service
1d	Non-Deductible Merger Transaction Costs		NA			Merger transaction costs not included in the cost of service
1e	Non-Deductible Officer Compensation		WS			Officer compensation included in A&G expenses
1f	Stock Incentive Plans		WS			Employee compensation related to stock incentive plans included in A&G expenses
1g	Meals and Entertainment		WS			Meals and entertainment included in A&G expenses
1zz						

3 AFUDC Equity

NP

AFUDC Equity includable as a permanent difference. *MISO*, *Inc.*, 163 FERC ¶ 61,163 (2018)

4 Total Permanent Differences (Lns. (2 + 3))

5 Federal Income Tax Rate (FIT)⁴

6 Permanent Differences Grossed-Up (Lns. (4 / 5))

7 Tax Credits⁵

NP

8 Net Permanent Differences (Lns. (6 + 7))

Notes and Sources:

- Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of permanent differences.
- Permanent differences are those that arise due to divergences between tax accounting and financial reporting, such as the non-deductibility of book depreciation expense related to equity
- ² AFUDC. As opposed to temporary differences, such as those related to the straight-line-versus-accelerated depreciation for book and tax purposes, respectively, permanent differences will not reverse over time. The Commission has held that certain permanent differences should be treated as temporary timing differences. *See Accounting for Income Taxes*, Docket No. AI93-5-000. Included permanent differences are limited to activities included in utility operating income.
- ³ Only network allocator codes listed on Worksheet A22 may be inputed.
- ⁴ Sourced from Worksheet A19, line 6.
- ⁵ 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.

		FER	ROE		Weight	% Appro	<u>Network</u> Allocator		GROS	S PLAN	T IN SEI	RVICE		GF	OSS PL	ANT IN	SERV	ICE		ACCU DEPR	MULA ECIAT			<u>A</u>	ссими	JLATED	DEPRE	CIATIO	<u>N</u>		13-	13-	Network	Network				Compo site			Network
Line No.	Project Name ²	C Appr oval Dock et ²	Incenti ve Appro ved ²	Equ ity Rati o ³	ed ROE Incenti ve	ved for Rate Base Treat ment	Co de %	De c- 20 19	Jan - 20 20	Fe b- 20 20	Ma A r- r 20 2 20 2	p - May 0 202 0	/- · 0 2	un Jul 20 20 20 20	Au g- 20 20	Se p- 20 20	Oc t- 20 20	No E v- c 20 2 20 2	c- 0 20 2	De Jan c 20 20 19 20	b- 20	Mar- 2020	Ap r- 20 20	у- 202	Jun - 20 20	- §	Au Se g- p- 20 20 20 20	t- 20	No v- 20 20	De c- 20 20	Month Avg. Gross Plant	Month Avg. Accum. Depreciat ion	Transmis sion	Transmis sion Accum. Deprecia tion	Network Transmis sion Net Plant	Incent Retur		Income Tax Rate Gross- Up Rate ⁴	Incentive Taxes	Incentive Return and Taxes	Allocato r
	[a]	[b]	[c]	[d]	[e]=[c] x[d]	[f]	[g] h]	[i]	[j]	[k]	[1] [1	n [n]	[•	o] [p]	[q]	[r]	[s]	[t] [1	u] [v] [w]	[x]	[y]	[z]	[aa]	[bb]	[cc [d]]	dd [ee]]	[ff]	[gg]	[hh]	[ii]=Avg. ([i]-[u])	[jj]=Avg. ([v]-[hh])	[kk]=[h] x[ii]	[11]=[h]x[jj]	[mm]=[k k]-[11]	[nn]=[e]x]x[mr	[f]x[h 1]	[00]	[pp]=[nn] x[00]	[qq]=[nn] +[pp]	[rr]
la							<u></u>																																		
1b																																									
1c																																									
							<u></u>																																		
1zz																																									
2	Return	icentive R and Taxes through 1	s (Sum																																						

Notes and Sources:

- Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of incentive plant return and income taxes.
- ² All project-specific incentive ROE requires Commission authorization. No amounts may be included on this worksheet absent Commission authorization. The Commission docket in which incentive ROE treatment was granted must be listed.
- ³ Source: Worksheet A18, line 16, column [f].
- ⁴ Source: Attachment H (Actuals), line 78.
- ⁵ Only network allocator codes listed on Worksheet A22 may be inputed.

Formula Rate Template (Actuals) Allocation Factors 12 Months Ended December 31, 2020

Line No.	Description	Reference	Code		Amount / %
110.	[a]	[b]	[c]		[d]
1	100% Network Transmission	Fixed Percentage ¹	DA	=	
2	0% Network Transmission	Fixed Percentage ¹	NA	=	
	Gross Plant in Service				
3	Network Transmission	Attachment H (Actuals), Ln. 19, Col. [c]			
4	Total Company	Attachment H (Actuals), Ln. 19, Col. [f]			
5	Gross Plant Allocation Factor	Lns. (3 / 4)	GP	=	
	<u>Net Plant in Service</u>				
6	Network Transmission	Attachment H (Actuals), Ln. 29, Col. [c]			
7	Total Company	Attachment H (Actuals), Ln. 29, Col. [f]			
8	Net Plant Allocation Factor	Lns. (6 / 7)	NP	=	
	Gross Transmission Plant in Service				
9	Network Transmission	Worksheet A4, Lns. (15 - 30)			
10	Total Company	Attachment H (Actuals), Ln. 16, Col. [c]			
11	Transmission Plant Allocation Factor	Lns. (9 / 10)	TP	=	
	Wages and Salaries				
12	Production	Worksheet A1, Ln. 69			
13	Transmission	Worksheet A1, Ln. 70			
14	Distribution	Worksheet A1, Ln. 71			
15	Other	Worksheet A1, Lns. (72 + 73 + 74)			
16	Total	Sum Lns. (12 through 15)			
17	Network Transmission	Lns. (11 x 13)			
18	Wages and Salaries Allocation Factor	Lns. (17 / 16)	WS	=	

Notes and Sources:

¹ This allocator is fixed and cannot be modified absent a ruling from the Commission.

Line No.	FERC Account	Description	Reference	Amount
	[a]	[b]	[c]	[d]
	DIRECT F	EXPENSE AMOUNTS		
1	561	Load Ancillary Expenses	Worksheet A1, Lns. (48 through 55)	
2	561.4	Less: Scheduling, System Control and Dispatch Services	Worksheet A1, Ln. 51	
3	561.5	Less: Reliability, Planning and Standards Development	Worksheet A1, Ln. 52	
4	561.6	Less: Transmission Service Studies	Worksheet A1, Ln. 53	
5	561.7	Less: Generation Interconnection Studies	Worksheet A1, Ln. 54	
6	561.8	Less: Reliability, Planning and Standards Development Services	Worksheet A1, Ln. 55	
7		Total Load Dispatch Expenses	Sum Lns. (1 through 6)	
8		Schedule 1 Point-to-Point Revenues	Company Records/Input	
9		Schedule 1 Annual Revenue Requirement	Lns. (7 - 8)	
10		Divisor (kW)	Worksheet A2, Ln. 16	
		Rates		
11		Annual (MW-year)	Lns. (9 / 10)*1,000	
12		Monthly (MW-month)	Ln. 11 / 12.0 Months	
13		Weekly (MW-week)	Ln. 11 / 52.0 Weeks	
14		Daily On-Peak (MW-day)	Ln. 13 / 6.0 Days	
15		Daily Off-Peak MkW-day)	Ln. 13 / 7.0 Days	
16		Hourly On-Peak (MW-hour)	Ln. 14 / 16.0 Hours	

El Paso Electric Company Formula Rate Template (Projected) Attachment H (Projected) 12 Months Ended December 31, 2022

Line No.	Description	Reference	Total Company Amount	Network A		Network Transmission
				Code	%	
	[a]	[b] ⁵	[c]	[d]	[e]	[f] = [c] x [e]
	SECTION I: RATE SUMMARY					
1	Gross Revenue Requirement	Ln. 87				
	Revenue Credits					
2	Rent from Electric Property (Account No. 454)	Attachment H (Actuals), Ln. 2				
3	Other Electric Revenues (Account No. 456.1)	Attachment H (Actuals), Ln. 3				
4	Incremental Palo Verde Revenue Credit	Attachment H (Actuals), Ln 4				
5	Total Revenue Credits	Sum Lns. (2 through 4)				
6	True-Up Adjustment with Interest	Worksheet P15, Ln. 37				
7	Net Revenue Requirement	Lns. (1 - 5 - 6)				
8	Divisor (kW)	Worksheet P1, Ln. 16				
	Rates					
9	Annual (MW-year)	Lns. (7 / 8)*1,000				
10	Monthly (MW-month)	Ln. 9 / 12.0 Months				
11	Weekly (MW-week)	Ln. 9 / 52.0 Weeks				
12	Daily On-Peak (MW-day)	Ln. 11 / 6.0 Days				
13	Daily Off-Peak (MW-day)	Ln. 11 / 7.0 Days				

14	Hourly On-Peak (MW-hour)	Ln. 12 / 16.0 Hours
15	Hourly Off-Peak (MW-hour)	Ln. 13 / 24.0 Hours

SECTION II: RATE BASE

Gross Plant in Service¹

16	Production	Attachment H (Actuals), Ln. 15	NA
17	Transmission	Worksheet P2, Ln. 27, Col. [e]	ТР
18	Distribution	Attachment H (Actuals), Ln. 17	NA
19	General & Intangible	Attachment H (Actuals), Ln. 18	WS
20	Total Gross Plant in Service	Sum Lns. (16 through 19)	

Accumulated Depreciation¹

21	Production	Attachment H (Actuals), Ln. 20	NA
22	Transmission	Worksheet P2, Ln. 27, Col. [j]	TP
23	Distribution	Attachment H (Actuals), Ln. 22	NA
24	General & Intangible	Attachment H (Actuals), Ln. 23	WS
25	Total Accumulated Depreciation	Sum Lns. (21 through 24)	

Net Plant in Service

26	Production	Lns. (16 - 21)
27	Transmission	Lns. (17 - 22)
28	Distribution	Lns. (18 - 23)
29	General & Intangible	Lns. (19 - 24)
30	Total Net Plant in Service	Sum Lns. (26 through 29)
31	Construction Work in Progress (CWIP)	Worksheet P3, Ln. 2, Cols. [s] and [v]
	Rate Base Adjustments	
32	Accumulated Deferred Income Taxes (ADIT)	Worksheet P4, Ln. 58

33 Unamortized Excess/Deficient Deferred Income Worksheet P4, Ln. 97

Taxes

34 35 36 37 38 39	Unamortized Regulatory Assets Unamortized Regulatory Liabilities Unamortized Abandoned Plant Unfunded Reserves Hold Harmless Adjustments Total Rate Base Adjustments	Worksheet P7, Ln. 3, Cols. [aa] and [cc] Worksheet P7, Ln. 4, Cols. [aa] and [cc] Worksheet P8, Ln. 2, Cols. [z] and [bb] Attachment H (Actuals), Ln. 36 Attachment H (Actuals), Ln. 37 Sum Lns. (32 through 38)		
40	Land and Land Rights Held for Future Use	Attachment H (Actuals), Ln. 39		
	Working Capital			
41	Cash Working Capital ²	Ln. 59 x 1/8		
42	Material and Supplies (Transmission)	Attachment H (Actuals), Ln. 41	TP	
43	Material and Supplies (Stores Expense)	Attachment H (Actuals), Ln. 42	WS	
44	Prepayments	Attachment H (Actuals), Ln. 43	 GP	
45	Total Working Capital	Sum Lns. (41 through 44)		
46	Rate Base SECTION III: COST OF SERVICE	Lns. (30 + 31 + 39 + 40 + 45)		
	Adjusted Transmission O&M			
47	Transmission O&M Expenses	Worksheet P9, Ln. 2, Col. [e]	TP	
48	Less: Account Nos. 561.1-561.8 (Load Dispatch) Less: Account No. 565 (Transmission of	Worksheet P9, Ln. 3, Col. [e]	TP	
49	Electricity by Others)	Worksheet P9, Ln. 4, Col. [e]	 TP	
50	Total Adjusted Transmission O&M	Lns. (47 - 48 - 49)		
51	Adjusted A&G A&G (Excluding Property Insurance and Regulatory Commission Expense)	Worksheet P9, Ln. 5, Col. [e]	WS	

50			We	
52	Less: Non-Recoverable A&G	Worksheet P9, Ln. 6, Col. [e]	WS	
53	Plus: Property Insurance	Worksheet P9, Ln. 7, Col. [e] Worksheet P9, Lns. (8 + 9), Col.	GP	
54	Plus: Regulatory Commission Expense	[e]		
55	Less: Actual OPEB Expense	Worksheet P9, Ln. 10, Col. [e]	WS	
56	Plus: Fixed OPEB Expense	Fixed Amount ³	WS	
57	Total Adjusted A&G	Lns. (51 - 52 + 53 + 54 - 55 + 56)		
58	Hold Harmless Expense Adjustments	Attachment H (Actuals), Ln. 57		
59	Total Operating Expenses	Lns. (50 + 57 + 58)		
	Depreciation and Amortization ¹			
60	Transmission	Worksheet P2, Ln. 26	TP	
61	General & Intangible	Attachment H (Actuals), Ln. 60 Worksheet P8, Ln. 2, Cols. [h]	WS	
62	Amortization of Abandoned Plant	and [1] Worksheet P7, Ln. 3, Cols. [i] and		
63	Amortization of Regulatory Assets	[m] Worksheet P7, Ln. 4, Cols. [i] and		
64	Amortization of Regulatory Liabilities	[m]		
65	Total Depreciation and Amortization	Sum Lns. (60 through 64)		
	Taxes Other than Income Taxes			
66	Payroll	Worksheet P9, Ln. 11, Col. [e]	WS	
67	Highway and Vehicle	Worksheet P9, Ln. 12, Col. [e]	WS	
68	Property	Worksheet P9, Ln. 19, Col. [e]	NP	
69	Gross Receipts	Worksheet P9, Ln. 13, Col. [e]	NA	
70	Other	Worksheet P9, Ln. 14, Col. [e]	GP	
71	Total Taxes Other than Income Taxes	Sum Lns. (66 through 70)		

Return on Rate Base

72 Weighted Cost of Long-Term Debt

Attachment H (Actuals), Ln. 71

73	Weighted Cost of Common Equity	Attachment H (Actuals), Ln. 72	<u>-</u>	
74	Weighted Average Cost of Capital	Lns. (72 + 73)		
75	Return on Equity	Lns. (46 x 73)		
76	Interest Expense	Lns. (46 x 72)	-	
77	Total Return on Rate Base	Lns. (75 + 76)		
	Income Tax Computations			
78	Composite Income Tax Rate (T)	Worksheet P10, Ln. 8		
79	Composite Income Tax Rate Gross-Up Rate	Ln. 78 / (1.0 - Ln. 78)		
80	Amortization of Excess/Deficient Deferred Income Taxes	Worksheet P6, Ln. 9, Col. [dd] x - 1.0		
81	Permanent Differences	Attachment H (Actuals), Ln. 80		
	Income Taxes			
82	Income Tax on Equity Return Tax Adjustment-Excess/Deficient Deferred	Lns. (75 x 79)		
83	Income Taxes	(1.0 + Ln. 79) x Ln. 80		
84	Tax Adjustment-Permanent Differences	(1.0 + Ln. 79) x Ln. 78 x Ln. 81	<u>-</u>	
85	Total Income Taxes	Sum Lns. (82 through 84)		
86	Incentive Plant Return and Taxes	Worksheet P11, Ln. 2, Col. [qq]		
			-	
87	Gross Revenue Requirement	Sum Lns. (59, 65, 71, 77, 85, and 86)		
07	Gross Revenue Requirement		-	

Notes and Sources:

Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.

² Cash working capital calculated using the 1/8th O&M methodology.

Fixed other post-employment benefits (OPEB) expense of (\$3,848,723) as established in Docket No. ER22-282-000. This amount cannot be modified abset a ruling from the Commission. The fixed OPEB expense will be used in lieu of the actual OPEB expense incurred in the year absent FERC approval. The Company reviews internal records and identifies the PBOP expenses to be removed from A&G as shown on Worksheet A16, line 6.

- ⁴ Throughout this Formula Rate Template (Projected), network allocators are sourced from Worksheet P12.
- ⁵ Throughout this Formula Rate Template yellow-shaded cells are sourced from Company manual inputs.

Formula Rate Template (Projected) Network Transmission Load (MW) 12 Months Ended December 31, 2022

Line No.	Month [a]	Historic Network Transmission System Peak Load [b]	Percentage of Maximum Network Transmission Load ¹ [c]	Projected Network Transmission Load ² [d]
1	Reference for Monthly Loads	Worksheet A2, Col. [i]		
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	12-Month Total	-		

15 12-Month CP Average (Ln. 14 / 12 Months)

16 12-Month CP Average (kW) (Ln. 15 x 1,000)

Notes and Sources:

1

2

Percentages in column [c] equal the peak load for each month (as shown in column [b]) divided by the maximum network transmission load shown in column [b].

Projected network transmission load for each month equals the monthly percentage listed in column [c] multiplied by the maximum hourly load measured on the Company's system in the year during which this projection is being developed as shown below:

Intermediate Year: Peak Network Load (MW):

El Paso Electric Company Formula Rate Template (Projected) Projected Transmission Plant Activity 12 Months Ended December 31, 2022

Line No.	Month [a]	Year [b]	Projected Transmission Plant Additions [c]	% of Additions <i>Network</i> Transmission [d]	Projected Transmission Gross Plant Balances ² [e]	Projected <i>Network</i> Transmission Gross Plant Balances ² [f]	Depreciation Rate Selection ³ [g]	Depreciation Rate ³ [h]	Monthly Transmission Depreciation Expense ³ [i]	Projected Transmission Accumulated Depreciation Balances ⁴ [j]	Projected Transmission Net Plant Balances [k]=[e]-[j]
		. ,		LJ		ĹĴ	101			101	
1	December	2020	Worksheet A4, Co 43	ol. [f], Lns. 14 and							
2	January	2021									
3	February	2021									
4	March	2021									
5	April	2021									
6	May	2021									
7	June	2021									
8	July	2021									
9	August	2021									
10	September	2021									
11	October	2021									
12	November	2021									
13	December	2021									
14	January	2022									
15	February	2022									
16	March	2022									
17	April	2022									
18	May	2022									
19	June	2022									

Worksheet P2

20	July	2022	
21	August	2022	
22	September	2022	
23	October	2022	
24	November	2022	
25	December	2022	

26 2022 Total Depreciation Expense (Sum Lns. (14 through 25))

2022 13-Month Average Balances (Avg Lns. (13 through 27 25))

Notes and

Sources:

¹ Unless otherwise stated, source of shaded cells is company input/records. El Paso must input the percentage of projected additions it believes will be recoverable through network transmission rates in Column [d].

² Balances in Column [e] calculated using the end of year gross plant balances shown on Line 1 as well as the projected plant addditions for all subsequent months show in Column [c]. Balances in Column [f] reflect the same computation factoring in the network transmission percentages shown in Column [d].

³ In periods in which the Company will use its current FERC approved depreciation rates to depreciate projected transmission plant additions, enter an 'A' in Column [g]. In periods in which El Paso will use new depreciation rates submitted to FERC for approval, enter an 'N' in Column [g] These depreciation rates used to develop projected depreciation expense are shown below:

 Selection
 Rate
 Source

 A
 Attachment H (Actuals), Column [c], Lns. (59 / 16) / 12.0

 N
 Annual Composite Depreciation Rate in New Filed Study / 12.0

The monthly depreciation expense values shown in Column [i] are derived by multiplying the corresponding monthly depreciation rate shown in Column [h] by the average of the gross plant balances for the current and prior months contained in Column [e].

⁴ Balances in Column [j] calculated using the end of year accumulated depreciation balances shown on Line 1 as well as the projected depreciation expense for all subsequent months shown in Column [i].

Formula Rate Template (Projected) Construction Work in Progress (CWIP) 12 Months Ended December 31, 2022

Line	Descriptio n ²	FERC Approval Docket	Recovery % Approved ³	Construction Start Date	Estimated In- Service Date			Feb-	ALANC Mar- 2022	Apr-	May- 2022	Jun- 2022		Aug- 2022	Sep-		Nov- 2022	Dec- 2022	Average CWIP		work ocator %	Network Transmission Balance	Network Allocator Justification ⁴
No.	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]	[1]	[m]	[n]	[0]	[p]	[q]	[r]	[s]=Avg. ([f] through [r])	[t]	[u]	[v]=[s]x[c]x[u]	[w]

la								
11								
1b	•••	••	•••		•	•••	•••	
1c								
				····		•		
•••		••	•••		•	••	•••	
•••	•••	••	•••		•	••	•••	
1zz								
	Total Construction Work in							
	Progress (Sum Lns. (1a through							
2	1zz))							

Notes and

Sources:

- ¹ Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of CWIP balances.
- ² The accrual of allowance for funds used during construction (AFUDC) ceases when CWIP is recovered in rate base corresponding to the amount of CWIP included in rate base. Accounting procedures must ensure that there is no duplicate recovery of CWIP and corresponding capitalized AFUDC.

- ³ Percentages greater than 0% listed in column [c] must be accompanied by a corresponding FERC docket number in column [b], where rate base treatment was specifically directed or approved by the Commission pursuant to a §205, §206, or §219 filing.
- ⁴ Only network allocator codes listed on Worksheet P12 may be inputed.

				Days in	n Period ¹				
Line No.	Description / Month		Days in Month	Days Prorated	Days in Trued-Up Period	Proration Percentage	Projected Monthly Activity ²	Prorated Projected Monthly Activity	Prorated Projected Balances
	[a]		[b]	[c]	[d]	[e] = [c]/[d]	[f]	[g] = [e] x [f]	[h] = Cumulative([g])
Accumulated Deferred Income Taxes (Account No. 190)									
1	Dec-2021 (Worksheet A8, Ln. 3, Col. [q])	1/1/2022							
2	Jan-2022	1/31/2022							
3	Feb-2022	2/28/2022							
4	Mar-2022	3/31/2022							
5	Apr-2022	4/30/2022							
6	May-2022	5/31/2022							
7	Jun-2022	6/30/2022							
8	Jul-2022	7/31/2022							
9	Aug-2022	8/31/2022							
10	Sep-2022	9/30/2022							
11	Oct-2022	10/31/2022							
12	Nov-2022	11/30/2022							
13	Dec-2022	12/31/2022							
14	Total (Sum I ng (1 through 12))								

14Total (Sum Lns. (1 through 13))

Total Account No. 190 - Balances Not Subject to Prorationing

15 Beginning of Year Balance (Worksheet P5, Ln. 4, Col. [q])

16 End of Year Balance (Worksheet P5, Ln. 4, Col. [cc])

- 17 Average of Beginning of Year and End of Year Balances (Average Lns. 15 and 16)
- 18 Total Account No. 190 Prorated Balance at End of Year (Ln. 13, Col. [h])
- 19 Total Average Account No. 190 Balance (Lns. (17 + 18))

Accu	mulated Deferred Income Taxes - Other Pro	perty (Account No. 282)	
20	Dec-2022 (Worksheet P5, Ln. 7, Col. [q])	1/1/2022	
21	Jan-2022	1/31/2022	
22	Feb-2022	2/28/2022	
23	Mar-2022	3/31/2022	
24	Apr-2022	4/30/2022	
25	May-2022	5/31/2022	
26	Jun-2022	6/30/2022	
27	Jul-2022	7/31/2022	
28	Aug-2022	8/31/2022	
29	Sep-2022	9/30/2022	
30	Oct-2022	10/31/2022	
31	Nov-2022	11/30/2022	
32	Dec-2022	12/31/2022	

33 Total (Sum Lns. (20 through 32))

<u>Total Account No. 282 - Balances Not Subject to</u> <u>Prorationing</u>

- 34 Beginning of Year Balance (Worksheet P5, Ln. 8, Col. [q])
- 35 End of Year Balance (Worksheet P5, Ln. 8, Col. [cc])
- 36 Average of Beginning of Year and End of Year Balances (Average Lns. 34 and 35)
- 37 Total Account No. 282 Prorated Balance at End of Year (Ln. 32, Col. [h])
- 38 Total Average Account No. 282 Balance (Lns. (36 + 37))

Accu	mulated Deferred Income Taxes - Other Pro	perty (Account No. 283)	
39	Dec-2022 (Worksheet P5, Ln. 11, Col. [q])	1/1/2022	
40	Jan-2022	1/31/2022	
41	Feb-2022	2/28/2022	
42	Mar-2022	3/31/2022	
43	Apr-2022	4/30/2022	
44	May-2022	5/31/2022	
45	Jun-2022	6/30/2022	
46	Jul-2022	7/31/2022	
47	Aug-2022	8/31/2022	
48	Sep-2022	9/30/2022	
49	Oct-2022	10/31/2022	
50	Nov-2022	11/30/2022	
51	Dec-2022	12/31/2022	
50	T-4-1 (S I		

52 Total (Sum Lns. (39 through 51))

<u>Total Account No. 283 - Balances Not Subject to</u> <u>Prorationing</u>

Beginning of Year Balance (Worksheet P5, Ln. 12, Col.

53 [q])

- 54 End of Year Balance (Worksheet P5, Ln. 12, Col. [cc])
- 55 Average of Beginning of Year and End of Year Balances (Average Lns. 53 and 54)
- 56 Total Account No. 283 Prorated Balance at End of Year (Ln. 51, Col. [h])
- 57 Total Average Account No. 283 Balance (Lns. (55 + 56))

58 Total Average Projected ADIT for Network Transmission (Lns. (14 + 33 + 52))

Excess Deferred Income Taxes (Account No. 254)

59 Dec-2022 (Worksheet P6, Ln. 3, Col. [q]) 1/1/2022

71	Dec-2022	12/31/2022	
70	Nov-2022	11/30/2022	
69	Oct-2022	10/31/2022	
68	Sep-2022	9/30/2022	
67	Aug-2022	8/31/2022	
66	Jul-2022	7/31/2022	
65	Jun-2022	6/30/2022	
64	May-2022	5/31/2022	
63	Apr-2022	4/30/2022	
62	Mar-2022	3/31/2022	
61	Feb-2022	2/28/2022	
60	Jan-2022	1/31/2022	

72 Total (Sum Lns. (59 through 71))

Total Excess Deferred Income Taxes Acct No. 254 - Balances Not Subject to Prorationing

- 73 Beginning of Year Balance (Worksheet P6, Ln. 4, Col. [q])
- 74 End of Year Balance (Worksheet P6, Ln. 4, Col. [cc])
- 75 Average of Beginning of Year and End of Year Balances (Average Lns. 73 and 74)
- 76 Total Excess Deferred Income Taxes Prorated Balance at End of Year (Ln. 71, Col. [h])

77 Total Average Excess Deferred Income Tax Balance (Lns. (75 + 76))

Deficient Deferred Income Taxes (Account No. 182.3)

78	Dec-2022 (Worksheet P6, Ln. 7, Col. [q])	1/1/2022	
79	Jan-2022	1/31/2022	
80	Feb-2022	2/28/2022	
81	Mar-2022	3/31/2022	
82	Apr-2022	4/30/2022	
83	May-2022	5/31/2022	
84	Jun-2022	6/30/2022	

91	Total (Sum Lns. (78 through 90))		
90	Dec-2022	12/31/2022	
89	Nov-2022	11/30/2022	
88	Oct-2022	10/31/2022	
87	Sep-2022	9/30/2022	
86	Aug-2022	8/31/2022	
85	Jul-2022	7/31/2022	

Total Deficient Deferred Income Taxes Acct No. 182.3 - Balances Not Subject to Prorationing

- 92 Beginning of Year Balance (Worksheet P6, Ln. 8, Col. [q])
- 93 End of Year Balance (Worksheet P6, Ln. 8, Col. [cc])
- 94 Average of Beginning of Year and End of Year Balances (Average Lns. 92 and 93)
- 95 Total Deficient Deferred Income Taxes Prorated Balance at End of Year (Ln. 90, Col. [h])
- 96 Total Average Deficient Deferred Income Tax Balance (Lns. (94 + 95))

97 Total Average Projected Excess/Deficient Deferred Income Taxes for Network Transmission (Lns. (77 + 96))

Notes and Sources:

¹ Columns [b] through [e] are automatically populated based on the year inputed on Worksheet A1, line 2. See Worksheet P5, lines 3, 7, 11, columns [q] through [cc] for actual monthly ADIT activity. See Worksheet P6, lines 3 and 7, columns [q] through [cc] for actual monthly excess and deficient deferred income tax activity.

2

Formula Rate Template (Projected) Accumulated Deferred Income Taxes (ADIT) Balances 12 Months Ended December 31, 2022

<u>Network</u> Allocator Total Company End-of-Month Balances Network Transmission End-of-Month Balances Dec-Dec-Dec-Jan-Feb-Mar-Apr-May-Jun-Jul-Aug-Sep-Oct-Nov-Dec-Jan-Feb-Mar-May-Jun-Jul-Aug-Sep-Nov-Network Allocator Apr-Line Code % Oct-2022 2022 2021 2022 2022 2022 2022 2022 2022 Description 2021 2022 2022 2022 2022 2022 2022 2022 2022 2022 2022 2022 2022 2022 2022 2022 2022 Prorated?2 Justification3 No. [r] = [c] x [p] [s] = [d] x [p] [z] = [k] x [p] [q] = [t] = [u] = [v] = [w] = [x] = [y] = [bb] = [cc] = [aa] = [l] x [p] [h] x [p] [a] [b] [c] [d] [e] [f] [h] [i] [j] [k] [1] [m] [0] [p] [b] x [e] x [p] [f] x [p] [g] x [i] x [j] x [m] x [n] x [dd] [g] [n] [p] [p] [p] [p] [p] [p] [ee] Accumulated Deferred Income Taxes (Account No. 190)1 Alternative Minimum 1a Tax Credit Carryforward NA AOCI Amortization of NA 1b Debt Costs AOCI Decommissioning NA Costs 1c 1d AOCI Retirement Plans NA NP 1e Capitalized Interest NA 1f CIAC 1g Coal Reclamation Costs NA NP 1h Decommissioning Costs Deferred Fuel FERC NA 1i NA 1j Deferred Fuel NM 1k Deferred Fuel TX NA Depreciation Differences NP 11 Excess Deferred Taxes NA 1m Fed 1n ITC NA NOL Carryforward - AZ NP 10 NOL Carryforward -NP Federal 1p NOL Carryforward -NM NP 1q Other NA 1r Other Employee WS 1s Benefits 1t R & D Credit NP

Worksheet P5

Worksheet P5

1	Dist and Dist	WS		
Iu	Retirement Plans	ws		
1v	SFAS 143 ARO	NA		
1.02	Stretagie Caste	NA		
1 W	Sudegit Costs	INA		
	Taxes Other Than			
1x	Strategic Costs Taxes Other Than Federal Income Tax	NA		
1	Unbilled Revenue	NA		
1 y	Undined Revenue	INA		
			•••••	
1				
1zz	····			
	Total Account No. 190 (Sum Lns. 1a through			
	(Sum Lns. 1a through			
-				

<u>2 1zz)</u>

Total Account No. 190 -Balances Subject to 3 Prorationing Total Account No. 190 -Balances Not Subject to

4 Prorationing

Accumulated Deferred Income

Taxes - Other Property (Account No. 282)¹

5a ABFUDC - CWIP	NA	
5b AEFUDC	NA	
5c AEFUDC - CWIP	NA	
5d Decommissioning Costs	NP	
5e Depreciation Differences	NP	
5f Nuclear Fuel	NA	
	NP	
5g Repair Allowance		
5h Section 174 R&D	NP	
5zz Total Account No. 282 (Sum Line 5: through		

(Sum Lns. 5a through

6 5zz)

Total Account No. 282 -Balances Subject to

7 Prorationing Total Account No. 282 -Balances Not Subject to

8 Prorationing

Accumulated Deferred Income Taxes - Other (Account No. 283) ¹	
9a AEFUDC	NA
9b AEFUDC - CWIP Amortization of Debt	
9c Costs	NP
9d Decommissioning Costs	NA
9e Deferred Fuel FERC	NA
9f Deferred Fuel NM	
9g Deferred Fuel TX	NA
Excess Deferred Taxes 9h Fed	NA
Excess Deferred Taxes	
9i State	
9j Other	NA
Taxes Other Than 9k Federal Income Tax	NA
9zz Total Account No. 283	
(Sum Lns. 9a through	
10 9zz)	
Total Account No. 283 -	

Total Account No. 283 -Balances Subject to 11 Prorationing

Total Account No. 283 -Balances Not Subject to

12 Prorationing

 Total ADIT (Lns. 2 + 6

 13
 +10)

Notes and Sources:

Unless otherwise stated, source of shaded cells is company input/records. Lines la through 1zz, 5a through 5zz and 9a through 9zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of ADIT items.

² Enter 'Yes' or 'No.' Only plant-related ADIT balances are subject to prorationing. Values on lines 3, 4, 7, 8, 11, and 12 will populate automatically based on the inputs to column [dd]. Inputs only needed for ADIT items with non-zero allocations to network transmission rates. ³ Only network allocator codes listed on Worksheet P12 may be inputed. Only deferred taxes related to rate base, construction, or other costs and revenues affecting jurisdictional cost-of-service may be included as rate base reductions/additions.

El Paso Electric Company Formula Rate Template (Projected) Excess and Deficient Deferred Income Taxes 12 Months Ended December 31, 2022

Worksheet P6

Worksheet P6

Total Company End-of-Month Balances Total Company End-of-Month Total Company End-of-Month Balances Balances Dec- Jan- Feb- Mar- Apr- May- Jul- Aug- Sep- Oct- Nov- Dec- Dec-<								Amorti		<u>Netwo</u> <u>Alloca</u>	ork tor		ork Trans						Network 7	Bala	ances						Amortization	Network			
Line Description	Dec- 2021	Jan- Fe 2022 20	b- Mar- 22 2022	Apr- 1 2022	May- Ju 2022 20	n- Jul- 22 2022	Aug 2 2022	- Sep- 2 2022	- Oct- 2 2022	Nov- D 2022 20	ec- 122		Code	%		Jan- F 2022 2	Feb- M 022 20	ar- Apr- 22 2022	- May 2 2022	- Jun- 2 2022	Jul- 2 202	Aug- 2022	Sep- 2022	Oct- 2022	Nov- 2022		Annual Amortization	Prorated ?2	Protected or Unprotected?	Period / Methodology	Allocator Justificatio
No.	2021				2022 20		2023			2022 20							s] = [t]						[z] =		լրբյ	[cc] =		·	onprotocoura	memodology	<i>v ubtiliteur</i> e
[a]	[b]	[c] [d	l] [e]	[f]	[g] [ł	1] [i]	[j]	[k]	[1]	[m]			[0]	[p]	[q] = [b]	[r] - [i [c] x [e	d]x [e	- [u]- x [f]x	- [v]- c [g] x	= [w] = x [h] x [p]	= [x] = x [i] x [p]	[j] x	[2] – [k] x	[aa] = [1]	=	[n] x	[dd] = [cc] -	[ee]	[ff]	[gg]	
											n] [n				x [p]	[c] x [c [p]	[p] []	x [f] x p] [p]	[p]	[p]	[p]	[p]	[p]	= [1] x [p]	[m] x [p]	[n] x [p]	[q]				[hh]
										L	J [,																			
xcess Deferred Income																															
axes (Account No. 254)																															
Excess Deferred FIT																															
- Tax Rate Change a 1989													NP																		
Excess Deferred FIT									<u>-</u>				111																		
- 2017 TCJA -																															
b Protected (Plant)													NP																		
Excess Deferred SIT - Tax Rate Change																															
c 2017													NP																		
Excess Deferred SIT																															
- Tax Rate Change																															
d 2018													NP																		
e													NA																		
Excess Deferred FIT																															
- Tax Rate Change f 1989													NP																		
1 1909													111																		
ZZ																															
Total Excess Deferred																															
Income Taxes Acct No 2 (Sum Lns. 1a through																															
Excess Deferred Income Taxes Subject to 3 Prorationing																															
Excess Deferred Income Taxes Not Subject to Prorationing																															
Income Taxes Not Subject to Prorationing ficient Deferred Income txes (Account No. 182.3)																															
Income Taxes Not Subject to Prorationing ficient Deferred Income taxes (Account No. 182.3) Deficient Deferred																															
Income Taxes Not Subject to Prorationing ficient Deferred Income taxes (Account No. 182.3) Deficient Deferred FIT - Tax Rate													NP																		
Income Taxes Not Subject to Prorationing efficient Deferred Income axes (Account No. 182.3) Deficient Deferred FIT - Tax Rate a Change 1993 Deficient Deferred													NP																		
Income Taxes Not Subject to Prorationing ficient Deferred Income ixes (Account No. 182.3) Deficient Deferred FIT - Tax Rate a Change 1993 Deficient Deferred FIT - 2017 TCJA-																															
Income Taxes Not Subject to Prorationing ficient Deferred Income xes (Account No. 182.3) Deficient Deferred FIT - Tax Rate A Change 1993 Deficient Deferred FIT - 2017 TCJA- Duprotected (Labor)													NP WS																		
Income Taxes Not Subject to Prorationing ficient Deferred Income xes (Account No. 182.3) Deficient Deferred FIT - Tax Rate a Change 1993 Deficient Deferred FIT - 2017 TCJA- b Unprotected (Labor) Deficient Deferred																															
Income Taxes Not Subject to Prorationing ficient Deferred Income ixes (Account No. 182.3) Deficient Deferred FIT - Tax Rate a Change 1993 Deficient Deferred FIT - 2017 TCJA- b Unprotected (Labor) Deficient Deferred FIT - 2017 TCJA-																															
Income Taxes Not Subject to Prorationing efficient Deferred Income axes (Account No. 182.3) Deficient Deferred FIT - Tax Rate a Change 1993 Deficient Deferred FIT - 2017 TCJA- b Unprotected (Labor) Deficient Deferred FIT - 2017 TCJA- Unprotected (Not c allocated)																															
Income Taxes Not Subject to Prorationing efficient Deferred Income axes (Account No. 182.3) Deficient Deferred FIT - Tax Rate a Change 1993 Deficient Deferred FIT - 2017 TCJA- b Unprotected (Labor) Deficient Deferred FIT - 2017 TCJA- Unprotected (Not c allocated) Deficient Deferred													WS NA																		
Income Taxes Not Subject to Prorationing Protection (A) Prorationing Protection Deferred Income (A) Deficient Deferred FIT - Tax Rate a Change 1993 Deficient Deferred FIT - 2017 TCJA- b Unprotected (Labor) Deficient Deferred FIT - 2017 TCJA- Unprotected (Not c allocated) Deficient Deferred													ws																		
Income Taxes Not Subject to Prorationing eficient Deferred Income axes (Account No. 182.3) Deficient Deferred FIT - Tax Rate a Change 1993 Deficient Deferred FIT - 2017 TCJA- b Unprotected (Labor) Deficient Deferred FIT - 2017 TCJA- Unprotected (Not c allocated) Deficient Deferred d SIT Normalization													WS NA																		
Income Taxes Not Subject to Prorationing eficient Deferred Income axes (Account No. 182.3) Deficient Deferred FIT - Tax Rate a Change 1993 Deficient Deferred FIT - 2017 TCJA- b Unprotected (Labor) Deficient Deferred FIT - 2017 TCJA- Unprotected (Not c allocated) Deficient Deferred d SIT Normalization zz Total Deficient Deferre													WS NA																		
Income Taxes Not Subject to Prorationing eficient Deferred Income axes (Account No. 182.3) Deficient Deferred FIT - Tax Rate Change 1993 Deficient Deferred FIT - 2017 TCJA- Unprotected (Labor) Deficient Deferred FIT - 2017 TCJA- Unprotected (Not ic allocated) Deficient Deferred SIT Normalization zz Total Deficient Deferret).												WS NA																		
Income Taxes Not Subject to Prorationing Ficient Deferred Income taxes (Account No. 182.3) Deficient Deferred FIT - Tax Rate a Change 1993 Deficient Deferred FIT - 2017 TCJA- b Unprotected (Labor) Deficient Deferred FIT - 2017 TCJA- b Unprotected (Not c allocated) Deficient Deferred SIT Normalization Z Total Deficient Deferret).												WS NA																		

7	Deficient Deferred Income Taxes Subject to Prorationing
8	Deficient Deferred Income Taxes Not Subject to Prorationing
	Total Excess and
	Deficient Deferred Income Taxes (Lns.
9	2+6)
	Total Excess and Deficient Deferred Income Taxes Subject to

10 Prorationing Total Excess and Deficient Deferred Income Taxes Not

11 Subject to Prorationing

Notes and Sources:

- Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz and 5a through 5zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of excess and deficient deferred income tax items.
- ² Enter 'Yes' or 'No.' Only plant-related ADIT balances are subject to prorationing. Values on lines 3, 4, 7, 8, 10, and 11 will populate automatically based on the inputs to column [ee].
- ³ Only network allocator codes listed on Worksheet P12 may be inputed. Only deferred taxes related to rate base, construction, or other costs and revenues affecting jurisdictional cost-of-service may be included as rate base reductions/additions.
- ⁴ Excess and deficient deferred income tax balances exclude income tax gross-ups recorded to accounts 182.3 and 254.

El Paso Electric Company Formula Rate Template (Projected)

Regulatory Assets and Liabilities 12 Months Ended December 31, 2022 Worksheet P7

Worksheet P7

Line No.	Type ²	Description	FERC Account No.	FERC Approval Docket	Amount ³	Recovery Period (Months)	Monthly Amortization Expense	Amortization Months in Current Year	Current Year Amortization Expense	% Approved for Rate Recovery ⁴	<u>Network</u> <u>Allocator</u> Code %	Network Transmission Amortization Expense	Dec- 2021	Jan- 2022	<u>UNAN</u> Feb- 2022	MORTIZEI Mar- 2022	D BALAN Apr- 2022	May- 2022	Jun-2022	Jul- 202 2	<u>UNAN</u> Aug- 2022	MORTIZE Sep- 2022	Oct-	NCES Nov- 2022	Dec- 2022	13-Month Avg. Unamortized Balance	% Approved for Rate Base Treatment ⁵	Network Transmission Unamortized Balance	Network Allocator Justification ⁶
110.	[a]	[b]	[c]	[d]	[e]	[f]	[g]=[e]/[f]	[h]=If [n]/[g] <12, [n]/[g]. Otherwise, 12	[i]=[g]x[h]	[j]	[k] [l]	[m]=[i]x[j]x[1]	[n]	[0]	[p]	[q]	[r]	[s]	[t]	[u]	[v]	[w]	[x]	[y]	[z]	[aa]=Avg. ([n] through [z])	[bb]	[cc]=[aa]x[l]x[bb]	[dd]
1a	Asset																												
	Liability																												
1c	Asset																												
lzz		 latory Assets and																											
2		(Sum Lns. (1a																											

3 Total Regulatory Assets

4 Total Regulatory Liabilities

Notes and Sources:

Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of regulatory assets and liabilities.

Must be listed as either 'Asset' or 'Liability'. Lines 3 and 4 2 populate automatically based on these labels.

- Total amount of regulatory asset/liability should be listed. Percentages greater than 0% listed in column [j] must be accompanied by a corresponding FERC docket number in column [d], where recovery was specifically directed or 3 approved by the Commission pursuant to a §205, §206, or §219 filing. The associated recovery period resulting from the Commission direction or approval must be listed in column [f].
- Percentages greater than 0% listed in column [bb] must be accompanied by a corresponding FERC docket number in column [d], where rate base treatment was specifically directed or approved by the Commission pursuant to a §205, 5 §206, or §219 filing. To the extent that rate base inclusion for the regulatory asset/liability was approved in a separate docket than the docket in which the rate recovery (through amortization) was approved, list both dockets in column [d]. Only network allocator codes listed on Worksheet P12 may be inputed.
- 6

		FERC	FERC		Recovery	Monthly		Current Year	% Approved	<u>Network</u> <u>Allocator</u>	Network Transmission			<u>I</u>	UNAMO	RTIZEI) BALA	NCES			<u>l</u>	JNAMO BALAI		<u>D</u>	13-Month Avg.	% Approved	Network Transmission	Network
Line	Description	Account No.	Approval Docket	Amount ²	Period (Months)	Amortization Expense	Months in Current Year	Amortization Expense	for Rate Recovery ³	Code %	Amortization Expense	Dec- 2021	Jan- 2022	Feb- 2022	Mar- 2022	Apr- 2022	May- 2022	Jun- 2022	Jul- 2022	Aug-2022	Sep- 2022	Oct- 2022			•	for Rate Base Treatment ⁴	Unamortized Balance	Allocator Justification ⁵
No.	[a]	[b]	[c]	[d]	[e]	[f]=[d]/[e]	[g]=If [m]/[f] <12, [m]/[f]. Otherwise, 12	[h]=[f]x[g]	[i]	[j] [k]	[l]=[h]x[i]x[k]	[m]	[n]	[o]	[p]	[q]	[r]	[s]	[t]	[u]	[v]	[w]	[x]	[y]	[z]=Avg. ([m] through [y])	[aa]	[bb]=[z]x[aa]x[k]	[cc]
1a																												
11	···· ···		···· ····																									
1c																												
1zz																												
2	Total Aband	doned Plant	t (Sum Lns.	(1a throug	h 1zz))																							

Notes and Sources:

- ¹ Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of abandoned plant.
- ² Total amount of abandoned plant should be listed.
- Percentages greater than 0% listed in column [i] must be accompanied by a corresponding FERC docket number in column [c], where recovery was specifically directed or approved by the Commission pursuant to a §205, §206, or §219 filing. The associated recovery period resulting from the Commission direction or approval must be listed in column [e].
- ⁴ Percentages greater than 0% listed in column [aa] must be accompanied by a corresponding FERC docket number in column [c], where rate base treatment was specifically directed or approved by the Commission pursuant to a §205, §206, or §219 filing. To the extent that rate base inclusion for the abandoned plant was approved in a separate docket than the docket in which the rate recovery (through amortization) was approved, list both dockets in column [c].
- ⁵ Only network allocator codes listed on Worksheet P12 may be inputed.

El Paso Electric Company Formula Rate Template (Projected) Projected Expenses 12 Months Ended December 31, 2022

Line No.	Description	Reference	Actual Costs	Charge Factor ¹	Projected Costs
	[a]	[b]	[c]	[d]	[e]
1	Net Plant in Service	Attachment H (Actuals), Ln. 29, Col. [c]			
	<u>O&M</u>				
2	Transmission O&M Expenses	Attachment H (Actuals), Ln. 46, Col. [c]			
3	Account Nos. 561.1-561.8 (Load Dispatch)	Attachment H (Actuals), Ln. 47, Col. [c]			
4	Account No. 565 (Transmission of Electricity by Others)	Attachment H (Actuals), Ln. 48, Col. [c]			
	<u>A&G</u>				
5	A&G (Excluding Property Insurance and Regulatory Commission Expense)	Attachment H (Actuals), Ln. 50, Col. [c]			
6	Non-Recoverable A&G	Attachment H (Actuals), Ln. 51, Col. [c]			
7	Property Insurance	Attachment H (Actuals), Ln. 52, Col. [c]			
8	Transmission-Related Regulatory Commission Expense	Attachment H (Actuals), Ln. 53, Col. [f]			
9	Amortization of Transmission Rate Case Expense	Projected FERC. Rate Case Expenses Amortized Over 3 Years			
10	Actual OPEB Expense	Attachment H (Actuals), Ln. 54, Col. [c]		-	
	Taxes Other than Income Taxes				
11	Payroll Taxes	Attachment H (Actuals), Ln. 65, Col. [c]			
12	Highway and Vehicle Taxes	Attachment H (Actuals), Ln. 66, Col. [c]			
13	Gross Receipts Taxes	Attachment H (Actuals), Ln. 68, Col. [c]			
14	Other Taxes (Non-Income)	Attachment H (Actuals), Ln. 69, Col. [c]			

Load Dispatch Expenses

15	Scheduling, System Control and Dispatch Services (561.4)	Worksheet A1, Ln. 51
16	Reliability, Planning and Standards Development (561.5)	Worksheet A1, Ln. 52
17	Transmission Service Studies (561.6)	Worksheet A1, Ln. 53
18	Generation Interconnection Studies (561.7)	Worksheet A1, Ln. 54
17	Reliability, Planning and Standards Development Services (561.8)	Worksheet A1, Ln. 55
18	Net Plant in Service for Year Prior to Actual True-Up Year (2019)	FERC Form No. 1, Page 200, Col. (b), Ln. 3 less Ln. 14
	Property Taxes	
19	Property Taxes	Attachment H (Actuals), Ln. 67, Col. [c]

Notes and Sources:

The charge factor is calculated by dividing the individual O&M and A&G expenses on lines 2 through 17 (column [c]) by the actual net plant in service found on line 1. This charge factor is only used if the percentage change between projected and actual net plant (as shown on line 1) is less than 2.5%. In which case, the charge factors listed in Column [d] are multiplied by the projected net plant on line 1 to respective projected expenses. If the percentage change in net plant is greater than 2.5%, then each projected expense item will be calculated by increasing the corresponding actual expense item by 2.5%. If the percentage change is less than 0%, then each projected expense item will be calculated the same as corresponding actual expense.

% Change in Net Plant from Actual to Projected	Ln. 1, Cols. ([e] - [c]) / Col. [c]	
Maximum Percentage Change	Fixed 2.5%	2.5%
Minimum Percentage Change	Fixed 0%	0.0%
Use Calculated Charge Factors?	"Yes" if % change is between 0% and 2.5%, otherwise "No"	
Use Maximum or Minimum Percentage Change?	"Max" if % change is > 2.5%, "Min" if % change is < 0%	

2 Property tax expenses relate to plant balances as of December 31, 2 Years prior to the expense period. Projected property taxes in Column [e] are calculated by multiplying the charge factor in Column [d] by the actual net plant in service balance shown on line 1. Property taxes charge factor calculated by dividing the actual property expense shown on line 19 by the net plant in service for the year prior to actual true-up year as shown on line 18.

Formula Rate Template (Projected) Corporate Income Tax Rates 12 Months Ended December 31, 2022

Line No.	Description [a]	Source [b]	Federal [¢]	New Mexico [d]	Arizona [e]	Texas [f]	Total [g]
1	Corporate Income Tax Rate	https://taxfoundation.org/state- corporate-income-tax-rates-brackets- 2020/					
2	State Deduction for Federal Income Tax Purposes	-1.0 x Sum (Ln. 4, Cols. [d], [e], and [f]) x Ln. 1, Col. [c]					
3	State Apportionment Factor for Taxable Income/Losses	Company Input/Records					
4	Effective Rates ¹	Lns. (1 x 3)					
5	Blended State Income Tax Rate (SIT)	Ln. 4, Col. [g] less Ln. 4, Col. [c]					
6	Federal Income Tax Rate (FIT) Percent of Federal Income Deductible for State Tax	Lns. (4 - 5)					
7	Purposes (p)	Company Input/Records					
8	Composite Income Tax Rate (T)	(Ln. 6 x (1.0 - Ln. 5) + Ln. 5 x (1.0 - Ln. 6 x Ln. 7)) / (1.0 - Lns. (5 x 6 x 7))					

Notes and Sources:

Federal effective rate (column [c]) equals the sum on lines 1 and 2. Total effective rate equals the sum of line 4, columns [c] through [f].

1

Worksheet P11

Worksheet P11

Worksheet P11

Formula Rate Template (Projected) Incentive Plant Return and Taxes 21 2022

12 Months Ended December 31, 2022	

1	Lin e No.	Project Name ² [a]	FERC Approv al Docket ² [b]	ROE Incentive Approve d ² [c]	Equit y Ratio ³ [d]	Weighte d ROE Incentive [e]=[c]x[d]	% Approve d for Rate Base Treatme nt [f]	Cod e	ator E % 2	GR - Jar - 20 - 20 1 2 [i] [j]	n-)2 2 2 2 2 2 2 2	-	Apr - 202 2	2	Jun- Jul 202 20 2 2	1- Aug 12 202 2 202 2 2	2	Oct - 202 2	Nov - 202 2	2	Dec Ja - 20 202 2 1	b Mar 2 202 2	2	May 202 2	Jun- 202 2	ULATED I Jul- Au 202 - 2 202 2 2 [cc] [dd	ng Sep 2 202 2 2	Oct 202 2	202 2	Dec 13- - Avg - P 202 2 [hh] [ii]= i]	13-Month Avg. Accum. Depreciatio n [jj]=Avg.([v]-[hh])	Network Transmissi on Gross Plant [kk]=[h]x[i i]	Network Transmissi on Accum. Depreciati on [ll]=[h]x[jj]	1 min	i Inc	n]=[e]x[f]x[h]x[mm]	Composi te Income Tax Rate Gross- Up Rate [oo]	Incentive Taxes [pp]=[nn]x[o o]	Incentive Return and Taxes [qq]=[nn]+[pp]	Network Allocator Justificatio n ⁵ [rr]

- Notes and Sources: Unless otherwise stated, source of shaded cells is company input/records. Lines la through lzz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of incentive plant return ad income taxes.
- sufficient breakout of incentive plant return and income taxes. ² All project-specific incentive ROE requires Commission authorization. No amounts may be included on this worksheet absent Commission ducket in which incentive ROE treatment was granted must be listed. ³ Source: Worksheet A18, line 16, column [fl.

column [f]. 4

Source: Attachment H (Actuals), line 79.

 Only network allocator codes
 listed on Worksheet P12 may be inputed.

Worksheet P11

Formula Rate Template (Projected) Allocation Factors 12 Months Ended December 31, 2022

Line No.	Description	Reference	Code		Amount / %
	[a]	[b]	[c]		[d]
1	100% Network Transmission	Fixed Percentage ¹	DA	=	100.00%
2	0% Network Transmission	Fixed Percentage ¹	NA	=	0.00%
	Gross Plant in Service				
3	Network Transmission	Attachment H (Projected), Ln. 20, Col. [c]			
4	Total Company	Attachment H (Projected), Ln. 20, Col. [f]			
5	Gross Plant Allocation Factor	Lns. (3 / 4)	GP	=	
	Net Plant in Service				
6	Network Transmission	Attachment H (Projected), Ln. 30, Col. [c]			
7	Total Company	Attachment H (Projected), Ln. 30, Col. [f]			
8	Net Plant Allocation Factor	Lns. (6 / 7)	NP	=	
	Gross Transmission Plant in Service				
9	Network Transmission	Worksheet P2, Ln. 27, Col. [f]			
10	Total Company	Attachment H (Projected), Ln. 17, Col. [c]			
11	Transmission Plant Allocation Factor	Lns. (9 / 10)	TP	=	

Worksheet P12

Wages and Salaries

12	Production	Worksheet A1, Ln. 69		
13	Transmission	Worksheet A1, Ln. 70		
14	Distribution	Worksheet A1, Ln. 71		
15	Other	Worksheet A1, Lns. (72 + 73 + 74)		
16	Total	Sum Lns. (12 through 15)		
17	Network Transmission	Lns. (11 x 13)		
18	Wages and Salaries Allocation Factor	Lns. (17 / 16)	WS	=

Notes and Sources:

¹ This allocator is fixed and cannot be modified absent a ruling from the Commission.

Line No.	Account No.	Account Description	Blended Rates FF1	Rate per Depreciation Rate Study	Rates As Settled Docket No. ER22-282 ²
	[a]	[b]	[c]	[e]	
	Steam Product	ion Plant			
1	311.00	Structures and Improvements			
2	312.00	Boiler Plant Equipment			
3	313.00	Engines and Engine-Driven Generators			
4	314.00	Turbogenerator Units			
5	315.00	Accessory Electric Equipment			
6	316.00	Miscellaneous Power Plant Equipment			
	Gas Turbine P	lant			
7	341.00	Structures and Improvements			
8	342.00	Fuel Holders			
9	343.00	Prime Movers			
10	344.00	Generators			
11	345.00	Accessory Electric Equipment			
12	346.00	Miscellaneous Power Plant Equipment			
	Transmission H	<u>Plant</u>			
13	350.10	Land Rights			
14	350.10	Land Rights - Isleta			
15	352.00	Structures and Improvements			
16	353.00	Station Equipment			

17	354.00	Steel Towers and Fixtures
18	355.00	Wood and Steel Poles
19	356.00	Overhead Conductors & Devices
20	359.00	Roads and Trails

Distribution Plant

21	360.10	Land Rights
22	361.00	Structures and Improvements
23	362.00	Station Equipment
24	364.00	Poles, Towers and Fixtures
25	365.00	Overhead Conductors & Devices
26	366.00	Underground Conduit
27	367.00	Underground Conductors & Devices
28	368.00	Line Transformers
29	369.00	Services
30	370.00	Meters
31	371.00	Installations on Customers' Premises
32	373.00	Street Lightin and Signal Systems

General Plant

34390.00Structures and Improvements-Stanton Tower35390.00Structures and Improvements-Eastside Operations Center36390.00Structures and Improvements-Other Structures37390.00Structures and Improvements-Other Structures Vanderbilt38390.00Structures and Improvements-Other Structures Emergency Management System39390.00Structures and Improvements-Other Structures Misc Buildings40391.00Office Furniture and Equipment41393.00Stores Equipment42394.00Tools, Shop and Garage Equipment43395.00Laboratory Equipment	33	390.00	Structures and Improvements-Systems Operations Building
36390.00Structures and Improvements-Other Structures37390.00Structures and Improvements-Other Structures Vanderbilt38390.00Structures and Improvements-Other Structures Emergency Management System39390.00Structures and Improvements-Other Structures Misc Buildings40391.00Office Furniture and Equipment41393.00Stores Equipment42394.00Tools, Shop and Garage Equipment	34	390.00	Structures and Improvements-Stanton Tower
37390.00Structures and Improvements-Other Structures Vanderbilt38390.00Structures and Improvements-Other Structures Emergency Management System39390.00Structures and Improvements-Other Structures Misc Buildings40391.00Office Furniture and Equipment41393.00Stores Equipment42394.00Tools, Shop and Garage Equipment	35	390.00	Structures and Improvements-Eastside Operations Center
38390.00Structures and Improvements-Other Structures Emergency Management System39390.00Structures and Improvements-Other Structures Misc Buildings40391.00Office Furniture and Equipment41393.00Stores Equipment42394.00Tools, Shop and Garage Equipment	36	390.00	Structures and Improvements-Other Structures
39390.00Structures and Improvements-Other Structures Misc Buildings40391.00Office Furniture and Equipment41393.00Stores Equipment42394.00Tools, Shop and Garage Equipment	37	390.00	Structures and Improvements-Other Structures Vanderbilt
40391.00Office Furniture and Equipment41393.00Stores Equipment42394.00Tools, Shop and Garage Equipment	38	390.00	Structures and Improvements-Other Structures Emergency Management System
41393.00Stores Equipment42394.00Tools, Shop and Garage Equipment	39	390.00	Structures and Improvements-Other Structures Misc Buildings
42 394.00 Tools, Shop and Garage Equipment	40	391.00	Office Furniture and Equipment
	41	393.00	Stores Equipment
43 395.00 Laboratory Equipment	42	394.00	Tools, Shop and Garage Equipment
	43	395.00	Laboratory Equipment

44	396.00	Power Operated Equipment
45	397.00	Communication Equipment
46	398.00	Miscellaneous Equipment

Intangible Plant¹

47	303.10	Software - 5 Years
48	303.20	Software - 7 Years
49	303.30	Software - 9 Years
50	303.40	Software - 11 Years
51	303.50	Software - 13 Years
52	303.60	Software - 15 Years

Notes and Sources:

1

Subject to a change in Uniform System of Accounts requirements, once an intangible asset is placed in a particular subaccount (corresponding to the appropriate useful life), it will remain in that subaccount and use the subaccount's amortization rate until it is fully amortized.

² The depreciation rates listed for Transmission, General, and Intangible Plant were approved in the Docket No. ER22-282-000 Settlement and cannot be changed absent approval from the Commission pursuant to a section 205 or 206 filing.

El Paso Electric Company Formula Rate Template (Projected) Projected Transmission Depreciation Composite Rate 12 Months Ended December 31, 2022

Line No.	Account No.	Account Description	EOY 2020 Balance	Depreciation Rates	Depreciation Expense
	[a]	[b]	[c]	[d]	$\begin{bmatrix} e \end{bmatrix} = \begin{bmatrix} c \end{bmatrix} x \\ \begin{bmatrix} d \end{bmatrix}$
				Worksheet P13, Col. [e]	
	Transmissio	on Plant			
1	350.10	Land and land rights			-
2	350.10	Land Rights (Isleta)			-
3	352.00	Structures and improvements			-
4	353.00	Station equipment			-
5	354.00	Towers and fixtures			-
6	355.00	Poles and fixtures			-
7	356.00	Overhead conductors, devices			-
8	359.00	Roads and trails			-
9		Transmission Total			-
10	Monthly Co	omposite Depreciation Rate (Ln. 9,	, Col. [e] / Col. [c])		

El Paso Electric Company Formula Rate Template (Actuals) True-Up Adjustment 12 Months Ended December 31, 2020

Line No.	Month [a]	Year [b]	Refunds / (Surcharges) ¹ [c]	Cumulative Refunds / (Surcharges) (Beginning of Month) [d]=Cumulative([c])	Base for Quarterly Compound Interest ² [e]	Base for Monthly Interest [f] = [d] + [e]	Monthly FERC Interest Rate ³ [g]	Calculated Interest [h] = [f] x [g]	Amortization of Refunds / (Surcharges) ⁴ [i]	Cumulative Refunds and Interest (End of Month) [j]=Cumulative ([c],[h],[i])
NETV	WORK TRANSMISSION (A	TACHMENT	H)							
	<u>True-Up Year</u>									
1	January	2020								
2	February	2020								
3	March	2020								
4	April	2020								
5	May	2020								
6	June	2020								
7	July	2020								
8	August	2020								
9	September	2020								
10	October	2020								
11	November	2020								
12	December	2020								
	Intermediate Year									
13	January	2021								
14	February	2021								

15	March	2021
16	April	2021
17	May	2021
18	June	2021
19	July	2021
20	August	2021
21	September	2021
22	October	2021
23	November	2021
24	December	2021
	Rate Year	
25	January	2022
26	February	2022
27	March	2022
28	April	2022
29	May	2022
30	June	2022
31	July	2022
32	August	2022
33	September	2022
34	October	2022
35	November	2022

37 Total Network Transmission (Attachment H) True-Up Adjustment with Interest (Sum Lns. (25 through 36) x -1.0)

38 Less: True-Up Adjustment¹

December

36

39 Total Interest for Network Transmission (Attachment H) (Lns. (37 - 38))

2022

LOAD DISPATCH (SCHEDULE 1)

<u>True-Up Year</u>

40	January	2020
41	February	2020
42	March	2020
43	April	2020
44	May	2020
45	June	2020
46	July	2020
47	August	2020
48	September	2020
49	October	2020
50	November	2020
51	December	2020

Intermediate Year

52	January	2021
53	February	2021
54	March	2021
55	April	2021
56	May	2021
57	June	2021
58	July	2021
59	August	2021
60	September	2021
61	October	2021
62	November	2021
63	December	2021

<u>Rate Year</u>

64	January	2022
65	February	2022
66	March	2022
67	April	2022

68	May	2022
69	June	2022
70	July	2022
71	August	2022
72	September	2022
73	October	2022
74	November	2022
75	December	2022

76 Total Load Dispatch (Schedule 1) True-Up Adjustment with Interest (Sum Lns. (64 through 75) x -1.0)

- 77 Less: True-Up Adjustment¹
- 78 Total Interest for Load Dispatch (Schedule 1) (Lns. (76 77))

Notes and Sources:

2

3

1	Refunds/surcharges calculated as follows:	Network Transmission	Load Dispatch
	(A) Actual Net Revenue Requirement for Current True-Up Year:		
	(B) Projected Net Revenue Requirement for Current True-Up Year:		
	(C) True-Up Adjustment ((B) - (C)):		
	(D) Monthly Refunds/Surcharges ((C) / 12.0):		

Actual net revenue requirement for network transmission from Attachment H (Actuals), line 6. Actual net revenue requirement for load dispatch from Schedule 1 (Actual), line 9. Projected net revenue requirements from the rate filings for the true-up year.

Item (B) includes any amounts specified in the Docket No. ER22-282-000 Settlement.

- Equals the quarterly compound interest base at the end of the prior quarter plus interest calculated for the prior quarter.
- The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the first (6) months of the intermediate year will be determined using the monthly FERC interest rates (as determined pursuant to 18 C.F.R. Section 35.19a) posted at https://www.ferc.gov/interest-calculation-rates-and-methodology. The monthly interest rates to be applied to the over recovery or under recovery amounts during the rate year and the last (6) months of the intermediate year will be determined using the simple average of the monthly interest rates for the first (6) months of the intermediate year and the last (6) months of the true-up year.

⁴ Determined using the "PMT" function employing the monthly interest rate for the rate year and the end-of-month cumulative refunds and interest amount as of December of the intermediate year.

El Paso Electric Company

Formula Rate Template (Projected) Schedule 1 - Load Dispatch Revenue Requirement 12 Months Ended December 31, 2022

Line FERC No. Account Description Reference Amount [a] [b] [c] [d] Schedule 1 Actual Annual Revenue Requirement Worksheet A1, Ln. 51 1 True-Up Adjustment with Interest 2 Worksheet P14, Ln. x Schedule 1 Projected Annual Revenue Requirement Ln. 1 + Ln. 2 3 Divisor (kW) 4 Worksheet A2, Ln. 16 Rates Annual (MW-year) Lns. (3 / 4)*1,000 5 Monthly (MW-month) Ln. 5 / 12.0 Months 6 Weekly (MW-week) Ln. 5 / 52.0 Weeks 7 Daily On-Peak (MW-day) Ln. 7 / 6.0 Days 8 Daily Off-Peak (MW-day) 9 Ln. 7 / 7.0 Days Hourly On-Peak (MW-hour) 10 Ln. 8 / 16.0 Hours Hourly Off-Peak (MW-hour) Ln. 9 / 24.0 Hours 11

Attachment B

Pro forma Attachment H-1 to EPE's Open Access Transmission Tariff, transmission formula rate template (marked)

Attachment H-1 El Paso Electric Company ("EPE") Transmission Formula Rate Template

Table of Contents

Page 1 of 1

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.

Tab	Schedule/Worksheet Designation	Description
Act Att-H	Actual Attachment H	Actual Annual Transmission Revenue Requirements for most recent calendar year
A1-RevCred	Worksheet A1	Actual Revenue Credits
A2-O&M	Worksheet A2	Actual O&M Expense supporting data

A3-1-ADIT	Worksheet A3-1	Actual Accumulated Deferred Income Tax Calculation
A3-2-ADIT-ITC Details	Worksheet A3-2	Actual Accumulated Deferred Income Tax & Investment Tax 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
110/110011	1 Tojeetea 7 Rtaeminent 11	Carchadar year
P1-Trans Plant	Worksheet P1	Projected transmission plant for next calendar year
5		
P1-Trans Plant	Worksheet P1	Projected transmission plant for next calendar year
P1-Trans Plant P2-O&M	Worksheet P1 Worksheet P2	Projected transmission plant for next calendar year Projected O&M expenses for next calendar year
P1-Trans Plant P2-O&M P3-Divisor	Worksheet P1 Worksheet P2 Worksheet P3	Projected transmission plant for next calendar year Projected O&M expenses for next calendar year Projected transmission load for next calendar year
P1-Trans Plant P2-O&M P3-Divisor P4-IncentPlant	Worksheet P1 Worksheet P2 Worksheet P3 Worksheet P4	Projected transmission plant for next calendar year Projected O&M expenses for next calendar year Projected transmission load for next calendar year Projected Incentive Plant
P1-Trans Plant P2-O&M P3-Divisor P4-IncentPlant P5-1-ADIT	Worksheet P1 Worksheet P2 Worksheet P3 Worksheet P4 Worksheet P5-1	 Projected transmission plant for next calendar year Projected O&M expenses for next calendar year Projected transmission load for next calendar year Projected Incentive Plant Projected Accumulated Deferred Income Tax Calculation Projected Accumulated Deferred Income Tax & Investment Tax
P1-Trans Plant P2-O&M P3-Divisor P4-IncentPlant P5-1 ADIT P5-2 ADIT ITC Details	Worksheet P1 Worksheet P2 Worksheet P3 Worksheet P4 Worksheet P5-1	 Projected transmission plant for next calendar year Projected O&M expenses for next calendar year Projected transmission load for next calendar year Projected Incentive Plant Projected Accumulated Deferred Income Tax Calculation Projected Accumulated Deferred Income Tax & Investment Tax Credits data

Schedule 1

Schedule 1

Ancillary Services, Schedule No. 1 - Scheduling System Control and Dispatch Service

		El Paso Electric Company Rate Formula Template				Actua	Hattachment H Page 1 of 5 Actuals For
	Formula Rate Non Levelized	Utilizing FERC Form 1 Data			-		the 12 months ended - 12/31/yyyy
Line No.	GROSS REVENUE					Allocated Amount -\$	
1	REQUIREMENT (page 3, line 29)					-	
2	REVENUE CREDITS -Account No. 454	(Note S) (Worksheet A1, Page 1, Line 17, Col. (f)	Total	Al TP	Hocator 0.00000	_	
3	-Account No. 456.1	(Worksheet A1, Page 2, Line 15, Col. (h)		TP	0.00000	-	
4	Held for Future Use			Ŧ₽	0.00000	-	
5	Held for Future Use			Ŧ₽	0.00000		
6	TOTAL REVENUE CREDITS (sum lines 2-5)					- 	
7	NET REVENUE REQUIREMENT DIVISOR	(Line 1 minus Line 6)				\$ 	
8 9	— Divisor (kW)	(Worksheet A6, Line 14) x 1000				-	
10	RATES			/kW-			
11	- Annual		<u></u>	year /kW-			
12	- Monthly	12 months/year	<u>-</u>	month			
13	Weekly	52 weeks/year	\$	∕ k₩-week ∕ k₩-			
44	- Daily On Peak	6 days/week	\$	day			

15 16	- Daily Off Peak - Hourly On Peak	7 days/week 16 hours/day	\$	/ kW- - day - / MW hour - / MW hour			
17	-Hourly Off Peak	24 hours/day	->	- /NIW-nour			
						Astual	Attachment H
		El Paso Electric Company				Actuar	Page 2 of 5
							8
		-					Actuals For the 12 months ended
	Formula Rate Non Levelized	-Utilizing FERC Form 1-Data					12/31/yyyy
	(1)	(2)	(3)		(4)	(5)	
T ·		Form No. 1				Transmission	
Line No.	RATE BASE: (Note A, V)	Page, Line, Col.	Company Total	Allocator		(Col 3 times Col 4)	
INO.	GROSS PLANT IN SERVICE						
	(Note A)						
		Worksheet A4, Page 1, (Line					
1	-Production	14–28) , Col. (b) Worksheet A4, Page 1, (Line		NA			
2	- Transmission	Worksheet A4, Page 1, (Line 14–28), Col. (c)		TP	0.00000		
_		Worksheet A4, Page 1, (Line					
3	-Distribution	14–28), Col. (d)		NA			
4	- General & Intangible	Worksheet A4, Page 1, (Line 14–28), Cols. (e) + (f)		W/S	0.0000		
-	- General & Intaligiote	Worksheet A4, Page 1, (Line			0.00000		
5	-Common	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)					
7	- rroduction	14 + 28 - 42), Col. (b) Worksheet A4, Page 2, (Line		NA			
8	-Transmission	$\frac{14 + 28 - 42}{1000000000000000000000000000000000000$		Ŧ₽	0.00000		

9	- Distribution	Worksheet A4, Page 2, (Line 14 + 28 - 42), Col. (d)	 NA		
		Worksheet A4, Page 2, (Line			
10	-General & Intangible	14 + 28 42), Col.s (e) + (f)	 W/S	0.00000	
		Worksheet A4, Page 2, (Line			
11	-Common	14 + 28 - 42), Col. (h)	 CE	0.00000	
10	TOTAL ACCUM.				
2	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	
	CWIP Approved by FERC	Worksheet A4, Page 3, Line			
19	Order	14, Col. (d) (Note Q)	 ÐA	1.00000	
	ADJUSTMENTS TO RATE				
	BASE				
	Accumulated Deferred Income	Worksheet A3-1, Page 3, Line			
20	Taxes (Accounts 190, 281-283)	82, Col. (n) (Note F)	 ÐA	1.00000	
	-Accumulated Deferred				
	Investment Tax Credit (Account	Worksheet A3-2, Page 4, Line			
21	255)	138, Col. (g)	 ĐA	1.00000	
	255) - Excess / Deficient Deferred	138, Col. (g) Worksheet A8-1, Line 27, Col.			
	255)	138, Col. (g) Worksheet A8-1, Line 27, Col. (n)	 DA DA	1.00000 1.00000	
22	255) - Excess / Deficient Deferred Income Taxes	138, Col. (g) Worksheet A8-1, Line 27, Col. (n) Worksheet A4, Page 3, Line	ĐA	1.00000	
22	255) - Excess / Deficient Deferred	138, Col. (g) Worksheet A8 1, Line 27, Col. (n) Worksheet A4, Page 3, Line 14, Col. (b) (Notes P & U)			
22 23	255) - Excess / Deficient Deferred Income Taxes	138, Col. (g) Worksheet A8-1, Line 27, Col. (n) Worksheet A4, Page 3, Line 14, Col. (b) (Notes P & U) Worksheet A4, Page 3, Line	DA DA	1.00000 1.00000	
22 23	255) -Excess / Deficient Deferred Income Taxes -Unamortized Regulatory Asset	138, Col. (g) Worksheet A8 1, Line 27, Col. (n) Worksheet A4, Page 3, Line 14, Col. (b) (Notes P & U)	ĐA	1.00000	
22 23 24	255) -Excess / Deficient Deferred Income Taxes -Unamortized Regulatory Asset	138, Col. (g) Worksheet A8 1, Line 27, Col. (n) Worksheet A4, Page 3, Line 14, Col. (b) (Notes P & U) Worksheet A4, Page 3, Line 14, Col. (c) (Notes T, N & U)	DA DA	1.00000 1.00000	
21 22 23 24 25 25a	255) -Excess / Deficient Deferred Income Taxes -Unamortized Regulatory Asset -Unamortized Abandoned Plant	138, Col. (g) Worksheet A8-1, Line 27, Col. (n) Worksheet A4, Page 3, Line 14, Col. (b) (Notes P & U) Worksheet A4, Page 3, Line 14, Col. (c) (Notes T, N & U) Worksheet A4, Page 4, Line	DA DA DA	1.00000 1.00000 1.00000	

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

	Formula Rate – Non-Levelized	El Paso Electric Company — Rate Formula Template - Utilizing FERC Form 1 Data					Actual Attachment H Page 3 of 5 Actuals For the 12 months ended 12/31/yyyy
	(1)	(2)	(3)		(4)	(5)	
		Form No. 1	• •			Transmission	
				Allocato			
Line		Page, Line, Col.	Company Total	r		(Col 3 times Col 4)	
No.	O&M						
1	- Transmission	321.112.b		TE	0.00000		
2	<u>— Less Account 561.1–561.8</u>	Worksheet A2, Line 23		TE	0.00000		
2a	- Less Account 565	321.96.b		TE	0.00000		
3	-A&G Less EPRI/Reg. Comm.	323.197.b		W/S	0.00000		
4	Exp./Non safety Ad. (Note I) <u>Less Property Insurance Acct</u>	Worksheet A2, Line 6		W/S	0.00000		
4a	924 — Plus Property Insurance Acct	323.185.b		W/S	0.00000		
4 b	924 Plus Transmission Related Reg.	323.185.b		GP	0.00000		
4 c	Comm. Exp. (Note G)	Worksheet A2, Line 12 Company Records (Note J	- <u></u>	TE	0.00000		
4 d	- Plus: Fixed PBOP expense	& B) Company Records (Note J		W/S	0.00000		
4 e	- Less: Actual PBOP expense	& B)		W/S	0.00000		
5	-Common -Hold Harmless Expense	356.1		CE	0.00000		
6	Adjustment TOTAL O&M (sum lines 1, 3, 4b,	Company Records (Note V)		ÐA	1.00000		
_	4 c,4d, 5, 6 less lines 2, 2a, 4, 4a,						
7	4 e)						
	DEPRECIATION AND AMORTIZATION EXPENSE						
8	(Note A) <u>Transmission</u>	336.7.f 336.7.c		TP	0.00000		

9 10	- General & Intangible - Common	336.10.f & 336.1.f 336.10.c & 336.1.c 336.11.f 336.11.c		W/S CE	0.00000 0.00000	
11a	-Amortization of Regulatory Asset	Company Records (Note P)	·	- DA	1.0000	
11b 12	-Amortization of Abandoned Plant TOTAL DEPRECIATION & AMORTIZATION	Company Records (Note N) (Sum of Lines 8 through 11)		ĐA	1.0000	
12	TAXES OTHER THAN INCOME TAXES (Note D) LABOR RELATED	(Sum of Lines 8 unough 11)				
13	Payroll	263.i		W/S	0.00000	
1 4		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		263.i		GP	0.00000	
19						
20	TOTAL OTHER TAXES INCOME TAXES T=1 {[(1 SIT) * (1 FIT)] /	(Sum of Lines 13 through 19) (Note K)				
21	(1 SIT * FIT * p)} =		0.000%			
	<u>— CIT=(T/1 T) * (1 (WCLTD/R))</u>					
22 23	= <u>and FIT, SIT & p are as given</u> in Note K. <u>Income Tax Gross Up Rate: 1/</u> (1 T) = (from line 21)		0.000%			
	Excess / Deficient Deferred	Worksheet A8.2, Line 62,				
2 4	Income Taxes Amortization Excess / Deficient Deferred	Col. (c) (Note W)				
24a	Income Tax Adjustment	(Line 23 times Line 24)		ÐA	1.00000	
25	Permanent Differences Permanent Differences Tax	Company Records (Note X) (Line 21 times 23 times				
25a	Adjustment	Line 25)		NP	-	
26	Income Tax on Equity and Incentive Return	(Line 22 times Line 28)				

27	Total Income Taxes RETURN - Rate Base * Rate of Return plus	(Sum of Lines 24a, 25a, 25c, 26) (Page 2, Line 32, Col. (3) x Page 4, Line 31, Col. (5)) +				
28	Incentive Return	Page 4, Line 31, Col. (3)) + Page 4, Line 32 - (Sum of Lines 7, 12, 20, 27,		-		
29	REV. REQUIREMENT	28) <u>–</u>				
		El Paso Electric Company — Rate Formula Template				Hal Attachment H Page 4 of 5
	Formula Rate Non Levelized	-Utilizing FERC Form 1 Dat	a	Act	uals For the 12 months	ended 12/31/yyyy
	(1)	(2) SUPPORTING CALCULATIONS AND NOTES	(3)	(4)	(5)	
Line						
N	TRANSMISSION PLANT INCLUDED IN RATES					
No.						
1	Total transmission plant Less transmission plant excluded from	(Page 2, Line 2, Col. 3)				_
2	Wholesale Rates	Company Records (Note L)				_
3	Less transmission plant included in OATT Ancillary Services	Company Records (Note M)				
÷	Transmission plant included in	<u>Company Records (Note M)</u>				
4	Wholesale Rates	(Line 1 less Lines 2 & 3)				
5	Percentage of transmission plant included in Wholesale Rates	(Line 4 divided by Line 1)			TP= 0.00	000
	TRANSMISSION EXPENSES					
6	Total transmission expenses	(Page 3, Line 1, Col. 3)				
	Less transmission expenses included					
7	in OATT Ancillary Services	Company Records (Note E)				<u> </u>
8	Included transmission expenses	(Line 6 less Line 7)				
	% of transmission expenses after					
9	adjustment	(Line 8 divided by Line 6)			0.00	000
	% of transmission plant included in	• •				
10	wholesale Rates	(Line 5)			TP 0.00	000

++	% 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	θ				
1 4	-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	=	₩S
	COMMON PLANT ALLOCATOR								
	(CE)		\$		% Electric		W&S Allocator		
					(line 17 /				
17	- <u>Electric</u>	200.3.c			line 20)		(line 16)		CE
18	- Gas	201.3.d			0.00000	<u>*</u>	0.00000	=	0.00000
19	Other	201.3.e							
20	Total	(Sum of Lines 17-19)							
	RETURN (R)						\$		
		117, Col. c, Lines 62+63+64							
21	Long Term Interest	65-66+67							
22	Preferred Dividends	118.29.c (positive number)							
	Development of Common Stock:								
23	Proprietary Capital	Worksheet A9 Line 14, Col. (e)							
		Worksheet A9 Line 14, Col. (b)							
2 4	Less Preferred Stock	(enter negative) Worksheet A9 Line 14, Col. (d)							
25	Less Other Comprehensive Income	(enter negative)							
25	Less other comprehensive meone	Worksheet A9 Line 14, Col. (c)							
26	Less Account 216.1	(enter negative)							
27	Common Stock	(Sum of Lines 23-26)							
					Cost				
					(Notes C				
			\$ -	<mark>%</mark>	& 0)		Weighted		
28	-Long Term Debt	Worksheet A9 Line 28, Col. (k)		0.00%				- W	CLTD
±0	-Long renn Deot	worksheet Ay Line 20, COI. (K)		0.0070	-				CLID

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
22	I the D free				-\$	
32	Incentive Return	Worksheet A7, Col. (e)			-	

El Paso Electric Company — Rate Formula Template

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.
- 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)
		0.000%	-(Percent of federal income tax
	p =		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).

Actual Attachment H Page 5 of 5

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

- 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.
- 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

Page 1 of 2

ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)

Line			Explanation		Allocation	Total Revenue
#	Description	Total	(Note A)	Allocation	Factor	Credit
	(a)	(b)	(c)	(d)	(e)	(f)
+	-	-	-		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
44	Reserved	-	-		0.000%	\$0
15	Reserved	-	-		0.000%	\$0
16	Reserved	-	-		0.000%	\$0
	- Total					
17	454 <u>-300.19.b</u>	<u> </u>		-	-	<u>-</u>

ACCOUNT 456.1 (OTHER ELECTRIC REVENUES) (Note B)

				PTP	Network				
			Service	Trans	Transm	Ancillary			
Line #	Type	Description	Type	Sched 7 & 8	Sched 9	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	-	θ	θ	θ	θ	0	
								300.22.b	
1 4	Summarized by Type:								
15	Credit			θ	0	θ	0	0	
16	Divisor			θ	0	θ	0	0	
17	Ancillary			θ	0	θ	θ	0	
18	Other			θ	θ	θ	θ	θ	_
19	Total	-	-	θ	θ	θ	θ	θ	300.22
20									
21	Revenue Types:								

22

23

24

Ancillary

Credit

Ancillary services includes regulation & frequency, control & dispatch, voltage control, reactive, spinning

reserve, and scheduling; no revenue credit.

Divisor Load associated with these revenues are included in the formula divisor; no revenue credit.

Revenue credit because the load is not included in divisor.

Page 2 of 2

<u>Notes</u>

<u>Notes</u>	
	Each FERC 0454 item is categorized into 1 of 5 categories. The selected category will determine the Allocator applied to the FERC 0454
A	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.
₿	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

Page 1 of 1

Line No. 1 EPRI Annual Membership Dr. 2 Regulatory Commission Expo 3 Account No. 930.1 4 Less: Safety Related Advertis 5 Account No. 930.1 less Safety 6 EPRI & Reg. Comm. Exp. & 7 8 7 8 9 10 10 Reserved for use in the event 11 Transmission Related Reg. Comm. 12 Transmission Related Regular			(c)
1 EPRI Annual Membership Du 2 Regulatory Commission Expo 3 Account No. 930.1 4 Less: Safety Related Advertis 5 Account No. 930.1 less Safety 6 EPRI & Reg. Comm. Exp. & 7 8 9 10 10 Reserved for use in the event 11 Transmission Related Reg. Comm		Form No. 1	
 2 Regulatory Commission Expension 3 Account No. 930.1 4 Less: Safety Related Advertis 5 Account No. 930.1 less Safety 6 EPRI & Reg. Comm. Exp. & 7 8 Transmission Related Regular 9 10 Reserved for use in the event 11 Transmission Related Reg. Comm. 	Item	Page, Line, Col.	Company Total
3 Account No. 930.1 4 Less: Safety Related Advertis 5 Account No. 930.1 less Safety 6 EPRI & Reg. Comm. Exp. & 7 * 8 Transmission Related Regular 9 * 10 Reserved for use in the event 11 Transmission Related Reg. Comm	les	353.x.f (Note C)	<u>_</u>
 4 Less: Safety Related Advertis 5 Account No. 930.1 less Safety 6 EPRI & Reg. Comm. Exp. & 7 8 Transmission Related Regular 9 10 Reserved for use in the event 11 Transmission Related Reg. Comm. 	enses	350.46.d	<u>-</u>
 5 Account No. 930.1 less Safety 6 EPRI & Reg. Comm. Exp. & 7 8 Transmission Related Regular 9 10 Reserved for use in the event 11 Transmission Related Reg. Communication 		323.191.b	<u>-</u>
 6 EPRI & Reg. Comm. Exp. & 7 8 Transmission Related Regular 9 10 Reserved for use in the event 11 Transmission Related Reg. Communication 	ing	Company Records (Note A)	<u>_</u>
 7 8 Transmission Related Regular 9 10 Reserved for use in the event Transmission Related Reg. Comparison 	V Related Advertising	Line 3 Line 4	<u>\$</u>
910Reserved for use in the event11Transmission Related Reg. Comparison	Non safety Ad.	Sum of Lines 1, 2, & 5	\$
910Reserved for use in the event11Transmission Related Reg. Comparison			
910Reserved for use in the event11Transmission Related Reg. Comparison	latory Expense	(Note B)	
11 Transmission Related Reg. Co	v		
	of transmission rate filings	Company Records	<u>-</u>
	ə mm. Exp.	350.x.d	<u>\$</u>
		Sum of Lines 10-11	<u>-</u> \$
13			
14 Actual Ancillary Expenses			
15 561.1 Load Dispatch Reliabil	ity	321.85.b	- <u>\$</u>
	and Operate Transmission System	321.86.b	<u> </u>
17 561.3 Load Dispatch-Transm	ission Service and Scheduling	321.87.b	- <u>\$</u>
18 561.4 Scheduling, System Co	ntrol and Dispatch Services	321.88.b	<u>_</u>
19 561.5 Reliability, Planning an	d Standards Development	321.89.b	<u>_</u>
20 561.6 Transmission Service S		321.90.b	<u>_</u>
21 561.7 Generation Interconnec		321.91.b	<u>_</u>
22 561.8 Reliability, Planning an	d Standards Development	321.92.b	<u>-</u> \$
23 Total Ancillary Expenses		Sum of Lines 15-22	<u>-</u> \$

Notes

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

Page

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Account 190		ays in Perio	d			tion - Prora rred Tax Ac					tion of Project		
(n) Month	(b) Days in the Mon th	(e) Number of Days Remaini ng in Year After Month's Accrual of Deferred Taxes	(d) Total Days in Future Portion of Test Period (Line 18, Col B)	(e) Prorat ion Amou nt (Line s 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 Cumulati ve Sum of Col g)	(i) Actual Monthl Y Activit Y ((Line 24 Col n- Line 21 Col n)/12) (See Note 7.)	(j) Differen ce between projecte d monthly 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.)	(1) 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 a decrease Service while actual activity is a decrease (See Note 4.)	(n) Bali cee refle pror ion avec gin (See Not 5.)

____4

December 31st balance Prorated Items (Worksheet

<u>5</u> P5 1.5.h)

<u>6</u> January

91.78

December 31st balance Prorated Items (Worksheet A3-2.61.f)

		31	335	365	<u>⁰⁄₀</u>	-	-	-	-	-	-	-	-	-
7	February	20	207	265	84.11 %									
		28	307	365	75.62	-	-	-	-	-	-	-	-	-
	March	31	276	365	<u>⁰∕₀</u>	-	-	-	-	-	-	-	-	-
9	April	30	246	365	67.40 %	_	_	_	_	_	_	_	_	_
	May			000	58.90									
<u>—10</u>	iviay	31	215	365	%	-	-	-	-	-	-	-	-	-
11	June	30	185	365	50.68 %	-	-	-	-	-	-	-	-	-
<u>—12</u>	July	31	15 4	365	4 <u>2.19</u> %	-	-	-	-	-	-	-	-	-
<u>—13</u>	August	31	123	365	33.70 %	-	-	_	-	-	-	-	-	-
	September	30	93	365	25.48 %	-	-	-	-	-	-	-	-	-
<u>—15</u>	October	31	62	365	16.99 %	-	_	_	_	_	-	_	_	_
<u>—16</u>	November	30	32	365	8.77 %	_	_	_	_	_	_	-	_	-
<u> 17</u>	December	31	4	365	0.27 %	_	_	_	_	_	_	_	_	_
	Total (sum													

	Beginning		
<u> </u>	Balance Total	Worksheet P5 1.19.h	-
	Beginning Balance Not Subject		
<u></u>	to Proration	Worksheet P5 1.20.h	-
	Beginning Balance-Subject to	(Line 5,	
-21	Proration	Col H)	_
	Ending Balance		
<u> 22</u>	Total	Worksheet p5 1.22h	-
	Ending Balance Not Subject to		
23	Proration	Worksheet P5-1.23.h	-
<u>24</u>	Ending Balance Subject to	Worksheet P5 1.24.h	
	e v		

-

Beginning	Worksheet
Balance Total	A3-2.58.f
Beginning Balance Not Subject	Worksheet
to Proration	A3-2.64.f
Beginning	
Balance-Subject	(Line 5,
to Proration	Col N)
Ending Balance	Worksheet
Total	A3-2.58.g
Ending Balance	_
Not Subject to	Worksheet
Proration	A3-2.64.g
Ending Balance	Worksheet

_

	Proration		-	Subject to Proration	A3-2.61.g	-
<u>—25</u>	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	-
<u>—26</u>	Reserved		-	Reserv ed		-
<u>-27</u>	Amount for Attachment H	(Line 25 less line 26)	-	Amount for Attachment H	(Line 25 less line 26)	-

Accou

Page 2 of 4

-

28	Accourt	it 282							nt 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					
29	(a) Mont h	(b) Days in the Month	(c) Number of Days Remainin g in Year After Month's Accrual of Deferred	(d) Total Days in Future Portion of Test Period (Line 18, Col	(e) Prorat ion Amou nt (Line s-6-to 17, Col-e /Col	(f) Project ed Monthl y Activit y ((Line 24 Col h- Line 21 Col	Prorated (g) Projected Projected Monthly Activity (Lines 6 to 17, Col e x Col f)	(h) Prorat ed Proje cted Balan ce (Line 5, Col h plus Cumu lative	(i) Actual Monthl Y Activit Y ((Line 24 Col n- Line 21 Col n)/12)	(j) Differen ce between projecte d monthly and actual monthly activity	Preserve (k) Preserve proration when actual monthly and projected monthly activity are either both increases or decreases.	T Deferred Tax / (1) Difference between projected and actual activity when actual and projected activity are either both increases or	(m) Actual activity (Col I) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease	(n) Balan ce reflec ting prorat ion or avera ging (See
30			Taxes	B)	d)	h)/12) (See Note 7.)	cori)	Sum of Col g)	(See Note 7.)	(See Note 1.)	(See Note 2.)	decreases. (See Note 3.)	while actual activity is an increase. (See Note 4.)	Note 5.)

31

December 31st balance Prorated Items

32 (Worksheet P5-1.32.h)

Janua

91.78

December 31st balance Prorated Items (Worksheet A3-2.79.f)

33	ry	31	335	365	<u>⁰⁄₀</u>	-	-	-	-	-	-	-	-	-
	Febru				84.11									
3 4	ary	28	307	365	<u>0/</u> 0	-	-	-	-	-	-	-	-	-
	Mare				75.62									
35	h	31	276	365	<u>0/</u>	_	-	-	-	_	-	-	_	-
					67.40									
36	April	30	246	365	<u>%</u>	_	_	_	_	_	_	_	_	_
					58.90									
37	May	31	215	365	<u> </u>	_	_	_	_	_	_	_	_	_
0,		01		000	50.68									
38	June	30	185	365	<u>%</u>	_	_	_	_	_	_	_	_	_
50		50	105	505	42.19									
39	July	31	154	365	<u>-12.19</u>	_	_	_	_	_	_	_	_	_
57	Augu	51	154	505	33.70	_	_	_	_	_	_	_	_	_
40	Augu st	31	123	365	99.70 %									
40		31	+23	303	$\frac{78}{25.48}$	-	-	-	-	-	-	-	-	-
41	Septe mber	30	93	365	23.46 %									
41		90	73	303	70 16.99	-	-	-	-	-	-	-	-	-
40	Octob	21	(0)	265										
4 2	er N	31	62	365	% 0.77	-	-	-	-	-	-	-	-	-
10	Nove	20	22	265	8.77									
4 3	mber	30	32	365	<u>%</u>	-	-	-	-	-	-	-	-	-
	Dece	2.1		265	0.27									
44	mber	31	4	365	9∕0	_	-	_	_	-	-	-	-	
	Total													
	(sum													
	of	_			_			_						
4 5	lines	365				-	-		-	-	-	-	-	
	33 -													
	44)													-
	Beginn	ing			Workshe	et P5-			Begin	ning		Worksheet		
46	Balance	e-Total			1.46.h			-		ce-Total		A3-2.76.f		_
		ing Balance	Not		Workshe	et P5			Begin	ning Balar	nce Not Subject to	Worksheet		
47	Subject	t to Proration	E		1.47.h			-	Prorat	ion	5	A3-2.82.f		_
	5								Begin					
	Beginn	ing Balance	Subject						Balan	ce Subject		(Line 32, Col		
4 8	to Pror	ation	5		(Line 32,	Col H)		-	to Pro			(11110 012, 001 N)		-
	Ending				Workshe					g Balance -	-	Worksheet		
4 9	Balance	e Total			1.49.h			_	Total	5 Dululiee-		A3-2.76.g		_
12		Balance No	t Subject		Workshe	ot D5				g Balance	_	Worksheet		
50	to Pror	ation	i Subject		1.50.h				Not S	ubject to		A3 2.82.g		_
50	10 1 10h	ution			1.50.11			_	1101.5	uojeet to		113 2.02.8		-

				Proration		
				Ending Balance		
	Ending Balance Subject to	Worksheet P5		Subject to	Worksheet	
51	Proration	1.51.h	-	Proration	A3-2.79.g	-
		Line 44 Col H +				
	Average Balance (See Note	(Lines 47 + 50 Col		Average Balance	Lines 44 Col N + (Lines 47 +	
52	6.)	H)/2	-	(See Note 6.)	50 Col N)/2	-
	Reser			Reserv		
53	ved	-	-	ed		-
		(Line 52 less line		Amount for	(Line 52 less	
5 4	Amount for Attachment H	53)	-	Attachment H	line 53)	-

	Ð	ays in Peri	od		Projection – Proration of Deferred Tax Activity						tion of Project Other Deferre		
(a) Month	(b) Days in the Mont h	(c) Number of Days Remaini ng in Year After Month's Accrual of Deferre d Taxes	(d) Total Days in Future Portion of Test Period (Line 18, Col B)	(e) Prorati on Amou nt (Lines 6-to 17, Col c/Col d)	(f) Project ed Monthl y Activit y ((Line 24-Col h- Line 21-Col h)/12) (See Note 7.)	(g) Prorate d Project ed Monthl y Activit y (Lines 6 to 17, Col e x Col f)	(h) Prorated Projected Balance (Line 5, Col h plus Cumulati ve Sum of Col g)	(i) Actual Monthly Activity ((Line 24 Col n Line 21 Col n)/12) (See Note 7.)	(j) Differen ce between projecte d monthly actual monthly activity (See Note 1.)	(k) Preserve proration when actual monthly and projected monthly activity are either both increases or decreases - Note 2.)	(1) 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 am increase while actual activity is a decrease OR projected activity is a decrease while activity is	(n) Bala ce refle ting prore ion c aver ging (See Note 5.)

58

	Decembe	r 31st balanc	e Prorated	Items					Decen	iber 31st ba	lance Prorate	ed		
59	(Workshe	et P5 1.59.h)					-	Items (Worksheet	A3-2.126.f)			-
60	January	31	335	365	91.78 %	_	_	_	_	_	_	_	_	_
	Februar				84.11									
61	y	28	307	365	<u>⁰∕₀</u>	-	-	-	-	-	-	-	-	-
	March				75.62									

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62		31	276	365	<u>0/</u> 0	-	-	-	-	-	-	-	-	-
63	April	30	246	365	67.40 %	-	-	-	-	-	-	-	-	-
6 4	May	31	215	365	58.90 %	-	-	-	-	-	-	-	-	-
65	June	30	185	365	50.68 %	-	-	-	-	-	-	-	-	-
66	July	31	154	365	4 2.19 %	-	-	-	-	-	-	-	-	-
67	August	31	123	365	33.70 %	-	-	-	-	-	-	-	-	-
68	Septem ber	30	93	365	25.48 %	-	-	-	-	-	-	-	-	-
69	October	31	62	365	16.99 %	-	-	-	-	-	-	-	_	-
70	Novem ber Decemb	30	32	365	8.77%	-	-	-	-	-	-	-	-	-
71	er Total	31	4	365	0.27%	_	-	-		_	-	-	_	
72	(sum of Lines	365 -	-		-			-						
72	60 71) Beginning				Workshee	+ P5			Beginn	ing Balance	_	Worksheet		-
73	Balance 7		xt		1.73.h Workshee			-	Total		Not Subject	A3-2.123.f Worksheet		-
74	Subject to	- Proration g Balance Su			1.74.h			-	to Prora			A3 2.129.f (Line 59,		-
75	to Prorati Ending B	on	ojeci		(Line 59, 4 Workshee			-	Subject	to Proratio Balance	, 11	Col N) Worksheet		-
76	Total	alance Not S	ubicat		Workshee 1.76.h Workshee			-	Total	Balance N	ot	Worksheet A3-2.123.g Worksheet		-
77	to Prorati	on			Workshee 1.77.h Workshee			-	Subject	to Proratio	n	Worksheet A3-2.129.g Worksheet		-
78	Proration	alance Subje	ci lo		Worksnee 1.78.h Line 71 C			-	<u>Enaing</u> Subject	Balance- to Proratio	n	Worksneet A3-2.126.g		
79	Average] 6.)	Balance (See	Note		(Lines 74 H)/2			-	Average (See No	e Balance		Line 71 Col 74 + 77 Col		-
75 80	0.) Reserve d				11)72			-	Reserve			-	1 1	-
00	æ													

81	Amount for Attachment H	(Line 79 less line 80)	-	Amount for Attachment H	(Line 79 l ess 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). If projected 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.

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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

Page 1 of 5

		mmm-yyyyy	mmm-yyyy		mmm-yyyyy	mmm-yyyy		-
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)

							Prorated	
Line			EOY Balance		BOY Allocated	EOY Allocated	(Yes/No)	Explanation
No.	Item	BOY Balance (Note A)	(Note B)	Allocator	Amount	Amount	(Note E)	(Note D)

			ACCOUNT 190 ACC	JMULATED DEFERRED	INCOME TAXES	
4	-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% -	-	-
44	-Reserved	-	-	0.000% -	-	-
12 13	- Reserved - Reserved	-	-	0.000% - 0.000%	-	

				_	-	
1 4	-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%	-	-	-
2 4	-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

								Page 2 of 5
		mmm-yyyy	mmm-yyyy		mmm-yyyy	mmm- уууу		
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%	-	-		-
3 4	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%	-	-		-
4 2	Reserved	-	-	0.000%	-	-		-
4 3	Reserved	-	-	0.000%	-	-		-
44	Reserved	-	-	0.000%	-	-		-
45	Reserved	-	-	0.000%				-

Page 2 of 5

					-	-		
4 6	Reserved	-	-	0.000%	-	-		-
47	Reserved	-	-	0.000%	-	-		-
4 8	Reserved	-	-	0.000%	-	-		-
4 9	Reserved	-	-	0.000%	-	-		-
50	Reserved	-	-	0.000%	-	-		-
51	Reserved	-	-	0.000%	-	-		-
52	Reserved	-	-	0.000%	-	-		-
53	Reserved	-	-	0.000%	-	-		-
5 4	Reserved	-	-	- 0.000%	_	_		-
55	Total Account 190 (234.8.b&c)	-	-		-	-		
	Tax Reg Asset / Liab Adjustments (Note C)							
56	Tax Reg Asset / Liab Adjustments (Note C) Reserved	-	-	0.000%	-	-	- No	-
56 57	Adjustments (Note-C) Reserved Reserved	-	-	0.000% - 0.000%	-	-	-No - No	-
	Adjustments (Note C) Reserved	-	-			-		-
57 58	Adjustments (Note C) Reserved Reserved Total Account 190 After Adjustments	-	-		_		- No	-
57 58 59	Adjustments (Note C) Reserved Reserved Total Account 190 After Adjustments Prorated Balances	-	-		_		- No	-
57 58	Adjustments (Note C) Reserved Reserved Total Account 190 After Adjustments	-	-		_		- No	-
57 58 59	Adjustments (Note C) Reserved Reserved Total Account 190 After Adjustments Prorated Balances		-		_	-	- No	-

63	Tax Reg Asset / Liab Adjustments	_	-
	Non-Prorated Account 190 Balances After		
6 4	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

Page 3 of 5

								1 450 5 0
		mmm-	mmm-			mmm-		
		уууу	уууу		mmm-yyyy	уууу		
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)
	ACCOUNT 282 ACCU	MULATED	DEFERRED	NCOME TAXES	- OTHER PRO		ter Negative)
						,		/
65	Reserved	-	-	0.000%	-	-		-
66	Reserved	-	-	0.000%	-	-		-
				0.0000/				
67	-Reserved	-	-	0.000%	-	-		-
68	Reserved		_	0.000%	_	_		
00	Reserved			0.00070				
69	Reserved	-	-	0.000%	-	_		_
70	Reserved	-	-	0.000%	-	-		-
- 1				0.0000/				
71	- Reserved	-	-	0.000%	-	-		-
72	Reserved	_	_	0.000%	_	_		_
, -	Total Account 282 (274.2.b &							
73	275.2.k)	_	_		_	_		
	Tax Reg Asset / Liab Adjustments							
	(Note C)							
74				0.0000/				
74	Reserved	-		0.000%	-	-		-
75	Reserved	_	_	- 0.000%	_	_		_
	Total Account 282 After			0.00070				
76	Adjustments Items				_	_		
, 0								

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 Non-Prorated Account 282 Balances After	_	

82 Adjustments

83

84

85

86

87

88

89

90

91

92

93

94

95 96

		ACCOUNT 283 A	CCUMULAT	ED DEFEI	RED INCOME T	AXES-	-OTHER (Enter Negative)	
			000000000000000000000000000000000000000					
R	eserved		-	-	0.000%	-	-	-
R	eserved		-	-	0.000%	-	-	-
R	eserved		-	-	0.000%	-	-	-
R	eserved		-	-	0.000%	-	-	-
R	eserved		-	-	0.000%	-	-	-
R	eserved		-	-	0.000%	-	_	-
R	eserved		-	-	0.000%	-	-	-
R	eserved		-	-	0.000%	-	_	-
R	eserved		-	-	0.000%	-	_	-
R	eserved		-	-	0.000%	_	_	-
R	eserved		-	-	0.000%	_	_	-
R	eserved		-	-	0.000%	_	_	-
R	eserved		_	_	0.000%	_	_	_
R	eserved		-	-	0.000%			-

-

_

97	Reserved	-	-
98	Reserved	-	-
99	Reserved	-	-
100	Reserved	-	-

	-	-	
0.000%	-	-	-
0.000%	-	-	-
0.000%	-	-	-
0.000%	-	-	-

Worksheet A3-2 Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits - Details

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

								1 age 4 01 5
		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%	-	-		-
10 4	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%	-	-		-
11 4	Reserved	-	-	0.000%	-	-		-
115	Reserved	-	-	0.000%	-	-		-
116	Reserved	-	-		_	-		-
117	Reserved			0.000%				-

Page 4 of 5

		-	-		-	-		
118	Reserved	-	-	0.000%	-	-		-
119	Reserved	_		- 0.000%	_	_		
117	Total Account 283 (276.9.b &			0.00070				
120	277.9.k)	_	-		-	-		
	Tax Reg Asset / Liab							
	Adjustments (Note C)							
121	Reserved	_	-	0.000%	_	-		-
122	Reserved	-	-	- 0.000%	-	-		-
102	Total Account 283 After							
123	Adjustments				-	-		
124	Prorated Balances				-	-		
	Tax Reg Asset / Liab							
125	Adjustments	1.0			_	-		
126	Prorated Account 283 Balances	After						
120	Adjustments				-	-		
127	Non Prorated Balances				-	-		
128	Tax Reg Asset / Liab							
120	Adjustments Non-Prorated Account 283 Bala	nees After				-		
129	Adjustments	iices Atter			_	_		
122	-							
	ACCOUNT 255	: ACCUMULA	TED DEFERRED	INVESTMENT TA	X CREDITS (E)	nter Negative) (No	te F)	
130	Intangible	-	-	W/S 0.000%	-	-	-	-
131	-Production	-	-	NA 0.000%	-	-	-	-
132	-Transmission	-	-	DA 100.000%	-	-	-	-
133	-Distribution	_	_	NA 0.000%	_		_	_
13 4	-General Plant	-	-	W/S 0.000%			-	_

					-	-	
	Total Account 255 (266.8.b &			_			
135	267.8.h)	-	-		-	-	
136	Unrealized ITC Adjustment				-	-	
	Account 255 balance after						
137	Unrealized Adjustment				-	_	
	Average ITC Balance for						
138	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:

Page 5 of 5

- 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	
	December Prior								
4	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	-	-	-	-	-	-	-	
	Average of the 13								
1 4	Monthly Balances	_	-	-	-	-	-		

		Gross P	lant 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			
December Prior							
Year	-	-	-	-	-	-	-
January	-	-	-	-	-	-	-
February	-	-	-	-	-	-	-

15 16 17

18	March	-	-	-	-	-	-	-
19	April	-	-	-	-	-	-	-
20	May	-	-	-	-	-	-	-
21	June	-	-	-	-	-	-	-
22	July	-	-	-	-	-	-	-
23	August	-	-	-	-	-	-	-
24	September	-	-	-	-	-	-	-
25	October	-	-	-	-	-	-	-
26	November	-	-	-	-	-	-	-
27	December	-	-	-	-	-	-	-
	Average of the 13							
28	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	Production	Transmission	Distribution	General	Reserved	Total Plant	Comm on
	(a) FN1 Reference for	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	FINE Kelerence for	219.20-24.e	219.25.e	219.26.e	219.28.e		219.29.e	356.1
	December Prior	217.20-24.0	217.23.0	217.20.0	217.20.0		217.27.0	550.1
4	Year	-	_	-	_	_	_	_
2	January	-	-	-	_	-	-	_
3	February	-	-	-	-	-	-	-
4	March	-	-	-	-	-	-	-
5	April	-	-	-	-	-	-	-
6	May	-	-	-	-	-	-	-
7	June	-	-	-	-	-	-	-
8	July	-	-	-	-	-	-	-
9	August	-	-	-	-	-	-	-
10	September	-	-	-	-	-	-	-
++	October	-	-	-	-	-	-	-
12	November	-	-	-	-	-	-	-
13	December	-	-	-	-	-	-	-
	Average of the 13							
1 4	Monthly Balances	_		-	-	_	_	

			Accumulated Depreciation Account 111							
	Month	Production	Transmission	Distribution	General	Intangible	Total Plant	Comm on		
	(a) FN1 Reference for	(b)	(e)	(d)	(e)	(f)	(g)	(h)		
	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	-	-	-	-	-	-	-
2 4	September	-	-	-	-	-	-	-
25	October	-	-	-	-	-	-	-
26	November	-	-	-	-	-	-	-
27	December	-	-	-	-	-	-	-
	Average of the 13							
28	Monthly Balances							

			-	-	_	-	-	
		Accumulated	Depreciation Accoun	t 108/111 - Asset Reti	rement Cost Acc	umulated Depr	eciation	
	Month	Production	Transmission	Distribution	General	Intangible	Total Plant	Comm on
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	FN1 Reference for							
	Dec							
20	December Prior							
29 20	Year	-	-	-	-	-	-	-
30	January	-	-	-	-		-	-
31	February	-	-	-	-	-	-	-
32	March	-	-	-	-	-	-	-
33	April	-	-	-	-	-	-	-
34	May	-	-	-	-	-	-	-
35	June	-	-	-	-	-	-	-
36	July	-	-	-	-	-	-	-
37	August	-	-	-	-	-	-	-
38	September	-	-	-	-	-	-	-
<u> 39</u>	October	-	-	-	-	-	-	-
40	November	-	_	-	_	_	_	-
41	December	-	_	-	_	_	_	_
	Average of the 13							
4 2	Monthly Balances	_	-	-	-	-	_	_
	2		s''		-	a	1 ¹	

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 (a) FN1 Reference for	Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	CWIP (Note C) (d)	Land Held for Future Use (Note D) (e)
	Dec	(Note A)	(Notes B & F)	216.x.b	214.x.d
	December Prior				
1	Year	-	-	-	-
2	January	-	-	-	-
3	February	-	-	-	-
4	March	-	-	-	-
5	April	-	-	-	-
6	May	-	-	-	-
7	June	-	-	-	-
8	July	-	-	-	-
9	August	-	-	-	-
10	September	-	-	-	-
44	October	-	-	-	-
12	November	-	-	-	-
13	December	-	-	-	-
14	Average of the 13				

Monthly Balances

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Line No	Month	<u>Materials &</u> Supplies: Transmission Plant	¥ <u>Materials &</u> Supplies: Stores Expense Undistributed	Vorking Capital – Materials & Supplies: Construction	-Materials & Supplies	Prepayments
	(a)	(b)	(c)	(d)	(e)	(f)
	FN1 Reference for Dec	227.8.c	227.16.c	227.5.e	Total (Note E)	111.57.e
		227.0.0	227.10.0	227.3.0		111.57.2
	Allocator	1.00000	-	-		
15	December Prior Year				_	
15	Tear	-			-	
16	January	-	-	-	-	-
17	February	-	-	-	-	-
18	March	-	-	-	-	-
19	April	-	-	-	-	-
20	May	-	-	-	-	-
21	June	-	-	-	-	-
22	July	-	-	-	-	-
23	August	-	-	-	-	-
2 4	September	-	-	-	-	-
25	October	-	-	-	-	-
26	November	-	-	-	-	-
27	December	-	-	-	-	-

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Average of the 1	3			
28 Monthly Balance	- -	_	 	

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

		Unfunded Re	eserves (Note F)	
	(a)	(b)	(c) Allocation (Plant	(d)
1	List of all reserves:	Amount	or Labor Allocator)	Amount Allocated, col. (b) x col.(c)
2	-	-	0.000%	-
3	-	-	0.000%	-
4	-	-	0.000%	-
5	-	-	0.000%	-
÷	-	-	0.000%	-
7	-	-	0.000%	-
3	-	-	0.000%	-
)	-	-	0.000%	-

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			
<u>No.</u>	Plant Type	-	
1	Transmission Plant	T 1D'1/	0.000/
2	<u></u>	Land Rights	0.99%
3	<u> </u>	Structures and Improvements	1.33%
4	<u></u>	Station Equipment	1.00%
5	<u> </u>	Towers and Fixtures	1.29%
6	<u> </u>	Poles and Fixtures	1.76%
7	<u> </u>	Overhead Conductors & Devices	1.36%
8	<u> </u>	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	- <u>392.C7</u>	Transportation Equipment C7 26,001 33,000 LBS	10.37%
23	-392.C8	Transportation Equipment - C8 over 33,000	10.37%
24	- <u>392.C9</u>	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		Power Operated Equipment	4.58%
29	397.20	Telecommunication Equipment	6.48%
	<i>3,9,1,</i> 2 ,0	- 1	011070

Page 1 of 1

<u>— 398.00</u> Miscellaneous Equipment

30

El Paso Electric Company Worksheet A6 Divisor – Network Transmission Load Actuals – For the 12 months ended 12/31/2020

Page 1 of 1

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)	4 00.17.e	4 00.17.f	4 00.17.g	4 00.17.h	4 00.17.i	4 00.17.j	Colm (b) - (i)
4	January	θ	-	-	-	-	-	-	θ
2	February	θ	-	-	-	-	-	-	0
3	March	θ	-	-	-	-	-	-	0
4	April	θ	-	-	_	_	-	_	0
5	May	0	-	_	_	_	-	_	0
6	June	θ	-	_	_	-	-	_	0
7	July	0	-	-	_	_	-	_	0
8	August	θ	-	-	_	_	-	_	0
9	September	θ	-	-	_	_	_	_	0
10	October	0	-	-	_	-	-	-	θ
11	November	θ	-	-	-	-	-	-	θ
12	December	θ	-	-	-	-	-	-	θ
13	Total	-	-	-	-	-	-	-	θ
14	12-CP								_
15									L

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NOTES

1	2	CP	average	includes	all but	Short '	Term	Firm
	- 2-	OI	average	mendees	un out	DHOIT	Term	THI

A Point to Point

El Paso Electric Company

Worksheet A7

Incentive Plant Worksheet

Actuals - 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		-
						Deprec.				Deprec.		(Note	
3						Rate:	0.00%	(Note A)		Rate:	0.00%	A)	-
						ROE				ROE		(Note	
4						Adder	0.00%	(Note B)		Adder	0.00%	B)	-
						Weighted				Weighted			
						ROE				ROE			
5						Adder:	0.00%			Adder:	0.00%		-
						Beginning				Beginning			
6						Bal:	-			Bal:	-		-
						Beginning				Beginning			
7			Total			Dep:	-			Dep:	-		-
						Beginning				Beginning			
8						Year:	-			Year:	-		-
		Beginning		Net	Incentive								
	Year	Amt		Plant	Ret					I -			_
	I cui	Amt	Depreciation	Plant	Ret				.	D · ·		N T (
						Beginning	D		Incentive	Beginning	D	Net	Incentive
	(a)	/xiiit (b)	Depreciation (c)	(d)	(e) -		Depreciation	Net Plant	Incentive Ret	Beginning Amt	Depreciation	Net Plant	Incentive Ret
		(b)	(c)	(d)	(e) -	Beginning Amt	•		Ret	Amt -	•	Plant	Ret -
						Beginning	Depreciation	Net Plant			Depreciation		
9		(b) -	(c) -	(d) -	(e) - \$ -	Beginning Amt - - -	_ \$ _	- \$ -	Ret -\$	<u>Amt</u> - - -	_ \$ -	Plant -\$	Ret - - -
		(b)	(c) \$	(d) -\$	(e) -	Beginning Amt	•	-\$	Ret	Amt -	•	Plant -\$	Ret - -\$
9 10		(b) - - - -	(c) - - -	(d) - - - -	(e) - - - - -	Beginning Amt - - - - - - - - - -	- - - -	\$ - \$ -	Ret - - -	<u>Amt</u> - - - - - - - - - 	- - - -	Plant - - -	Ret - - - - -
10		(b) - - \$	(c) - - \$	(d) - - -	(e) - - - \$	Beginning Amt - - -	_ \$ _	- - \$	-\$ - -\$	<u>Amt</u> - - -	_ \$ -	Plant - - \$	Ret - - - \$
		(b) - - - - - -	(c) - \$ - \$ -	(d) - - - - - - -	(e) - - - - - - - -	Beginning Amt - - - - - - - - - -	\$ - \$ - \$ -	\$ - \$ - \$ -	Ret - - - - -	<u>Amt</u> - - - - - - - - - -	- - - - - -	Plant - - - - - -	Ret - - - - - -
10 11		(b) - - - - -	(c) - - - -	(d) - - - - - -	(e) - - - - - -	Beginning Amt - - - - - - - - - -	- - - -	\$ - \$ -	Ret - - - -	<u>Amt</u> - - - - - - - - - 	- - - -	Plant - - - - -	Ret - - - - -
10		(b) - - - - - - - - - - - -	(c) - - - - - - - - - - - - - -	(d) - \$ - \$ - \$ - \$ -	(e) - - - - - - - - - - - - - - -	Beginning Amt - - - - - - - - - -	\$ - \$ - \$ -	\$ - \$ - \$ - +	Ret - - - - - - - - - - -	Amt - - - - - - - - - - - - - - - - - - -	\$ - \$ - \$ - \$ -	Plant - - - - - - - - - - - - -	Ret - - - - - - - - - - - - -
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Page 1 of 1

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52							_			_	
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<u>Notes</u>

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

Page 1 of 2

	cluded w s 182.3 &							182.3 & 25					
	Đ	ays in Period	ł		Projection Proration of Deferred Tax Activity			True-up Adjustment - Proration of Projected Deferred Tax Activity Averaging of Other Deferred Tax Activity					Activity an
(n) Month	(b) Days in the Mont h	(c) Number of Days Remainin g in Year After Month's Accrual of Deferred Taxes	(d) Total Days in Futur e Portio n of Test Perio d (Line 18, Col b)	(e) Prorat ion Amou nt (Line s 6 to 17, Col c /Col d)	(f) Projected Monthly Activity ((Line 24 Col h- Line 21 Col h)/12) (See Note 7.)	(g) Prorate d Project ed Monthl y Activit y (Lines 6-to 17, Col e x Col f)	(h) Prorated Projecte d Balance (Line 5, Col h plus Cumula tive Sum of Col g)	(i) Actual Monthly Activity ((Line 24 Col n- Line 21 Col n)/12) (See Note 7.)	(j) Differenc e between projected monthly 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.)	(1) Differen ee between projecte d and actual activity when actual and projecte d activity are either both increase <u>s or</u> decreas es. (See Note 3.)	(m) Actual activity (Col I) when projected activity is an increase while actual actual activity is a decrease OR projected activity is a decrease while actual activity is a decrease while actual activity is a decrease While actual activity is a decrease OR projected activity is a decrease OR projected activity is a decrease while actual activity is a decrease While actual activity is a decrease OR projected activity is a decrease while actual activity is a	(n) Balance reflecting proration averaging (See Note 5.)
	e r 31st ba eet P6-1.:	lance Prorated 5h)	l Items	91.78			-] 1st balance] ksheet A8-2.				_

7	Februar	28	307	365	84.11 %	_										
	y March				75.62	-	-	-		-	-	-	-	-	-	
8		31	276	365	% 67.40	-	-	-		-	-	-	-	-	-	
9	April	30	246	365	%	-	-	-		-	-	-	-	-	-	
$\frac{1}{0}$	May	31	215	365	58.90 %	-	-	-		-	-	-	-	-	-	
1 1	June	30	185	365	50.68 %	-	-	-		-	-	-	-	-	-	
1 2	July	31	154	365	4 <u>2.19</u> %	-	-	-		-	-	-	-	-	-	
1 3	August	31	123	365	33.70 %	-	-	-		-	-	-	-	-	-	
1 4	Septem ber	30	93	365	25.48 %	-	-	-		-	-	-	-	-	-	
1 5	October	31	62	365	16.99 %	-	-	-		-	-	-	-	-	-	
+ 6	Novem ber	30	32	365	8.77 %	-	-	_		-	-	-	-	-	-	
1 7	Decem ber	31	4	365	0.27 %	-	-	-		-	-	-	-	-	-	
1 8	Total (sum of Lines 6 -17)	365	-	-	-	-	-		-	-	-	-	-	-	-	

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-

4

Beginning Balance Total 9

Worksheet P6-1.19.h

Beginning Balance Not Subject to Proration 2 0

Worksheet P6-1.20.h

	Worksh
Beginning Balance	eet A8
Total	2.62.g -
	Worksh
Beginning Balance Not Subject to	eet A8-
Proration	2.55.g -

2 1	Beginning Balance Subject to Proration	(Line 5, Col H)	-	Beginning Balance- Subject to Proration	(Line 5, Col H)	-
2 2	Ending Balance Total	Worksheet P6-1.22.h	-	Ending Balance Total	Worksh eet A8– 2.62.i Worksh	-
2 3	Ending Balance Not Subject to Proration	Worksheet P6 1.23.h	-	Ending Balance Not Subject to Proration	eet A8- 2.55.i Worksh	-
2 4	Ending Balance Subject to Proration	Worksheet P6-1.24.h	-	Ending Balance Subject to Proration	eet A8- 2.61.i	
2 5	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	-
2 6	Reserve d	Reser ved	-	Reserved	Reserve d	-
2 7	Amount for Attachment H	(Line 25 less line 26)	_	Amount for Attachment H	(Line 25 less line 26)	-

Page 2 of 2

NOTES

Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity

1 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).

Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is overprojected, 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

2 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 othe situations, enter zero.

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. 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

4 decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.

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

5 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.

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.

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

7

6

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

											Page	
											1 of 2	
					Dec-		Dec-		Dec-			
		Dec-2019	2020	2020	2020		2019	2020	2020			
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(1)

										Prora	Amo	
				Current			BOY		EOY	ted	rt	
			Current	Period	EOY		Allocat	Amortiz	Allocat	(Yes/	Perio	Expla
Lin		BOY	Period	Other	Balance		ed	ation	ed	No)	d or	nation
e		Balance	Amortiza	Activity	(Note	Allocato	Amoun	Allocate	Amoun	(Note	Meth	(Note
No.	Item	(Note D)	tion	(Note C)	D)	Ŧ	ŧ	đ	ŧ	B)	od	A)

		NON	-PLANT U	NPROTECTI	E D EDIT INCLU	DED WITHIN AC	COUNTS 1	82.3 & 25 4		
						0.000				
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2	Reserved	-	-	-	-	% - 0.000	-	-	-	-
3	Reserved					0.000 <u>%</u> –				
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4	Reserved	_	_	_	_	<u>9/0</u> –	_	_	_	·
						0.000				
5	Reserved	-	-	-	-	<u>⁰∕</u> ₀ –	-	-	-	-
	_					0.000				
6	Reserved	-	-	-	-	<u>%</u> −	-	-	-	-
7	Decomined					0.000 % -				
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10	Reserved					0.000
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20	Reserved	-	-	-	-	⅔
						0.000
21	Reserved	-	-	-	-	<u>0/</u>
22	D 1					0.000
22	Reserved	-	-	-	-	<u>%</u>
23	Reserved					%
25	Reserved	- T	-		-	0.000
24	Reserved	_	_	_	_	<u>%</u>
	1					0.000
25	Reserved	-	-	-	-	<u>0/6</u>
						0.000
26	Reserved	-	-	-	-	%
						0.000
27	Reserved	-	-	-	-	<u>9/6</u> – – – – – – –
20	D 1					0.000
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29	Reserved					0.000 %
27	Reserved				-	0.000
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						0.000				
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						0.000				
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						0.000				
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36	Reserved	-	-	-	-	<u>%</u> −	-	-	-	-
37	Reserved					0.000 % -				
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39	Reserved	_	_	_	_	<u>%</u> −	_	_	_	_
						0.000				
40	Reserved	_	-	-	-	<u>⁰∕₀</u> –	-	_	-	-

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

											Page 2 of 2	
		Dec-2019	2020	2020	Dec- 2020		Dec-2019	2020	Dec- 2020			
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(1)
Line No.	Item	BOY Balance (Note D)	Current Period Amortization	Current Period Other Activity (Note C)	EO¥ Balance (Note Đ)	Allocator	BOY Allocated Amount	Amorti zation Allocat ed	EOY Allocat ed Amoun t	Prorat ed (Yes/N 0) (Note B)	Amort Period or Method	Expla nation (Note A)
41	Reserved	-	-	-	-	0.000%	-	-	-		-	-
4 2	Reserved	-	-	-	-	0.000%	-	-	-		-	-
4 3	Reserved	-	-	-	-	0.000%	-	-	-		-	-
44	Reserved	-	-	-	-	0.000%	-	-	-		-	-
4 5	Reserved	-	-	-	-	0.000%	-	-	-		-	-
4 6	Reserved	-	-	-	-	0.000%	-	-	-		-	-
47	Reserved	-	-	-	-	0.000%	-	-	-		-	-
4 8	Reserved	-	-	-	-	0.000%	-	-	-		-	-
53	Reserved	-	-	-	-	0.000%	-	-	-		-	-
5 4	Reserved Total Non	_	-	-	-	- 0.000%	-	-	-		-	-
	Plant Unprotect											
55	ed	-	-	-	-		-	-	-			

Page 7 of 7

		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/Def i cient 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

PROI	PRIETARY CAPITAL				Page 1 of 1
Line No	Month (a)	Preferred Stock Issued (204) (b)	Unappropriated Undistributed Subsidiary Earnings (216.1) (c)	Accumulated Other Comprehensive Income (219) (d)	Total Proprietary Capital (c)
	FN1 Reference for Dec	112.3.c	112.12.e	112.15.e	112.16.e
4	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	-	-	-	-
	Average of the 13 Monthly				
1 4	Balances				

LONG TERM DEBT

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

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

Notes B and

-\$

18 — Actual Revenues booked from Step 8

		E.	-
		Notes C and	_\$
19	Prior Period Adjustment	E	-
		Line 17 Line18 +	-\$
20	- True up Amount (before Interest)	Line 19	-
21			
22	True Up Adjustment		
23			
			-\$
2 4	-True Up Amount before Interest	Line 20	-
25	- Interest on True up Amount	Line 70	
•		$\frac{\text{Line } 20 +}{100}$	-\$
26	True-Up Adjustment	Line 70	-

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

Line				
<u>#</u>				-Page 2 of 3
27	Interest Calculation			
28				
		FERC		
		Qtr Int.		
29		Rate	Note D	Rate
		Qtr (3 Prior to Most		
30		Recent)	Annual Rate	0.00%
		Qtr (2 Prior to Most		
31		Recent)	Annual Rate	0.00%
		Qtr (Prior to Most		
32		Recent)	Annual Rate	0.00%
		Qtr (Most		
33		Recent)	Annual Rate	0.00%
		Average of the last 4	(Sum Lines	
34		quarters	30-33 / 4)	0.00%
35		Average Monthly Rate	Line 34 / 12	0.0000%
36				
	An over or under collection will be recovered pro-rata over year			

37 collected, held for one year, and returned prorata over next year:

38

			Levelized True Up before Interest	Interest	Number of		True Up
39	Year	Month	(Note E)	Rate	Months	Interest	plus Interest
40	уууу	January	-	0.00%	12	- «	
41	уууу	February	-	0.00%	44	- - \$	
4 2	УУУУ	March	-	0.00%	10	_ _\$	
4 3	уууу	April	-	0.00%	9	-	

						-\$	
44	37777	May	-	0.00%	8	-	
4 5		June		0.00%	7	_\$	
43	yyyy	June	-	0.0070	+	- -\$	
4 6	УУУУ	July	-	0.00%	6	-	
47				0.000/	_	-\$	
47	yyyy	August	-	0.00%	5	- -\$	
4 8	УУУУ	September	-	0.00%	4	- -	
10		0 1 1		0.000/	2	-\$	
4 9	yyyy	October	-	0.00%	3	- -\$	
50	УУУУ	November	_	0.00%	2	φ _	
						-\$	
51	37777	December	-	0.00%	4	_ _ \$	
52			_			- -	-
53							
			-\$			-\$	-\$
5 4	УУУУ	Jan Dec	-	0.00%	12	-	-

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

		11	ictuals 1 of the 12 months		' J J J J			
Line								
<u>#</u>							-Page 3 of 3	
				True Up				
				plus	Interest	Total		Balance
55		-	-	Interest	Rate -	Interest	Amoritization	Due/Owed
				-\$		-\$	-\$	-\$
56		уууу	January	-	0.00%	-	-	-
				-\$		-\$	-\$	-\$
57		уууу	February	-	0.00%	-	-	-
			-	-\$		-\$-	-\$	-\$
58		уууу	March	-	0.00%	-	-	-
				-\$		-\$-	-\$	-\$
59		уууу	April	-	0.00%	-	-	-
			_	-\$		-\$	-\$	-\$
60		уууу	May	-	0.00%	-	-	-
			-	-\$		-\$	-\$	-\$
61		уууу	June	-	0.00%	-	-	-
				-\$		-\$	-\$	-\$
62		уууу	July	-	0.00%	-	-	-
				-\$		-\$	-\$	-\$
63		уууу	August	-	0.00%	-	-	-
			-	-\$		-\$	-\$	-\$
6 4		уууу	September	-	0.00%	-	-	-
			-	-\$		-\$	-\$	-\$
65		уууу	October	-	0.00%	-	-	-
				-\$		-\$-	-\$	-\$
66		уууу	November	-	0.00%	-	-	-
				-\$		-\$	-\$	-\$
67		уууу	December	-	0.00%	-	-	-
						-\$	-	
68						-		
69								
					Line 52 + Line 54 +	-\$		
70	Total Interest				Line 68	_		

<u>Notes</u>

- 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					Projected Attachment H — Page 1 of 5
	Formula Rate Non Levelized	Rate Formula Template				-	Estimated For the 12 months - ended 12/31/yyyy
Line No.	GROSS REVENUE REQUIREMENT					Allocated Amount	
4	(page 3, line 29) REVENUE					<u>_</u>	
	CREDITS		Total	Allocator	_		
2 3	- Account No. 454 - Account No. 4 56.1	Act Att H, page 1 Line 2 Act Att H, page 1 Line 3	-	TP TP	0.00000 0.00000		
4	Held for Future Use Held for Future		-	Ŧ₽	0.00000		
5	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)				-\$	<u> </u>
7a	Net Revenue	(Line 7 minus Line				<u>-</u> \$	

Requirement 6a) without True Up Adjustment

DIVISOR

-Weekly

Worksheet P3,

- 8 9
- Line 15 x 1000 -Divisor (kW)
- 10 **RATES**
- 11 <u>Annual</u>

- 12 -Monthly

- 13
- -Daily On Peak 14
- - 15

17

- -Hourly On Peak 16
 - -Hourly Off Peak

-Daily Off Peak

- 16 hours/day
- 24 hours/day

12 months/year

52 weeks/year

6 days/week

7 days/week

/kW-week /kW-day

-\$

_ -\$

_ -\$

--\$

_ -\$

--\$

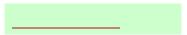
_ -\$

_

- /kW-day
- /MW hour
 - /MW-hour

/kW-year

/kW-month



							Projected Attachment H
		El Paso Electric Company					Page 2 of 5
	Formula Rate – Non Levelized	- Rate Formula Template					Estimated For the 12 months ended 12/31/yyyy
	(1)	(2) Reference	(3)		(4)	(5) Transmission	
Line No.	<mark>RATE BASE:</mark> GROSS PLANT IN SERVICE	Page, Line, Col.	Company Total	Allocator		(Col 3 times Col 4)	
		Worksheet P1, Line			0.00000		
4	- Transmission - General &	30, Col. (c) Act Att H, Page 2,	-	TP	0.00000		
2	Intangible TOTAL GROSS	Line 4, Col. (3) (Sum Lines 1 and		W/S	0.00000		
3	PLANT	2)	-				
	ACCUMULATED DEPRECIATION						
		Worksheet P1, Line					
4	- Transmission - General &	30, Col. (f) Act Att H, Page 2,	-	TP	0.00000		
5	Intangible	Line 10, Col. (3)	-	W/S	0.00000		
6	TOTAL ACCUM. DEPRECIATION	(Sum Lines 4 and 5)	-				
	NET PLANT IN SERVICE						
7	- Transmission - General &	(Line 1 Line 4)	-				
8	Intangible	(Line 2 Line 5)	-				
9	TOTAL NET PLANT	(Sum Lines 7 and 8)					
7		ل م	_				

10	- CWIP Approved by FERC Order	Worksheet P7, Page 1, Line 14, Col. (d)	-	ÐA	1.00000	
	ADJUSTMENTS					
	TO RATE BASE Accumulated					
	Deferred Income	Worksheet P5-1,				
	Taxes (Accounts	Page 3, Line 82,				
+++	190, 281-283)	Col. (h)	-	ÐA	$\frac{1.00000}{1.00000}$	
	-Accumulated					
	Deferred					
	Investment Tax Credit (Account	Worksheet P5-2,				
12	255)	Line 138, Col. (g)		ÐA	1.00000	
12	-Excess/	Line 150, Col. (g)		DA	1.00000	
	Deficient Deferred	Worksheet P6-1,				
13	Income Taxes	Line 27, Col. (h)	-	ÐA	1.00000	
		Worksheet P7,				
	-Unamortized	Page 1, Line 14,				
-14	Regulatory Asset	Col. (b)	-	ÐA	1.00000	
	Unamortized	Worksheet P7, Page 1, Line 14,				
15	Abandoned Plant	Col. (c)		ÐA	1.00000	
15	-Unfunded	Col. (C)		DA	1.00000	
	Reserves (enter	Act Att H, Page 2,				
16	negative)	Line 25, Col. (3)	-	ÐA	1.00000	
	-Hold Harmless	Act Att H, Page 2,				
17	Adjustment	Line 25a, Col. (3)		DA	1.00000	
10	TOTAL	(Sum of Lines 11-				
18	ADJUSTMENTS	17)	-			
	LAND HELD	Worksheet A4,				
	FOR FUTURE	Page 3, Line 14,				
19	USE	Col. (e)	_	TP	0.00000	
		(-)				
	WORKING					
	CAPITAL					
		1/8*(Page 3, Line				
20	- CWC	7)	-			

21 22 23 24	- Materials & Supplies - Prepayments (Account 165) TOTAL WORKING CAPITAL RATE BASE	Act Att H, Page 2, Line 29, Col. (3) Act Att H, Page 2, Line 30, Col. (3) (Sum of Lines 20- 22) (Sum Lines 9, 10, 18, 19, & 23)	-	TP GP	0.00000 0.00000		
	Formula Rate - Non-Levelized	<mark>El Paso Electric</mark> Company — Rate Formula Template					eted Attachment H Page 3 of 5 Estimated For the 12 months ended 12/31/yyyy
Line	(1)	(2) Reference	(3) Company		(4)	(5) Transmission	
No.	0.014	Page, Line, Col.	Total	Allocator		(Col 3 times Col 4)	
	O&M	Worksheet P2, Page 1, Line 3, Col.					
4	- Transmission - Less Account	(e) Worksheet P2,	-	TE	0.00000		
2	<u>Less Account</u> 561.1—561.8	Page 1, Line 4, Col. (e)	-	ŦE	0.00000		
2	<u>— Less Account</u>	Worksheet P2, Page 1, Line 5, Col.		TE	0.00000		
2a	565	(e) Worksheet P2, Page 1, Line 6, Col.	-	TE	0.00000		
3	-A&G	(e)	-	W/S	0.00000		
4	-Less EPRI/Reg.	Worksheet P2,		W/S	0.00000		

	Comm. Exp./Non- safety_Ad. Less Property	Page 1, Line 7, Col. (e) Worksheet P2,	-			
	Insurance Acct	Page 1, Line 8, Col.				
4 a	92 4	(e)	_	W/S	0.00000	
	- Plus Property	Worksheet P2,				
	Insurance Acct	Page 1, Line 9, Col.				
4 b	924	(e)	-	GP	0.00000	
	<u>—Plus</u>					
	Transmission	Worksheet P2,				
	Related Reg.	Page 1, Lines 10 +				
4 c	Comm. Exp.	10a, Col. (e)	-	TE	0.0000	
		Worksheet P2,				
	-Plus: Fixed	Page 1, Line 11,				
4d	PBOP expense	Col. (e)	-	W/S	0.00000	
		Worksheet P2,				
	<u>Less: Actual</u>	Page 1, Line 12,				
4 e	PBOP expense	Col. (e)	-	W/S	0.00000	
		Worksheet P2,				
_	~	Page 1, Line 13,			0.00000	
5	-Common	Col. (e)	-	CE	0.00000	
	- Hold Harmless	Worksheet P2,				
6	Expense	Page 1, Line 14,		DA	1 00000	
6	Adjustment	Col. (e)	-	ÐA	1.00000	
	TOTAL O&M					
	(sum lines 1, 3, 4b, 4 c,4d, 5, 6 less					
	$\frac{40,40}{1000}$, $\frac{5}{2}$, $\frac{6}{2}$, $\frac{1000}{1000}$					
7	4 e)					
7	10)		-			
	DEPRECIATION					
	AND					
	AMORTIZATION					
	EXPENSE					
		Worksheet P1,				
		Page 1, Line 30,				
8	-Transmission	Col. (d)	-	TP	0.00000	
C	- General &	Actual Attachment		W/O	0.00000	
9	Intangible	H, Page 3, Line 9	-	W/S	0.00000	
10	C	Actual Attachment		CE	0.00000	
10	-Common	H, Page 3, Line 10	-	CE	0.00000	

	-Amortization of						
11a	Regulatory Asset	Company Records	-		ÐA	1.00000	
	-Amortization of						
11b	Abandoned Plant	Company Records	-		ÐA	1.00000	
	TOTAL						
	DEPRECIATION	(Sum of Lines 8					
12	& AMORTIZATION	through 11)	_				
12		unough 11)	-				
	TAXES OTHER						
	THAN INCOME TAXES						
	-LABOR						
	RELATED						
		Worksheet P2,					
		Page 1, Line 15,					
13	Payroll	Col. (e)	-	-	W/S	0.00000	
	TT' 1	Worksheet P2,					
1 4	Highway and vehicle	Page 1, Line 16, Col. (e)		,	W/S	0.00000	
14	-PLANT		-	-	w.s	0.00000	
15	RELATED						
		Worksheet P2,					
		Page 2, Line 3, Col.					
16	Property	(e)	-		NP	0.00000	
		Worksheet P2, Page 1, Line 18,					
17	Receipts	Col. (e)	_		DA	1.00000	
- /	itere pas	Worksheet P2,			2	1.00000	
		Page 1, Line 19,					
18	Other	Col. (e)	-		GP	0.00000	
	D	Worksheet P2,					
19	Payments in lieu of taxes	Page 1, Line 20, Col. (e)			GP	0.00000	
17	TOTAL OTHER	(Sum of Lines 13	-	-	UF	0.00000	
20	TAXES	through 19)	_				
	INCOME TAXES	(Note A)					
							
21	$\frac{(1 - SIT * FIT *}{(1 - SIT * FIT *})$		0.000%				
	(- ~		0.00070				

	p)} =					
	<u>— CIT=(T/1-T) *</u>					
22	(1 (WCLTD/R)) =		0.000%			
	WCLTD=(page 4,					
	line 28) and R=					
	(page 4, line 31)					
	and FIT, SIT					
	& p are as given in Note A.					
22	$\frac{1}{(1-T)} =$					
23	(from line 21)		-			
	Deficient /					
	(Excess) Deferred	Worksheet P6-2,				
	Income Taxes	Line 62, Col. (h)				
2 4	Amortization	(enter as negative)	-			
	Deficient /					
	(Excess) Deferred					
	Income Tax	(Line 23 times Line				
24a	Adjustment	24)	-	ÐA	1.00000	
	Permanent	Actual Attachment				
25	Differences	H, Page 3, Line 25	-			
	Tax Effect of					
	Permanent	(Line 21 times 23				
25a	Differences	times Line 25)	-	NP	-	
	Income Tax on					
	Equity and	(Line 22 times Line				
26	Incentive Return	28)	-			
	Total Income	(Sum of Lines 24a,				
27	Taxes	25a, 26)	_			
	RETURN					
		(Page 2, Line 24 x				
	-Rate Base * Rate	Page 4, Line 31,				
	of Return +	$\frac{1}{\text{Col.}(5)} + \frac{1}{\text{Page 4}}$				
28	Incentive Return	Line 32	_			
20	moentive Return	Lin e 52				
	REV.	(Sum of Lines 7,				
29	REQUIREMENT	$\frac{12, 20, 27, 28}{12, 20, 27, 28}$				
27	REQUIREMENT	12, 20, 27, 20)			:	

		El Dese Electer				P	rojected Atta	chment H
	Formula Rate – Non Levelized	El Paso Electric Company — Rate Formula Template						Page 4 of 5
						Estimated For the 12 r	nonths ended	12/31/yyyy
	(1)	(2) SUPPORTING CALCULATIONS AND NOTES	(3)	(4)		(5)		
Line	TRANSMISSION PLANT INCLUDED IN							
No.	RATES Total transmission	Actual Attachment						
4	plant Less transmission plant excluded	H, Page 4, Line 1						
2	from Wholesale Rates Less transmission plant included in	Actual Attachment H, Page 4, Line 2						
2	OATT Ancillary	Actual Attachment						
3	Services Transmission plant	H, Page 4, Line 3						
4	included in Wholesale Rates	(Line 1 less Lines 2 & 3)					0	
	Percentage of transmission plant included in	(Line 4 divided by						
5	Wholesale Rates	Line 1)			TP=		0.00000	
	TRANSMISSION EXPENSES Total transmission	(Page 3, Line 1,						
6	expenses	Col. 3)						

	Less transmission								
	expenses included								
_	in OATT	Actual Attachment							
7	Ancillary Services	H, Page 4, Line 7	-						
	Included								
	transmission								
8	expenses	(Line 6 less Line 7)						0	
	Percentage of								
	transmission								
	expenses after	(Line 8 divided by							
9	adjustment	Line 6)						0.00000	
	Percentage of								
	transmission plant								
	included in								
10	wholesale Rates	(Line 5)				TP		0.00000	
	Percentage of								
	transmission								
	expenses included	(Line 9 times Line							
11	in wholesale Rates	10)				TE=		0.00000	
	WAGES &								
	SALARY								
	ALLOCATOR								
	(W&S)								
		Reference	\$	TP	Allocation				
		Actual Attachment							
12	-Production	H, Page 4, Line 12	-	0.00	θ				
		Actual Attachment							
13	-Transmission	H, Page 4, Line 13	-	0.00	θ				
		Actual Attachment							
1 4	-Distribution	H, Page 4, Line 14	-	0.00	θ		W&S Allocator		
		Actual Attachment							
15	Other	H, Page 4, Line 15	-	0.00	<u>θ</u>		(\$ / Allocation)		
		(Sum of Lies 12-							
16	Total	15)		θ	θ	=		0.00000 =	=
	COMMON								
	PLANT								
	ALLOCATOR		\$		% Electric		W&S Allocator		
	ALLUCATUK		•		≫o Electric		wæs Anocator		

	(CE)							
		Actual Attachment			(line 17 /			
17	-Electric	H, Page 4, Line 17	-		line 20)		(line 16)	CE
		Actual Attachment						
18	- Gas	H, Page 4, Line 18	-		0.00000	<u>*</u>	0.00000	= 0.00000
		Actual Attachment						
19		H, Page 4, Line 19	-					
		(Sum of Lines 17		-				
20	- Total	19)	_					
		·						
	RETURN (R)						\$	
	Long Term	Actual Attachment						
21	Interest	H, Page 4, Line 21						
	Preferred	Actual Attachment						
22	Dividends	H, Page 4, Line 22						
	Development of							
	Common Stock:							
	Common Stock.	Actual Attachment						
23	Proprietary Capital	H, Page 4, Line 23						
25	Less Preferred	Actual Attachment						
2 4	Stock	H, Page 4, Line 24						
27	Less Other	11, 1 age 4, Enie 24						
	Comprehensive	Actual Attachment						
25	Income	H, Page 4, Line 25						
20	Less Account	Actual Attachment						
26	216.1	H, Page 4, Line 26						
		(Sum of Lines 23	-					-
27	Common Stock	(5 am 61 2m 65 26 26)					θ	
		=0)					, in the second s	
			\$	<u> </u>	Cost		Weighted	
		Actual Attachment	÷					-
28	-Long Term Debt	H, Page 4, Line 28	_	0%	_			=WCLTD
20	Long Term Debt	A stual Attachment		070				

28	-Long Term Debt	H, Page 4, Line 28	-	0%
		Actual Attachment		
29	Preferred Stock	H, Page 4, Line 29	-	0%
		Actual Attachment		
30	-Common Stock	H, Page 4, Line 30	-	0%
		(Sum of Lines 28-		
31	Total	30)	-	

Cost	Weighted	
-		=WCLTD
-		
0.1038		
		= R

Worksheet P4, Line

32 Incentive Return 35, Col. (e)

						Projected At	
		El Paso Electric Company				_	Page 5 of 5
							Estimated
							-For the 12 months
	Formula Rate						ended
	Non Levelized	Template					12/31/yyyy
т.	(1)	(2)	(3)		(4)	(5)	
Line			Company			Transmission	
No.		Reference	Total	Allocator		(Col 3 times Col 4)	
	GROSS PLANT ALLOCATOR						
	(GP)		\$				
4	-Production	Company Records Worksheet P1, Line	-	NA			
2	- Transmission	30, Col. (c)	-	TP	0.00000		
3	-Distribution -General &	Company Records Actual Attachment	-	NA			
4	- General & Intangible	H, Page 2, Line 4	_	W/S	0.00000		
	mangiore	Actual Attachment			0.00000		
5	-Common	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)	-	Ŧ₽	0.00000	
9	-Distribution	Company Records	-	NA		
	- General &	Actual Attachment				
10	Intangible	H, Page 2, Line 16	-	W/S	0.00000	
	-	Actual Attachment				
44	-Common	H, Page 2, Line 17	-	CE	0.00000	
		(Sum of Lines 7				
12	- Total	11)	θ	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.

		0.000%	
Required:	FIT =		-(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

Page 1 of 2

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

1 4	-	-\$	-\$			\$
15	- -		- \$		-	- -\$
16	-	- -	- -\$	-	-	- -\$
10	-	-	-	-	-	-
17		_\$ _	_\$ _		_	_\$ _
18	_	-\$	-\$			-\$
	-	-	-	-	-	-
19	_	-\$	-\$			-\$
	-	- ¢	- ¢	-	-	- •
20	-	-\$	-\$			-\$
			- -\$	-	-	- -\$
21	-	Ψ _	φ -		_	- -
		-\$	_\$ _			_\$
22	-	_	- -	_	_	- -
22		<u>-</u> \$-	_\$			_\$
23	-	-	-	-	-	_
2 4		_\$	_\$			-\$
24	-	-	-	-	-	-
25		_\$	-\$			-\$
	-	-		-	-	
26	12 Mon		_\$			
26	Total year 1		-			
27	12 Mon		-\$			
21	Total year 2		-			
28	13 Mon Avg	-\$			_\$	-\$
20	year 1	-			-	-
29	13 Mon Avg	-\$			-\$	-\$
	year 2	- ¢	¢		- •	- •
30	Amount to Proj Att H (Note C)	_\$	-\$		-\$	-\$
	Amount to Proj Att H (Note C)	-	-		-	-

Notes:

Page 2 of 2

A	In periods where the company will use the actual of -Actual Attachment H, page 3, line 8) divided by a	depreciation rate, enter "A". The actual actual transmission plant in service (Act	depreciation rate is cal- ual Attachment H, page	culated as follows: e 2, line 2) divided by 12 m	onths.
	In periods where the company has submitted new follows:	-	-		њ
	The annual composite transmission depreciation	rate developed within a new depreciation	n study, divided by 12	months.	
	Current Depreciation Rate (A)	0.0000%			
	New Depreciation Rate (N)	0.0000%			
₿	The depreciation accrual is based on the average of	of the current and prior month Plant in Se	ervice, times the actual	"A" or new "N" depreciation	m rate.
C	In the initial year rates are set, use Lines 26 and 28				
	Yes	If initial year rates are effective enter Ye	es, otherwise enter No		
		El Paso Electric Company			
		Worksheet P2			
		Projected Expenses			
	1	Estimated - For the 12 months ended	1 <u>2/31/vvvv</u>		
					Page 1 of
	(a)	(b)	(c)	(d)	(e)
Γ	<u>, , , , , , , , , , , , , , , , , , , </u>	O&M / OTHER TAXES (Excluding	Property Taxes)	· · ·	· · ·
-			• • •	Charge Factor (Note	Projected Cost
ine	Item	Reference	Actual Costs	A)	(Note B)
		Actual Attachment H, Page 2 Line			
1	Net Plant in Service	18	-		
		Projected Attachment H, Page 2,			
2	Projected Net Plant in Service	Line 9			-
	0.004				
	O&M				
3	Transmission	Actual Attachment H, Page 3, Line 1			
3	- Indishiission	+ Actual Attachment H, Page 3, Line	-		-
4	<u>— Less Account 561.1 561.8</u>	$\frac{1}{2}$	_		_
	Less / Webdalt 501.1 501.0	Actual Attachment H, Page 3, Line			
5	<u>— Less Account 565</u>	2a	-		_
		Actual Attachment H, Page 3, Line			
6	- A&G	3	-		-
	- Less EPRI & Reg. Comm. Exp. & Non safety	Actual Attachment H, Page 3, Line			
		4			

		Actual Attachment H, Page 3, Line			
8	- Less Property Insurance Acct 924	4 a	_		_
		Actual Attachment H, Page 3, Line			
9		4 b	_		_
	1 5	Actual Attachment H, Page 3, Line			
10		4 c	-		_
	-Plus Transmission Related Rate Case Cost				
10a	Amort Bal	Note D	-		_
		Actual Attachment H, Page 3, Line			
11	- Plus: Fixed PBOP expense	4 d	-		-
		Actual Attachment H, Page 3, Line			
12	— Less: Actual PBOP expense	4 e	-		-
		Actual Attachment H, Page 3, Line			
13	-Common	5	-		-
		Actual Attachment H, Page 3, Line			
44	- Hold Harmless Expense Adjustment	6	-		-
14	-Hold Harmless Expense Adjustment OTHER TAXES (Excluding Property Taxes) -LABOR RELATED	6	-		-
	OTHER TAXES (Excluding Property Taxes) -LABOR RELATED	6 Actual Attachment H, Page 3, Line	-		-
14 15	OTHER TAXES (Excluding Property Taxes)	6 Actual Attachment H, Page 3, Line 13	-		-
15	OTHER TAXES (Excluding Property Taxes) -LABOR RELATED Payroll	6 Actual Attachment H, Page 3, Line 13 Actual Attachment H, Page 3, Line	-		-
15 16	OTHER TAXES (Excluding Property Taxes) -LABOR RELATED Payroll Highway and vehicle	6 Actual Attachment H, Page 3, Line 13	-		-
15	OTHER TAXES (Excluding Property Taxes) -LABOR RELATED Payroll	6 Actual Attachment H, Page 3, Line 13 Actual Attachment H, Page 3, Line 14	-		-
15 16 17	OTHER TAXES (Excluding Property Taxes) -LABOR RELATED Payroll Highway and vehicle -PLANT RELATED	6 Actual Attachment H, Page 3, Line 13 Actual Attachment H, Page 3, Line 14 Actual Attachment H, Page 3, Line	-		-
15 16	OTHER TAXES (Excluding Property Taxes) -LABOR RELATED Payroll Highway and vehicle	6 Actual Attachment H, Page 3, Line 13 Actual Attachment H, Page 3, Line 14 Actual Attachment H, Page 3, Line 17	-		-
15 16 17	OTHER TAXES (Excluding Property Taxes) -LABOR RELATED Payroll Highway and vehicle -PLANT RELATED	6 Actual Attachment H, Page 3, Line 13 Actual Attachment H, Page 3, Line 14 Actual Attachment H, Page 3, Line	-		-
15 16 17 18	OTHER TAXES (Excluding Property Taxes) -LABOR RELATED	6 Actual Attachment H, Page 3, Line 13 Actual Attachment H, Page 3, Line 14 Actual Attachment H, Page 3, Line 17 Actual Attachment H, Page 3, Line	-		-

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

					Page 2 of 2
	(a)	(b)	(c)	(d)	(e)
		PROPERTY TAXES			
				Charge	
-	Item	Reference	Actual	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			-
		Actual Attachment H, Page 3, Line			
3	Property Taxes	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
			Use
			Minimum
			Percentage
	Minimum percentage change applied	0.0%	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	уууу	
	FERC Form 1 Reporting Period for Projected	уууу	

Transmission rate case cost amortization balance is the remaining balance of total projected rate case costs

D amortized over a 3 year period.

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

-

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Line No.

Page 1 of 1

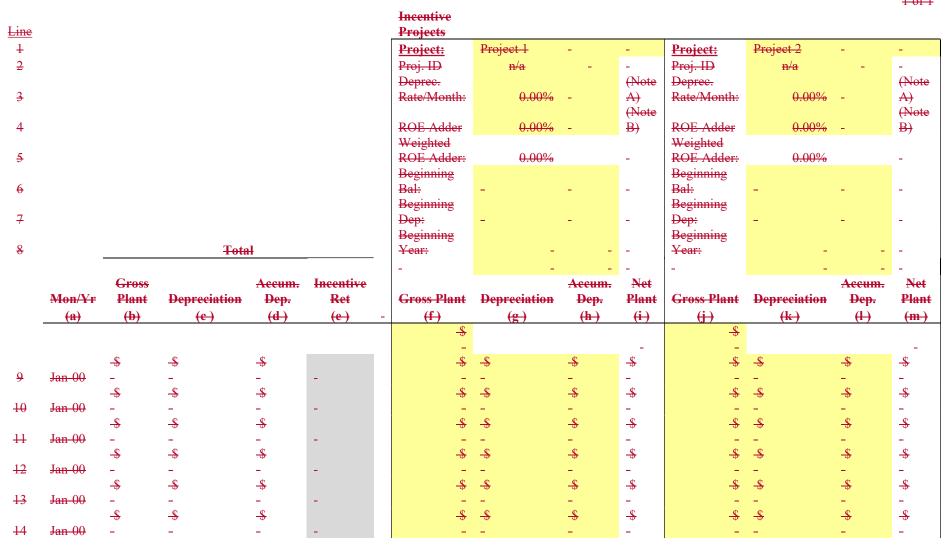
1 Peak Network Load (MW) During:

	a	b	e	đ
		Actual Transmission Network Load (Worksheet	Percentage of Maximum Transmission Network	Projected Transmission Network Load (Col c x Line
	Month	A-6)	Load	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%	
1 4	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



Page 1 of 1

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15	Jan 00	-	-	-	-			-	-	-	-	-	-
		-\$	-\$	-\$			\$	-\$	_\$	-\$	_\$	_\$	\$
16	Jan 00	_	_	_	_			_	-	_	_	_	-
		-\$	-\$	_\$			\$ \$	_\$	_\$	-\$	_\$	_\$	_\$
17	Jan 00	_	_	<u> </u>	_		÷ ÷	_	_		_	_	_
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18	Jan 00	Ψ	φ	Ψ	_		ψψ	φ _	Ψ _	Ψ	Ψ	Ψ _	φ _
10	Juli 00	-\$	_ \$	- -	-		<u>-</u> -	- -\$	_ _\$		- - <u>\$</u>		- \$
19	Jan 00			_ _			\$			-			
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20	Jan 00	-	-	-	-			-	-	-	-	-	-
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21	Jan 00	-	-	-	-			-	-	-	-	-	-
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23	Jan 00	-	-	-	-			-	-	-	-	-	-
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2 4	Jan 00	_	-	-	-			-	-	_	_	-	-
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30	Jan-00	- •	–	- •	-			- •	- 0	- •	- •	- •	-
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32	Jan 00	-	-	-	-			-	-	-	-	-	-
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	13 Mon	-\$		-\$		_\$		-\$	-\$	-\$		-\$	-\$-
3 4	Avg	_		-		-		_	-	_		_	_
	U					'							

	Total Incentive		-			-	-		-
35	Return	\$0.00	-			\$0.00	-		\$0.00
			-			-	-		-
			-	-	-	-		-	-

Notes

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

Page 1 of 3

2	Account 190		Days in Peri	od		Averaging with Proration - Projected				
- -	(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				1				C/		
5	December 31st t	valance Prorated	Items (P5-2.61	. f)				_		
	January	31	335	<u> </u>	91.78%		-	_		
7	February	<u>— 28</u>	307	<u> </u>	84.11%		-	-		
3	March	31	<u> </u>	365	75.62%		-	-		
9	April		<u> </u>	365	67.40%		_	_		
-	May	31	<u> </u>	<u> </u>	58.90%					

June		<u> </u>	365	50.68%		_	_	
July		<u> </u>	<u> </u>	4 2.19%		_	_	
August		<u> 123 </u>	365	33.70%		_	_	
September		93		25.48%		_	_	
October	31	<u> </u>	365			_	_	
November	<u> </u>	<u> </u>	365			_	_	
December		1	<u> </u>			_	_	
Total	<u> </u>	-		-		_		-
	July August September October November December	July 31 August 31 September 30 October 31 November 30 December 31	July 31 154 August 31 123 September 30 93 October 31 62 November 30 32 December 31 1	July 31 154 365 August 31 123 365 September 30 93 365 October 31 62 365 November 30 32 365 December 31 1 365 Total 5 5 5	July 31 154 365 42.19% August 31 123 365 33.70% September 30 93 365 25.48% October 31 62 365 16.99% November 30 32 365 8.77% December 31 1 365 0.27%	July 31 154 365 42.19% August 31 123 365 33.70% September 30 93 365 25.48% October 31 62 365 16.99% November 30 32 365 8.77% December 31 1 365 0.27%	July 31 154 365 42.19% $-$ August 31 123 365 33.70% $-$ September 30 93 365 25.48% $-$ October 31 62 365 16.99% $-$ November 30 32 365 8.77% $-$ December 31 -1 365 0.27% $-$	July 31 154 365 42.19% $ -$ August 31 123 365 33.70% $ -$ September 30 93 365 25.48% $ -$ October 31 62 365 16.99% $ -$ November 30 32 365 8.77% $ -$ December 31 1 365 0.27% $ -$

-

-

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	-
2 4	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

Page 2 of 3

28	Account 282							
29			Days in Peri	od		Averag	ing with Proration -	Projected
	(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 t	alance Prorated	Items (P5-2.79	.f)				-
33	January	31		365	0.918	-	-	-
3 4	February	28		365		-	-	-
35	March	31	<u> </u>	<u> </u>		-	-	-
36	April		<u> </u>	<u> </u>	0.674	-	-	-
37	May	31	215	<u> </u>	<u> </u>	-	-	-
38	June		<u>— 185</u>	<u> </u>	<u> </u>	-	-	-
39	July	31	<u> </u>		0.422	-	-	-
40	August	31	<u>— 123</u>	<u> </u>	0.337	-	-	-
41	September	30	93		0.255	-	-	-
4 2	October	31	<u> </u>	<u> </u>	0.170	-	-	-
4 3	November	30	<u> </u>	<u> </u>	0.088	-	-	-
44	December	31						-

4 5	Total 365		-
4 6	Beginning Balance Total	Worksheet P5-2.76.f	-
47	Beginning Balance Not Subject to Proration	Worksheet P5-2.82.f	-
4 8	Beginning Balance Subject to Proration	(Line 32, Col H)	-
4 9	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 53	Average Balance Reserved	Line 44 Col H + (Lines 47 + 50 Col H)/2 -	-
5 4	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

Page 3 of 3

	Account 200							
56			Days in Peri	ə d		Aver	aging with Proratio	n – 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 b	alance Prorated	Items (P5-2.12)	5.f)				_
60	January	31	334	<u> </u>	<u> </u>	-	-	-
61	February	<u> </u>	306	365	0.838	-	-	-
62	March	31	<u> </u>	365		-	-	-
63	April		245	<u> </u>	<u> </u>	-	_	-
6 4	May	31	214	<u> </u>		-	_	-
65	June		184	<u> </u>		-	_	-
66	July	31	<u> </u>	<u> </u>	<u> </u>	-	-	-
67	August	31	<u> </u>	<u> </u>		-	-	-
68	September		<u>—92</u>	<u> </u>	0.252	-	_	-
69	October	31	<u> </u>	<u> </u>		-	-	-
70	November		31	<u> </u>	0.085	-	-	-
71	December	31	1	365		-	-	_

72	Total		-
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 80	Average Balance Reserved	Line 71 Col H + (Lines 74 + 77 Col H)/2 -	-
81	Amount for Attachment H	(Line 79 less line 80)	-
	Total Amount for Projected Attachment H	(Lines 27+54+81)	-

<u>82</u>

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-				U
		mmm-yyyy	mmm-yyyy		уууу	mmm-yyyy			
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
					BOY	EOY	Prorated		Projection
Line		BOY			Allocated	Allocated	(Yes/No)	Explanation	Classification
No.	Item	Balance	EOY Balance	Allocator	Amount	Amount	(Note C)	(Note B)	(Note D)

			ACCOUNT 190 A	CCUMULATED 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%	-	-
44	Reserved	-	-	0.000%	-	-
12	Reserved	-	-	0.000%	-	-
13	Reserved	-	-	0.000%	-	-

Page 1 of 4

1 4	Reserved	_	_	
15	Reserved	_	_	
16	Reserved	_	_	
17	Reserved	_	_	
18	Reserved	_	_	
10 19	Reserved	_	_	
20	Reserved			
20 21	Reserved	_		
		-	-	
22	Reserved	-	-	
23	Reserved	-	-	
2 4	Reserved	-	-	
25	Reserved	-	-	
26	Reserved	-	-	
27	Reserved	-	-	
28	Reserved	-	-	
29	Reserved	-	-	
30	Reserved	-	-	
31	Reserved	-	-	
32	Reserved	-	-	
33 24	Reserved	-	-	
3 4	Reserved			

0.000%	_	-	
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		-	-	-	-		
35	Reserved	-	-	0.000% -	-	-	-
36	Reserved	-	-	0.000% -	-	-	-
37	Reserved	-	-	0.000% -	-	-	-
38	Reserved	-	-	0.000% -	-	-	-
39	Reserved	-	-	0.000% -	-	-	-
4 0	Reserved	-	-	0.000% -	-	-	-
41	Reserved	-	-	0.000% -	-	-	-
4 2	Reserved	-	-	0.000% -	-	-	-
4 3	Reserved	-	-	0.000% -	-	-	-
44	Reserved	-	-	0.000% -	-	-	-
4 5	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

mmmmmmmmm-yyyy mmm-yyyy уууу уууу (f) (i) (i) No. (a) (b) (g) (h)(c) (e) BOY EOY **Prorated Projection** EOY (Yes/No) **Explanation Classification** Line BOY Allocated Allocated (Note B) (Note D) No. **Item Balance Balance** Allocator Amount Amount (Note C) 0.000% 46 Reserved _ 47 Reserved 0.000% -0.000% 48 Reserved _ 0.000% 49 Reserved -50 0.000% Reserved _ _ _ 51 Reserved 0.000% _ 52 Reserved 0.000% _ 0.000% 53 Reserved _ 0.000% -54 Reserved _ _ -_ -1 **Total Account 190** 55 _ Tax Reg Asset / Liab **Adjustments (Note A)** 0.000% 56 Reserved . Reserved 57 0.000% _ -_ **Total Account 190 After** 58 **Adjustments** _

Page 2 of 4

59	Prorated Balances				-	-		
60	Tax Reg Asset / Liab Adjustments				_	_		
	Prorated Account 190 Balar	ices						
61	After Adjustments				-	-		
62	Non Prorated Balances				_	-		
	Tax Reg Asset / Liab							
63	Adjustments				-	-		
	Non-Prorated Account 190							
64	Balances After Adjustments				-	-		1
	ACCOU	NT 282 ACCU	MULATED DE	FERRED INCO	ME TAXES - O	THER PROPERTY (E	Inter Negative)	
65	-Reserved	_		0.000%	_	_		_
00	Tesserved			0.00070				
66	Reserved	-	-	0.000%	-	-	-	-
				0.0000				
67	-Reserved	-	-	0.000%	-	-	-	-
68	Reserved	_	<u>_</u>	0.000%	_	_	_	_
69	Reserved	-	-	0.000%	-	-	-	-
70	Reserved	_	_	0.000%	_	_	_	_
70	Reserved			0.00070				
71	Reserved	-	-	0.000%	-	-	-	-
70				0.0000/				
72	Reserved	-	-	- 0.000%	-	-	-	-
73	Total Account 282	_	_		_	_		
15	Tax Reg Asset / Liab							
	Adjustments (Note A)							
74	Reserved	-	-	0.000%	-	-	-	-
75	Reserved	_	_	- 0.000%	_	_	_	_
	Total Account 282 After			5.00070				
76	Adjustments				-	-		

77	Prorated Balances	_	-
	Tax Reg Asset / Liab		
78	Adjustments	-	-
	Prorated Account 282 Balances		
79	After Adjustments	-	-
80	Non Prorated Balances		
-00	Tax Reg Asset / Liab	-	-
81	Adjustments	_	_
	Non-Prorated Account 282		
82	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

									Page 3 of 4
		mmm-			mmm-				
		уууу	mmm-yyyy		уууу	mmm-yyyy			
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
					BOY	EOY	Prorated		Projection
Line		BOY	EOY		Allocated	Allocated	(Yes/No)	Explanation	Classification
No.	Item	Balance	Balance	Allocator	Amount	Amount	(Note C)	(Note B)	(Note D)

	ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES - OTHER (Enter Negative)										
83	Reserved		0.000%								
8 4	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% -	-	-	-
9 4	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

									Page 4 o
			mmm-		mmm-	mmm-			
		mmm-yyyy	уууу		уууу	уууу			
No.	(a)	(b)	(c)	(e)	(f)	(g)	(h)	(i)	(j)
					BOY	EOY	Prorated		Projection
Line		BOY	EOY		Allocated	Allocated	(Yes/No)	Explanation	Classification
No.	Item	Balance	Balance	Allocator	Amount	Amount	(Note C)	(Note B)	(Note D)

	Tax Reg Asset /						
	Liab Adjustments						
	(Note A)						
121	Reserved	-	-	0.000%	-	-	

				-	-	
100			0.0000/			
122	Reserved	-	0.000%	-	-	
	Total Account 283					
123	After Adjustments			-	-	
12 4	Prorated Balances			_	_	
	Tax Reg Asset /					
125	Liab Adjustments			-	-	
	Prorated Account					
	283 Balances After					
126	Adjustments			-	-	
	Non Prorated					
127	Balances			_	_	
	Tax Reg Asset /					
128	Liab Adjustments			-	-	
	Non-Prorated					
	Account 283					
	Balances After					
129	Adjustments			_	_	

	ACC	OUNT 255: ACC	UMULATED DH	FER	RED INVES	TME	NT TAX CRED	ITS (Enter Ne	gative) (Note	E)
130	Intangible	-	-	NP	0.000%	-	-	-	-	-
131	Production	-	-	NA	0.000%	-	-	-	-	-
132	Transmission	-	-	ÐA	100.000%	-	-	-	-	-
133	-Distribution	-	-	NA	0.000%	-	-	-	-	-
13 4	- General Plant Total Account 255	-	-	NP	0.000%	-	_	-	-	-
135	(266.8.b & 267.8.h) Unrealized ITC	-	-			-	-			
136	Adjustment Account 255 balance					-	-			
137	after Unrealized					-				

Adjustment Average ITC Balance for

138Attachment 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.
- Each ADIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the ADIT balance.
 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.

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")

Page 1 of 1

EDIT in	cluded withi				1			
		1	Days in Period					red Tax Activity
₽	(a) Ionth	(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 e/Col d)	(f) Projected Monthly Activity ((Line 24 Col h - Line 21 Col h)/12) (See Note 7.)	(g) 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)
Decemb	er 31st balanc	e Prorated It	ems (Worksheet P6-2	.61.g)				_
January		31	335	365	91.78%	-	_	-
February	I	28	307	365	84.11%	-	-	-
March		31	276	365	75.62%	-	_	-
April		30	246	365	67.40%	-	-	-
May		31	215	365	58.90%	-	-	-
June		30	185	365	50.68%	-	-	-
July		31	15 4	365	4 2.19%	-	-	-
August		31	123	365	33.70%	-	-	-
Septemb	er	30	93	365	25.48%	-	-	-
October Novemb	er	31	62	365	16.99% 8.77%	-	-	-

		30	32	365		-	-	-
<u> </u>	December	31	4	365	0.27%	-	_	-
<u>——18</u>	Total (sum of Lines 6–17)	365 -	-		-	-	-	-
<u>—19</u>	Beginning Balance To	otal			Worksheet P6	-2.62.g		-
20	Beginning Balance No	ot Subject to Proration			Worksheet P6	-2.55.g		-
21	Beginning Balance Su	bject to Proration			(Line 5, Col H)			-
<u> </u>	Ending Balance Total				Worksheet P6	-2.62.i		-
<u>—</u>	Ending Balance Not S	subject to Proration			Worksheet P6	-2.55.i		-
24	Ending Balance Subje	ect to Proration			Worksheet P6	$\frac{-2.61.i}{+(\text{Lines } 20+23)}$		-
$\frac{25}{26}$	Average Balance Reserved			Col N)/2 Reserved		-		
27	Amount for Attachment H				(Line 25 less l	ine 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-			mmm-		mmm-		mmm-			C
		уууу	уууу	уууу	уууу		уууу	уууу	уууу			
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(1)

				Current						Prorat		
				Period					EOY	ed	Amort	
				Other	EOY			Amorti	Allocat	(Yes/N	Period	
		BOY	Current	Activity	Balance		BOY	zation	ed	0)	or	
Line		Balance	Period	(Note	(Note		Allocated	Allocat	Amoun	(Note	Metho	Explanation
No.	Item	(Note D)	Amortization	C)	D)	Allocator	Amount	ed	ŧ	B)	d	(Note A)

			NON-PL	ANT UNPRO	OTECTED EE	DIT INCLUDED WITH	N ACCOUNT	S 182.	3 & 25 4		
4	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	-	
44	Reserved	-	-	-	-	NA 0.000% -	-	-	- No	_	

Page 1 of 2

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	-	
3 4	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	-	
4 2	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

								•				Page 2 of 2
		mmm-			mmm-		mmm-		mmm-			
		уууу	yyyy	уууу	уууу		уууу	уууу	уууу			
No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(1)

Line No.	Item	BO¥ 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	Expla natio n (Note A)
43	Reserved	-	-	-	_	NA 0.000%	_	-	-	- No	-	-
44	Reserved	-	-	-	-	NA 0.000%	-	-	-	- No	-	-
45	Reserved	-	-	-	-	NA 0.000%	-	-	-	- No	-	-
4 6	Reserved	-	-	-	-	NA 0.000%	-	-	-	- No	-	-
47	Reserved	-	-	-	-	NA 0.000%	-	-	-	- No	-	-
4 8	Reserved	-	-	-	-	NA 0.000%	-	-	-	- No	-	-
53	Reserved	-	-	-	-	NA 0.000%	-	-	-	- No	-	-
5 4	Reserved	-	-	-	-	NA 0.000%	_	-	_	- No	-	-
55	Total Non Plant Unprotected	-	-	-	-		-	-	-			

				PLANT	EDIT INCL	JDED WITHIN ACCOU	J <mark>NTS 182.3 &</mark>	: 25 4		
56	Reserved	-	-	-	-	0.000% -	-	-	-	-
57	Reserved	-	-	-	-	0.000% -	-	-	-	-

58	Reserved	-	-	-	-	0.000% -	-	-	-	-
59	Reserved	-	-	-	-	0.000% -	-	-	-	-
60	Reserved	_	-	-	-	- 0.000% -	-	_	-	-
61	Total Plant	_	_	_	_	-	_	_		

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

Page 1 of 1

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	-	-	-
44	October	-	-	-
12	November	-	-	-
13	December	-	_	-
1 4	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

Page 1

<u>Line</u> <u>No.</u>	Description	Reference	Amount
4	Revenue Requirement		
2	Total Load Dispatch and Scheduling (Account 561)	321.85-92.b	<u> </u>
3	Less: Scheduling, System Control & Dispatch Services (Account 561.4)	321.88.b	<u> </u>
4	Less: Reliability, Planning and Standards Development (Account 561.5)	321.89.b	<u> </u>
5	Less: Transmission Service Studies (Account 561.6)	321.90.b	<u> </u>
6	Less: Generation Interconnection Studies (Account 561.7)	321.91.b	<u> </u>
7	Less: Reliability, Planning & Standards Development Services (Account 561.8)	321.92.b	<u> </u>
8	Total 561 Costs for Schedule 1 Annual Rev Req	Sum Lines 2 through 7	<u> </u>
9			
10	Less: Schedule 1 Point to Point Revenues	Company records	<u> </u>
11			
12	Actual Schedule 1 Annual Rev Req (before True Up)	Line 8 Line 10	<u>\$</u>
13		-	
1 4	True Up Adjustment		
15	Actual Revenue Requirement	Line 8	<u>-</u> \$
16	Originally Projected Revenue Requirement without True Up Adjustment	Previous Filing (Note B)	<u> </u>
17	True up Amount (before interest)	Line 15 Line 16	<u>\$</u>
18	Interest Rate on True up Amount	(Worksheet TU, Line 33)	0.0000%
		Line 17 * Line 18 * 24 /	
19	Interest on True up Amount	12	
20	True up Adjustment	Line 17 + Line 19	<u>-</u> \$
21			
22		Line 12 + Line 20 (Note	Φ
22	Net Schedule 1 Annual Rev Req	A)	}
23		1	
2 4	<u>Divisor</u>		
25	Divisor (kW)	(Worksheet P3, Line 15)	

26				
27	Rates			
28	<u>Annual</u>		-\$	—— / kW year
				/ kW
29	<u>Monthly</u>	12 months/year	<u>-</u> \$	
30		52 weeks/year	-\$	<u>/kW-week</u>
31	- Daily On Peak	6 days/week	<u>-</u> \$	/kW_day
32	- Daily Off Peak	7 days/week	<u>-</u> \$	/kW_day
33	- Hourly On Peak	16 hours/day	-\$	
3 4	-Hourly Off Peak	24 hours/day	<u>-</u> \$	/ 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:

-			
-		-	-
-		-	-
	-		

El Paso Electric Company Formula Rate Template Table of Contents

<u>Line</u> <u>No.</u>	Worksheet	Description	Actual / Projected	<u>Year</u>
	[a]	[<u>b]</u>	[<u>c</u>]	[<u>d</u>]
<u>1</u>	Attachment H	<u>Formula Rate Template Attachment H</u>	Actual	<u>2020</u>
<u>2</u>	Worksheet A1	FERC Form No. 1 Inputs	Actual	<u>2020</u>
<u>3</u>	Worksheet A2	Network Transmission Load (MW)	Actual	<u>2020</u>
<u>4</u>	Worksheet A3	Revenue Credits	Actual	<u>2020</u>
<u>5</u>	Worksheet A3-1	Incremental Palo Verde Revenue Credits	Actual	<u>2020</u>
<u>6</u>	Worksheet A4	Plant in Service and Accumulated Depreciation	Actual	<u>2020</u>
<u>7</u>	Worksheet A5	Excluded Transmission Plant	Actual	<u>2020</u>
<u>8</u>	Worksheet A6	Construction Work in Progress (CWIP)	Actual	<u>2020</u>
<u>9</u>	Worksheet A7	Deferred Income Tax (DIT) Averages	Actual	<u>2020</u>
10	Worksheet A8	Accumulated Deferred Income Taxes (ADIT) Balances	Actual	2020
<u>10</u> <u>11</u>	Worksheet A9	Excess and Deficient Deferred Income Taxes	Actual	<u>2020</u> 2020
	Worksheet A10	Regulatory Assets and Liabilities	Actual	<u>2020</u> 2020
<u>12</u>	Worksheet A11	Abandoned Plant		
<u>13</u>			<u>Actual</u>	<u>2020</u> 2020
<u>14</u>	Worksheet A12	Unfunded Reserves	Actual	<u>2020</u>
<u>15</u>	Worksheet A13	Hold Harmless Adjustments	Actual	<u>2020</u>
<u>16</u>	Worksheet A14	Land and Land Rights Held for Future Use	Actual	<u>2020</u>
<u>17</u>	Worksheet A15	Working Capital	Actual	<u>2020</u>
<u>18</u>	Worksheet A16	Operating Expense Adjustments	Actual	<u>2020</u>
<u>19</u>	Worksheet A17	Taxes Other than Income Taxes	Actual	<u>2020</u>
<u>20</u>	Worksheet A18	Cost of Capital	Actual	<u>2020</u>
<u>21</u>	Worksheet A19	Corporate Income Tax Rates	Actual	<u>2020</u>
<u>22</u>	Worksheet A20	Permanent Book-Tax Differences	Actual	<u>2020</u>
<u>23</u>	Worksheet A21	Incentive Plant Return and Taxes	Actual	<u>2020</u>

<u>24</u>	Worksheet A22	Allocation Factors	Actual	2020
<u>25</u>	Schedule 1	<u>Schedule 1 - Load Dispatch Revenue Requirement</u>	<u>Actual</u>	<u>2020</u>
<u>26</u>	Attachment H	<u>Formula Rate Template Attachment H</u>	Projected	<u>2022</u>
<u>27</u>	Worksheet P1	Network Transmission Load (MW)	Projected	<u>2022</u>
28	Worksheet P2	Projected Transmission Plant Activity	Projected	<u>2022</u>
<u>29</u>	Worksheet P3	Construction Work in Progress (CWIP)	Projected	<u>2022</u>
<u>30</u>	Worksheet P4	Deferred Income Tax (DIT) Averages	Projected	<u>2022</u>
		Accumulated Deferred Income Taxes (ADIT)		
<u>31</u>	Worksheet P5	Balances	Projected	<u>2022</u>
<u>32</u>	Worksheet P6	Excess and Deficient Deferred Income Taxes	Projected	<u>2022</u>
<u>33</u>	Worksheet P7	Regulatory Assets and Liabilities	Projected	<u>2022</u>
<u>34</u>	Worksheet P8	Abandoned Plant	Projected	2022
<u>35</u>	Worksheet P9	Projected Expenses	Projected	<u>2022</u>
<u>36</u>	Worksheet P10	Corporate Income Tax Rates	Projected	<u>2022</u>
<u>37</u>	Worksheet P11	Incentive Plant Return and Taxes	Projected	<u>2022</u>
<u>38</u>	Worksheet P12	Allocation Factors	Projected	<u>2022</u>
<u>39</u>	Worksheet P13	Depreciation and Amortization Rates	Projected	<u>2022</u>
<u>40</u>	Worksheet P14	Composite Depreciation Rate Calculation	Projected	<u>2022</u>
<u>41</u>	Worksheet P15	True-Up Adjustment	Projected	<u>2022</u>
<u>42</u>	<u>Schedule 1</u>	<u> Schedule 1 - Load Dispatch Revenue Requirement</u>	Projected	<u>2022</u>
_				_

El Paso Electric Company Formula Rate Template (Actuals) Attachment H (Actuals) 12 Months Ended December 31, 2020

Line No.	Description	Reference	<u>Total</u> <u>Comp</u> <u>any</u> <u>Amou</u> <u>nt</u>		<u>twork</u> <u>ocator⁴</u> <u>%</u>	Network Transmission
	<u>[a]</u>	[b] ⁵	[<u>c</u>]	<u>[d]</u>	<u>[e]</u>	$[f] = [c] \times [e]$
_ =	= SECTION I: RATE SUMMARY	=		=		
<u>1</u>	Gross Revenue Requirement	<u>Ln. 86</u>				
	Revenue Credits					
<u>2</u>	Rent from Electric Property (Account No. 454)	Worksheet A3, Ln. 9 Cols. [i] and [1]				
<u>3</u>	Other Electric Revenues (Account No. 456.1)	Worksheet A3, Ln. 26 Cols. [i] and [1]				
<u>4</u>	Incremental Palo Verde Revenue Credit	Worksheet A3, Ln. 27 Cols. [i] and [l]				
<u>5</u>	Total Revenue Credits	Sum Lns. (2 through 4)	=			=
<u>6</u>	Net Revenue Requirement	<u>Lns. (1 - 5)</u>	=			
<u>7</u>	<u>Divisor (kW)</u>	Worksheet A2, Ln. 16				
	Rates					
<u>8</u>	<u>Annual (MW-year)</u>	<u>Lns. (6 / 7) x 1,000</u>				
<u>9</u>	Monthly (MW-month)	Ln. 8 / 12.0 Months				
<u>10</u>	Weekly (MW-week)	Ln. 8 / 52.0 Weeks				
<u>11</u>	<u>Daily On-Peak (MW-day)</u>	<u>Ln. 10 / 6.0 Days</u>				
<u>12</u>	<u>Daily Off-Peak (MW-day)</u>	<u>Ln. 10 / 7.0 Days</u>				
<u>13</u>	Hourly On-Peak (MW-hour)	Ln. 11 / 16.0 Hours				
<u>14</u>	Hourly Off-Peak (MW-hour)	Ln. 12 / 24.0 Hours				

SECTION II: RATE BASE

Gross Plant in Service¹

<u>15</u>	Production	Worksheet A4, Lns. (15 - 30)	NA
<u>16</u>	Transmission	Worksheet A4, Lns. (15 - 30)	TP
<u>17</u>	<u>Distribution</u>	Worksheet A4, Lns. (15 - 30)	NA
<u>18</u>	<u>General & Intangible</u>	Worksheet A4, Lns. (15 - 30)	WS
<u>19</u>	Total Gross Plant in Service	Sum Lns. (15 through 18)	=
	Accumulated Depreciation ¹		
<u>20</u>	Production	Worksheet A4, Lns. (44 - 58)	NA

<u>21</u>	Transmission	Worksheet A4, Lns. (44 - 58)		<u>TP</u>	
<u>22</u>	Distribution	Worksheet A4, Lns. (44 - 58)		<u>NA</u>	
<u>23</u>	General & Intangible	Worksheet A4, Lns. (44 - 58)		<u>WS</u>	
<u>24</u>	Total Accumulated Depreciation	Sum Lns. (20 through 23)	=		=

Net Plant in Service

<u>25</u>	Production	<u>Lns. (15 - 20)</u>		
<u>26</u>	Transmission	<u>Lns. (16 - 21)</u>		
<u>27</u>	Distribution	<u>Lns. (17 - 22)</u>		
<u>28</u>	General & Intangible	<u>Lns. (18 - 23)</u>		
<u>29</u>	Total Net Plant in Service	Sum Lns. (25 through 28)	=	=

<u>30</u> <u>Construction Work in Progress (CWIP)</u>

Worksheet A6, Ln. 2, Cols. [s] and [v]

Rate Base Adjustments

<u>31</u>	Accumulated Deferred Income Taxes (ADIT)	Worksheet A7, Ln. 58
<u>32</u>	Unamortized Excess/Deficient Deferred Income Taxes	Worksheet A7, Ln. 97
<u>33</u>	Unamortized Regulatory Assets	Worksheet A10, Ln. 3, Cols. [aa] and [cc]
<u>34</u>	Unamortized Regulatory Liabilities	Worksheet A10, Ln. 4, Cols. [aa] and [cc]
<u>35</u>	Unamortized Abandoned Plant	Worksheet A11, Ln. 2, Cols. [z] and [bb]
<u>36</u>	Unfunded Reserves	-1.0 x Worksheet A12, Ln. 2, Cols. [r] and [u]
<u>37</u>	Hold Harmless Adjustments	Worksheet A13, Ln. 2, Cols. [u] and [v]
<u>38</u>	Total Rate Base Adjustments	Sum Lns. (31 through 37)

$ \frac{40}{41} \frac{42}{42} \frac{43}{44} 45 $	Working Capital Cash Working Capital ² Material and Supplies (Transmission) Material and Supplies (Stores Expense) Prepayments Total Working Capital Rate Base	<u>Ln. 58 x 1/8</u> <u>Worksheet A15, Ln. 15</u> <u>Worksheet A15, Ln. 15</u> <u>Worksheet A15, Ln. 15</u> <u>Sum Lns. (40 through 43)</u> Lns. (29 + 30 + 38 + 39 + 44)	-	TP WS GP	=
	SECTION III: COST OF SERVICE				
	Adjusted Transmission O&M				
<u>46</u>	Transmission O&M Expenses	Worksheet A1, Ln. 57		<u>TP</u>	
<u>47</u>	Less: Account Nos. 561.1-561.8 (Load Dispatch)	Worksheet A1, Sum Lns. (48 through 55)		<u>TP</u>	
<u>48</u>	Less: Account No. 565 (Transmission of Electricity by Others)	Worksheet A1, Ln. 56		TP	
<u>49</u>	Total Adjusted Transmission O&M	<u>Lns. (46 - 47 - 48)</u>			=
<u>50</u>	Adjusted A&G A&G (Excluding Property Insurance and Regulatory Commission Expense)	Worksheet A1, Lns. (61 - 58 - 59)		WS	
<u>50</u> 51	Less: Non-Recoverable A&G	Worksheet A16, Ln. 5		WS	
52	Plus: Property Insurance	Worksheet A1, Ln. 58		GP	
53	Plus: Regulatory Commission Expense	Worksheet A16, Lns. 7 and 9			
54	Less: Actual OPEB Expense	Worksheet A16, Ln. 6		WS	
<u>55</u>	Plus: Fixed OPEB Expense	Fixed Amount ³		<u>WS</u>	
<u>56</u>	Total Adjusted A&G	Lns. (50 - 51 + 52 + 53 - 54 + 55)	=		=
<u>57</u>	Hold Harmless Expense Adjustments	Worksheet A13, Ln. 2, Cols. [d] and [g]			
<u>58</u>	Total Operating Expenses	<u>Lns. (49 + 56 + 57)</u>			=

Worksheet A14, Ln. 2, Cols. [q] and [t]

<u>39</u>

Land and Land Rights Held for Future Use

Depreciation and Amortization¹

59 60 61 62 63 64	<u>Transmission</u> <u>General & Intangible</u> <u>Amortization of Abandoned Plant</u> <u>Amortization of Regulatory Assets</u> <u>Amortization of Regulatory Liabilities</u> <u>Total Depreciation and Amortization</u>	Worksheet A1, Lns. (65 - 66) Worksheet A1, Lns. (63 - 64 + 67 - 68) Worksheet A11, Ln. 2, Cols. [h] and [l] Worksheet A10, Ln. 3, Cols. [i] and [m] Worksheet A10, Ln. 4, Cols. [i] and [m] Sum Lns. (59 through 63)		<u>TP</u> <u>WS</u>	=
	Taxes Other than Income Taxes				
<u>65</u>	Payroll	Worksheet A17, Ln. 2		WS	
<u>66</u>	Highway and Vehicle	Worksheet A17, Ln. 4		WS	
<u>67</u>	Property	Worksheet A17, Ln. 6		<u>NP</u>	
<u>68</u>	Gross Receipts	Worksheet A17, Ln. 8		<u>NA</u>	
<u>69</u>	Other	Worksheet A17, Ln. 10		<u>GP</u>	
<u>70</u>	Total Taxes Other than Income Taxes	Sum Lns. (65 through 69)	=		=
<u>71</u> <u>72</u>	Return on Rate Base Weighted Cost of Long-Term Debt Weighted Cost of Common Equity	Worksheet A18, Ln. 18, Col, [g] Worksheet A18, Ln. 18, Col, [f]			
<u>73</u>	Weighted Average Cost of Capital	<u>Lns. (71 + 72)</u>	=		=
<u>74</u> <u>75</u> <u>76</u>	<u>Return on Equity</u> <u>Interest Expense</u> <u>Total Return on Rate Base</u>	<u>Lns. (45 x 72)</u> <u>Lns. (45 x 71)</u> <u>Lns. (74 + 75)</u>	=		=
<u>77</u> <u>78</u>	Income Tax Computations Composite Income Tax Rate (T) Composite Income Tax Rate Gross-Up Rate	<u>Worksheet A19, Ln. 8</u> <u>Ln. 77 / (1.0 - Ln. 77)</u>			
<u>79</u>	Amortization of Excess/Deficient Deferred Income Taxes	Worksheet A9, Ln. 9, Col. [dd] x -1.0			
<u>80</u>	Permanent Differences	Worksheet A20, Ln. 8, Cols. [b] and [e]			

Income Taxes

81 Income Tax on Equity Return

<u>Lns. (74 x 78)</u>

<u>82</u>	Tax Adjustment-Excess/Deficient Deferred Income Taxes	<u>(1.0 + Ln. 78) x Ln. 79</u>		
<u>83</u>	Tax Adjustment-Permanent Differences	<u>(1.0 + Ln. 78) x Ln. 77 x Ln. 80</u>		
<u>84</u>	Total Income Taxes	Sum Lns. (81 through 83)	=	=
<u>85</u>	Incentive Plant Return and Taxes	Worksheet A21, Ln. 2, Col. [qq]		
<u>86</u>	Gross Revenue Requirement	Sum Lns. (58, 64, 70, 76, 84, and 85)		=
_		_		

Notes and Sources:

3

<u>4</u>

5

1		Plant in Service, Accumulated Depr	reciation, and Depreciation Expe	ense amounts exclude Asset Retirement	Obligation amounts unless authorized by F	ERC.
2	,					

Cash working capital calculated using the 1/8th O&M methodology.

Fixed other post-employment benefits (OPEB) expense of (\$3,848,723) as established in Docket No. ER22-282-000. This amount cannot be modified absent a ruling from the <u>Commission</u>. The fixed OPEB expense will be used in lieu of the actual OPEB expense incurred in the year absent FERC approval. The Company reviews internal records and identifies the PBOP expenses to be removed from A&G as shown on Worksheet A16, line 6.

- Throughout this Formula Rate Template (Actuals), network allocators are sourced from Worksheet A22.
 - Throughout this Formula Rate Template yellow-shaded cells are sourced from Company manual inputs.

El Paso Electric Company Formula Rate Template (Actuals) FERC Form No. 1 Inputs 12 Months Ended December 31, 2020

<u>Line</u> <u>No.</u>	Description	Reference	Beginning of Year Input	Current Year/End of Year Input
	<u>[a]</u>	<u>[b]</u>	<u>[c]</u>	<u>[d]</u>
<u>1</u>	Year of FERC Form No. 1 Inputs (Historic True- Up Year) Year of Rate Projections (Rate Year)	Manual Input (Enter as "1/1/YYYY") Manual Input (Enter as "1/1/YYYY")		<u>1/1/2020</u> 1/1/2022
2	Balance Sheet Inputs			1/1/2022
<u>3</u>	Prepayments	Page 111, Line 57, Columns (c) and (d)		
<u>4</u>	Unamortized Debt Expenses (181)	Page 111, Line 69, Columns (c) and (d)		
<u>5</u>	Unamortized Loss on Reaquired Debt (189)	Page 111, Line 81, Columns (c) and (d)		
<u>6</u>	Preferred Stock Issued (204)	Page 112, Line 3, Columns (c) and (d)		
<u>7</u>	Unappropriated Undistributed Subsidiary Earnings (216.1) Accumulated Other Comprehensive Income	Page 112, Line 12, Columns (c) and (d)		
<u>8</u>	(219)	Page 112, Line 15, Columns (c) and (d)		
<u>9</u>	Total Proprietary Capital	Page 112, Line 16, Columns (c) and (d)		
<u>10</u>	Total Long-Term Debt	Page 112, Line 24, Columns (c) and (d)		
<u>11</u>	Unamortized Gain on Reaquired Debt (257)	Page 113, Line 61, Columns (c) and (d)		
	Interest Charges			
12	Interest on Long-Term Debt (427)	Page 117, Line 62, Column (c)		

<u>12</u>	Interest on Long-Term Debt (427) Amortization of Debt Discount and Expense	<u>Page 117, Line 62, Column (c)</u>	
<u>13</u>	(428)	Page 117, Line 63, Column (c)	
<u>14</u>	Amortization of Loss on Reaquired Debt (428.1)	Page 117, Line 64, Column (c)	
<u>15</u>	Amortization of Premium on Debt-Credit (429) Amortization of Gain on Reaquired Debt-Credit	Page 117, Line 65, Column (c)	
<u>16</u>	<u>(429.1)</u>	<u>Page 117, Line 66, Column (c)</u>	
<u>17</u>	Interest on Debt to Associated Companies (430)	Page 117, Line 67, Column (c)	

Amortization of Other Utility Plant <u>18</u>

<u>31</u>

<u>32</u>

Page 200, Line 21, Column (c) (for respective yr)

		Pages 204-205, Line 5, Columns (b)		
<u>19</u>	Total Intangible Plant	and (g)		
		Pages 204-205, Line 15, Columns (b)		
<u>20</u>	Asset Retirement Costs (Steam Production Plant)	and (g)		=
	Asset Retirement Costs (Nuclear Production	Pages 204-205, Line 24, Columns (b)		
<u>21</u>	Plant)	and (g)	=	
	Asset Retirement Costs (Hydraulic Production	Pages 204-205, Line 34, Columns (b)		
<u>22</u>	Plant)	and (g)		
		Pages 204-205, Line 44, Columns (b)		
<u>23</u>	Asset Retirement Costs (Other Production Plant)	and (g)		
		Pages 204-205, Line 46, Columns (b)		
<u>24</u>	Total Production Plant	and (g)		
		Pages 206-207, Line 57, Columns (b)		
<u>25</u>	Asset Retirement Costs (Transmission Plant)	and (g)	-	
		Pages 206-207, Line 58, Columns (b)		
<u>26</u>	Total Transmission Plant	and (g)		
		Pages 206-207, Line 74, Columns (b)		
<u>27</u>	Asset Retirement Costs (Distribution Plant)	<u>and (g)</u>	-	
		Pages 206-207, Line 75, Columns (b)		
<u>28</u>	Total Distribution Plant	and (g)		
		Pages 206-207, Line 98, Columns (b)		
<u>29</u>	Asset Retirement Costs (General Plant)	and (g)		
		Pages 206-207, Line 99, Columns (b)		
<u>30</u>	Total General Plant	<u>and (g)</u>		

	Page 214, Lines 1 through 20, Column	
Land and Rights Held for Future Use	<u>(d)</u>	
Construction Work in Progress	Page 216, Line 43, Column (b)	

				ustment per locket ER22-	
	End of Year Accumulated Depreciation Balances		282	Settlement	Adjusted Amount
<u>33</u>	Steam Production	Page 219, Line 20, Column (c)			=
<u>34</u>	Nuclear Production	Page 219, Line 21, Column (c)			
<u>35</u>	Hydraulic Production	Page 219, Lines 22+23, Column (c)			
<u>36</u>	Other Production	Page 219, Line 24, Column (c)			=

<u>37</u>	Transmission	Page 219, Line 25, Column (c)				
<u>38</u>	Distribution	Page 219, Line 26, Column (c)				
<u>39</u>	General	<u>Page 219, Line 28, Column (c)</u>		=	=	=
	Materials and Supplies Balances					
<u>40</u>	Transmission Plant (Estimated) (154)	Page 227, Line 8, Columns (b) and (c)	2			
41	Stores Expense Undistributed) (163)	Page 227, Line 16, Columns (b) and (c)				
				Ā		
	Accumulated Deferred Income Taxes and ITCs					
<u>42</u>	Account No. 190	Page 234, Line 8, Columns (b) and (c)				
		Pages 266-267, Line 8, Columns (b)				
<u>43</u>	Account No. 255	<u>and (h)</u> Pages 274-275, Line 2, Columns (b)				
<u>44</u>	Account No. 282	<u>and (k)</u>				
<u>45</u>	Account No. 283	Pages 276-277, Line 9, Columns (b) and (k)	_	-		
	Other Revenues					
<u>46</u>	Rent from Electric Property (454)	Page 300, Line 19, Column (b)				
	Revenues from Transmission of Electricity of					
<u>47</u>	<u>Others (456.1)</u>	Page 300, Line 22, Column (b)		=	1	
	Operating Expenses					
<u>48</u>	Load Dispatch-Reliability (561.1) Load Dispatch-Monitor and Operate	Page 321, Line 85, Column (b)				
<u>49</u>	Transmission System (561.2)	Page 321, Line 86, Column (b)				
<u>50</u>	Load Dispatch-Transmission Service and Scheduling (561.3)	Page 321, Line 87, Column (b)				
	Scheduling, System Control and Dispatch					
<u>51</u>	Services (561.4) Reliability, Planning and Standards Development	Page 321, Line 88, Column (b)				
<u>52</u>	(561.5)	Page 321, Line 89, Column (b)				
<u>53</u>	Transmission Service Studies (561.6)	Page 321, Line 90, Column (b)				
<u>54</u>	Generation Interconnection Studies (561.7)	Page 321, Line 91, Column (b)				

Page 321, Line 92, Column (b)

Page 321, Line 96, Column (b)

Page 321, Line 112, Column (b)

- 54
 Generation Interconnection Studies (561.7)

 Reliability, Planning and Standards Development

 55
 Services (561.8)
- <u>56</u> <u>Transmission of Electricity by Others (565)</u>
- 57 <u>Total Transmission Expenses</u>

<u>58</u>	Property Insurance (924)	Page 323, Line 185, Column (b)
<u>59</u>	Regulatory Commission Expenses (928) ¹	Page 323, Line 189, Column (b)
<u>60</u>	General Advertising Expenses (930.1)	Page 323, Line 191, Column (b)
<u>61</u>	Total Administrative and General Expenses	Page 323, Line 197, Column (b)
<u>62</u>	Industry Association Dues (930.2)	Page 335, Column (b)

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E 10 (1997)	
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Adjusted Amount

	Depreciation and Amortization Charges		Adjustment per the Docket ER22- 282 Settlement
<u>63</u>	Total (Intangible Plant)	Page 336, Line 1, Column (f)	
<u>64</u>	Depreciation Expense for AROs (Intangible Plant)	Page 336, Line 1, Column (c)	
<u>65</u>	Total (Transmission Plant)	Page 336, Line 7, Column (f)	
<u>66</u>	Depreciation Expense for AROs (Transmission Plant)	Page 336, Line 7, Column (c)	
<u>67</u>	Total (General Plant)	Page 336, Line 10, Column (f)	
<u>68</u>	Depreciation Expense for AROs (General Plant)	Page 336, Line 10, Column (c)	
	Distribution of Salaries and Wages		
<u>69</u>	Production	Page 354, Line 20, Column (b)	
<u>70</u>	Transmission	Page 354, Line 21, Column (b)	
<u>71</u>	Distribution	Page 354, Line 23, Column (b)	
<u>72</u>	Customer Accounts	Page 354, Line 24, Column (b)	
<u>73</u>	Customer Service and Informational	Page 354, Line 25, Column (b)	
<u>74</u>	Sales	<u>Page 354, Line 26, Column (b)</u>	-
	Firm Network Service for Self		
<u>75</u>	January	<u>Page 400, Line 1, Column (e)</u>	

Page 400, Line 6, Column (e)

<u>15</u>	<u>sandar y</u>	<u>1 age 400, Line 1, Column (c)</u>
<u>76</u>	February	Page 400, Line 2, Column (e)
<u>77</u>	March	Page 400, Line 3, Column (e)
<u>78</u>	April	Page 400, Line 5, Column (e)

<u>79 May</u>

<u>80</u>	June	<u>Page 400, Line 7, Column (e)</u>
<u>81</u>	July	Page 400, Line 9, Column (e)
<u>82</u>	August	<u>Page 400, Line 10, Column (e)</u>
<u>83</u>	September	<u>Page 400, Line 11, Column (e)</u>
<u>84</u>	October	<u>Page 400, Line 13, Column (e)</u>
<u>85</u>	November	<u>Page 400, Line 14, Column (e)</u>
<u>86</u>	December	Page 400, Line 15, Column (e)

Firm Network Service for Others

<u>87</u>	January	Page 400, Line 1, Column (f)
<u>88</u>	February	Page 400, Line 2, Column (f)
<u>89</u>	March	Page 400, Line 3, Column (f)
<u>90</u>	April	Page 400, Line 5, Column (f)
<u>91</u>	May	Page 400, Line 6, Column (f)
<u>92</u>	June	Page 400, Line 7, Column (f)
<u>93</u>	July	Page 400, Line 9, Column (f)
<u>94</u>	August	<u>Page 400, Line 10, Column (f)</u>
<u>95</u>	September	<u>Page 400, Line 11, Column (f)</u>
<u>96</u>	October	Page 400, Line 13, Column (f)
<u>97</u>	November	<u>Page 400, Line 14, Column (f)</u>
<u>98</u>	December	Page 400, Line 15, Column (f)

Long-Term Firm Point-to-point Reservations

<u>99</u>	January	Page 400, Line 1, Column (g)
<u>100</u>	February	<u>Page 400, Line 2, Column (g)</u>
<u>101</u>	March	Page 400, Line 3, Column (g)
<u>102</u>	April	Page 400, Line 5, Column (g)
<u>103</u>	May	<u>Page 400, Line 6, Column (g)</u>
<u>104</u>	June	<u>Page 400, Line 7, Column (g)</u>
<u>105</u>	July	<u>Page 400, Line 9, Column (g)</u>
<u>106</u>	August	Page 400, Line 10, Column (g)

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=	
-	





<u>107</u>	September	<u>Page 400, Line 11, Column (g)</u>	
<u>108</u>	October	<u>Page 400, Line 13, Column (g)</u>	
<u>109</u>	November	<u>Page 400, Line 14, Column (g)</u>	
<u>110</u>	December	<u>Page 400, Line 15, Column (g)</u>	

Other Long-Term Firm Service

<u>111</u>	January	<u>Page 400, Line 1, Column (h)</u>
<u>112</u>	February	<u>Page 400, Line 2, Column (h)</u>
<u>113</u>	March	Page 400, Line 3, Column (h)
<u>114</u>	April	<u>Page 400, Line 5, Column (h)</u>
<u>115</u>	May	<u>Page 400, Line 6, Column (h)</u>
<u>116</u>	June	Page 400, Line 7, Column (h)
<u>117</u>	July	<u>Page 400, Line 9, Column (h)</u>
<u>118</u>	August	Page 400, Line 10, Column (h)
<u>119</u>	September	Page 400, Line 11, Column (h)
<u>120</u>	October	Page 400, Line 13, Column (h)
<u>121</u>	November	Page 400, Line 14, Column (h)
<u>122</u>	December	Page 400, Line 15, Column (h)

Short-Term Firm Point-to-point Reservation

<u>123</u>	January	Page 400, Line 1, Column (i)
<u>124</u>	February	<u>Page 400, Line 2, Column (i)</u>
<u>125</u>	March	<u>Page 400, Line 3, Column (i)</u>
<u>126</u>	April	<u>Page 400, Line 5, Column (i)</u>
<u>127</u>	May	<u>Page 400, Line 6, Column (i)</u>
<u>128</u>	June	<u>Page 400, Line 7, Column (i)</u>
<u>129</u>	July	<u>Page 400, Line 9, Column (i)</u>
<u>130</u>	August	Page 400, Line 10, Column (i)
<u>131</u>	September	Page 400, Line 11, Column (i)
<u>132</u>	October	Page 400, Line 13, Column (i)
<u>133</u>	November	<u>Page 400, Line 14, Column (i)</u>

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<u>134</u>	December	<u>Page 400, Line 15, Column (i)</u>	
	Other Service		
<u>135</u>	January	Page 400, Line 1, Column (j)	
<u>136</u>	February	Page 400, Line 2, Column (j)	
<u>137</u>	March	<u>Page 400, Line 3, Column (j)</u>	
<u>138</u>	April	<u>Page 400, Line 5, Column (j)</u>	
<u>139</u>	May	<u>Page 400, Line 6, Column (j)</u>	
<u>140</u>	June	<u>Page 400, Line 7, Column (j)</u>	
<u>141</u>	July	<u>Page 400, Line 9, Column (j)</u>	
<u>142</u>	August	<u>Page 400, Line 10, Column (j)</u>	
<u>143</u>	September	<u>Page 400, Line 11, Column (j)</u>	
<u>144</u>	October	<u>Page 400, Line 13, Column (j)</u>	
<u>145</u>	November	<u>Page 400, Line 14, Column (j)</u>	
<u>146</u>	December	Page 400, Line 15, Column (j)	-

 Notes and Sources:

 Prior to January 1, 2023, a portion of the amount shown on this line was recorded in Account No. 408. They are

now recorded in Account No. 928.

_

<u>line</u> <u>No.</u>	Month [a]	<u>Firm Network for</u> <u>Self</u> [b]	<u>Firm Network</u> Service for Others [c]	Long-Term Firm Point to Point Reservations [d]	<u>Other Long-Term</u> <u>Firm Service</u> [e]	Short Term Firm Point to Point Reservation [f]	Other Service	<u>Transmission</u> System Peak Load [h]=Sum([b]-[g])	<u>12-Month</u> <u>Coincident</u> <u>Peak Average¹</u> [i]=[h]-[f]
<u>1</u>	Reference for Monthly Loads	<u>Worksheet A1, Lns.</u> (75 through 86)	<u>Worksheet A1, Lns.</u> (87 through 98)	<u>Worksheet A1, Lns.</u> (99 through 110)	<u>Worksheet A1, Lns.</u> (111 through 122)	<u>Worksheet A1, Lns.</u> (123 through 134)	<u>Worksheet A1, Lns.</u> (135 through 146)		
<u>2</u>	January				<u> </u>				=
<u>3</u>	<u>February</u>								<u> </u>
<u>4</u>	March								
<u>5</u>	April								Ξ
<u>6</u>	May						_		Ξ
<u>7</u>	June	-					-		=
<u>8</u>	July						-		Ξ
<u>9</u>	August								=
10	September								=
<u>11</u>	October								=
<u>12</u>	November								=
13	December								<u> </u>
<u>14</u>	<u>12-Month Total</u>			<u>-</u>					=
<u>15</u>	<u>12-Month CP Average (Ln. 14 / 12 Months)</u>								=
16	<u>12-Month CP Average (kW) (Ln. 15 x 1,000)</u>								E

<u>1</u> <u>12-month CP average includes all load with the exception of Short-Term Firm Point-to-Point load.</u>

El Paso Electric Company Formula Rate Template (Actuals) Revenue Credits 12 Months Ended December 31, 2020

		<u>Servi</u>			<u>PTP</u> Transmission	Network	Ancillary		Total Company	<u>Network</u> A	Allocator	Network
<u>Line</u> <u>No.</u>	<u>Type</u>	<u>ce</u> <u>Type</u>	Description	<u>Reference</u>	<u>Schedules 7 &</u> <u>8</u>	<u>Transmission</u> <u>Schedule 9</u>	Service	<u>Other</u>	Amount	Code	<u>%</u>	Transmission
_ =	<u>[a]</u>	<u>[b]</u> =	<u>[c]</u>	<u>[d]</u>	<u>[e]</u>	<u>[1]</u> =	[g]	[<u>h]</u>	[i]=sum([e]-[h])	[<u>]]</u>	<u>[k]</u> =	[<u>1] = [i] x [k]</u>
			Account No. 454 (Rent from Electric Property) ²									
<u>1</u>	Affili	ate	General and Intangible Plant	Company Input/Records					_	<u>WS</u>		
<u>2</u>	Affili	ate	Production Plant	Company Input/Records						<u>NA</u>		
<u>3</u>	Affili	ate	Transmission Plant	Company Input/Records						TP		
<u>4</u>	Affili	ate	Distribution Plant	Company Input/Records						<u>NA</u>		
<u>5</u>	<u>Non-Af</u>	filiate	General and Intangible Plant	Company Input/Records						<u>WS</u>		
<u>6</u>	<u>Non-Af</u>	filiate	Production Plant	Company Input/Records						<u>NA</u>		
<u>I</u>	Non-Af	filiate	Transmission Plant	Company Input/Records						TP		
<u>8</u>	Non-Aff	filiate	Distribution Plant Total Account No. 454 (Rent from Electric	Company Input/Records					=	<u>NA</u>		
<u>9</u>			Property)	<u>Sum Lns. (1 through 8)</u>					=			=

Account No. 456.1 (Other Electric Revenues)^{3, 5}

			Account No. 456.1 (Other Electric Revenues) ^{3, 3}		
				FERC Form No. 1 Pages	
<u>10</u>	Divisor	<u>FNO</u>	Firm Network	<u>328-330</u>	
				FERC Form No. 1 Pages	
<u>11</u>	Ancillary	<u>FNO</u>	Firm Network	<u>328-330</u>	
				FERC Form No. 1 Pages	
<u>12</u>	Divisor	LFP	Long Term Firm	328-330	
				FERC Form No. 1 Pages	
<u>13</u>	Ancillary	LFP	Long Term Firm	<u>328-330</u>	
				FERC Form No. 1 Pages	
<u>14</u>	Divisor	<u>OLF</u>	Other Long Term Firm	<u>328-330</u>	
				FERC Form No. 1 Pages	
<u>15</u>	Ancillary	<u>OLF</u>	Other Long Term Firm	<u>328-330</u>	
				FERC Form No. 1 Pages	
<u>16</u>	Credit	<u>SFP</u>	Short Term Firm Point To Point	<u>328-330</u>	
				FERC Form No. 1 Pages	
<u>17</u>	Ancillary	<u>SFP</u>	Short Term Firm Point To Point	<u>328-330</u>	

<u>18</u>	Credit	NF	Non Firm	FERC Form No. 1 Pages 328-330	2		_	_			
19	Ancillary	NF	Non Firm	FERC Form No. 1 Pages 328-330							
<u>20</u>	Divisor	<u>OS</u>	Other Service	FERC Form No. 1 Pages 328-330			=				
<u>21</u>	Ancillary	<u>OS</u>	Other Service	FERC Form No. 1 Pages 328-330							
	<u></u>		<u>Total Account No. 456.1 (Other Electric</u> Revenues)	<u>Sum Lns. (10 through</u> 21)		=	=				
<u>22</u>			<u>revenues</u>	<u>41)</u>	=	=	=	-	=		
			Other Electric Revenues by Type ⁴								
				Taken from Lns. 10							
<u>23</u>			Credit	<u>through 21</u> Taken from Lns. 10						TP	
<u>24</u>			Divisor	through 21						<u>NA</u>	
<u>25</u>			Ancillary	<u>Taken from Lns. 10</u> through 21						NA	
			Total Account No. 456.1 (Other Electric Revenues)	Sum Lns. (23 through							
<u>26</u>			<u>Kevenuesj</u>	<u>25)</u>	-	=	=	=	=		=
			Incremental LTF PTP Palo Verde Revenue	Worksheet A3-1, Ln							
27			Credits	<u>17, Col [d]</u>							
<u>28</u>			Total Revenue Credits	Lns. (9 + 26 + 27)						_	_ =
=	=	=	=	=				-	-		

- 1
 Unless otherwise stated, source of shaded cells is company input/records.

 Total company amount shown on line 9 must match the amount shown on Worksheet A1, line 46, which is taken from the Company's FERC

 2
 Form No. 1.

 Total company amount shown on line 22 must match the amount shown on Worksheet A1, line 47, which is taken from the Company's
 - FERC Form No. 1.
- Amounts shown on lines 23 through 25 are automatically generated based on the Account No. 456.1 categorizations shown in column [a] for lines 10 through 21.
- 4 <u>Categories described below:</u>
 - Ancillary Ancillary services includes regulation & frequency, control & dispatch, voltage control, reactive, spinning reserve, and
 - <u>scheduling; no revenue credit.</u>
 - Divisor- Load associated with these revenues are included in the formula divisor; no revenue credit.
 - <u>Credit-</u><u>Revenue credit because the load is not included in divisor.</u>
- ⁵ The revenues credited shall include only amounts received directly for transmission service provided by EPE under this tariff using EPE's integrated transmission facilities, except that these revenue credits shall not include revenues associated with transmission service for which loads are included in the rate divisor on Worksheet A2, line 16 of this Formula Rate Template. The revenues credited do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, and facilities for which costs are not recovered under this Formula Rate Template (e.g., direct assignment facilities and GSUs). As an exception to this principle, during the Docket No. ER22-282 Settlement's stay period associated with LTF PTP service, revenue credits include certain amounts associated with transmission service for which loads are included in the rate divisor on Worksheet A2, line 16.

<u>El Paso Electric Company</u>

<u>Worksheet A3-1</u> THIS WORKSHEET APPLIES SOLELY DURING THE DOCKET ER22-282 SETTLEMENT STAY PERIOD.

Formula Rate Template (Actuals) Incremental Palo Verde Revenue Credits 12 Months Ended December 31, 2020

. . .

<u>Line</u> <u>No.</u>	<u>Path</u>	Description	Reference	<u>Amount 1, 2</u>
=	<u>[a]</u>	<u>[b]</u>	<u>[c]</u>	<u>[d]</u>
<u>1</u>	Long	<u>Term Firm PV-WW</u>		
2		Revenue included in FF1 (\$)	Company Records	
<u>3</u>		Revenue Calculated at Formula Rate		=
<u>4</u>		<u>Annual Demand (MW)</u> Applicable Firm Annual Formula Rate	Company Records	. =
<u>5</u>		(\$/MW-year)	Company Records	
<u>6</u>		Revenue at Annual Formula Rate (\$)	Line 4 x Line 5	
<u>7</u>		Incremental Revenue Credit (\$)	<u>Line 2 - Line 6</u>	=
<u>8</u>				
<u>9</u>	Long	<u>Term Firm PV-JO-KY</u>		
<u>10</u>		Revenue included in FF1 (\$)	Company Records	=
<u>11</u>		Revenue Calculated at Formula Rate		
<u>12</u>		Annual Demand (MW)	Company Records	.=
<u>13</u>		<u>Applicable Firm Annual Formula Rate</u> (<u>\$/MW-year)</u>	Company Records	-
<u>14</u>		<u>Revenue at Annual Formula Rate (\$)</u>	Line 12 x Line 13	
<u>15</u>		Incremental Revenue Credit (\$)	Line 10 - Line 14	=
<u>16</u>				
<u>17</u>	<u>Total</u>	Incremental PV LTF Revenue Credit	<u>Line 7 + Line 15</u>	

Notes and Sources:

2

Unless otherwise stated, source of shaded cells

¹ is company input/records.

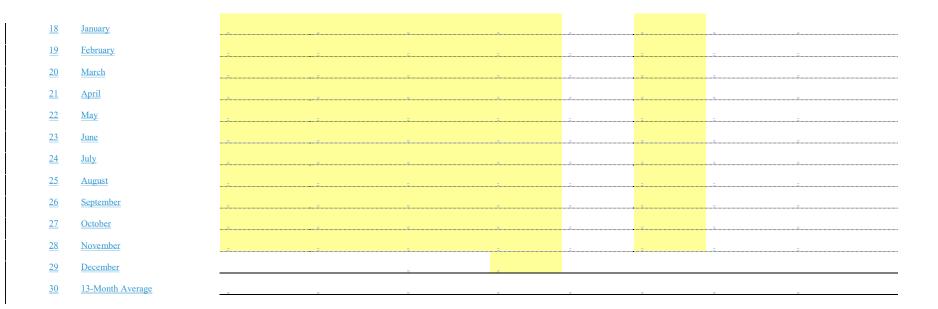
The incremental revenue credits automatically expire under the Docket ER22-282 Settlement on the dates identified in the Settlement Agreement, without the need for Company action or Commission approval under Sections 205 or 206.

El Paso Electric Company Formula Rate Template (Actuals) Plant in Service and Accumulated Depreciation 12 Months Ended December 31, 2020

Gross Plant in Service (AROs)^{1, 2}

<u>ine</u> [<u>o.</u>	Month	Total Production	Total Distribution	<u>Network</u> <u>Transmission</u>	Excluded Transmission Plant	<u>Total</u> <u>Transmission</u>	Total General	Total Intangible	<u>Total Plant</u>
	<u>[a]</u>	[<u>b]</u>	<u>[c]</u>	<u>[d]</u>	<u>[e]</u>	[f] = [d] + [e]	[<u>g]</u>	<u>[h]</u>	[i]=[b]+[c]+[f]+[g]+[
	Gross Plant in Service ¹	-	=	=				-	
1	<u>Reference for BOY/EOY Balances</u>	<u>Worksheet A1, Lns.</u> (24-20-21-22-23)	<u>Worksheet A1, Lns.</u> <u>(28-27)</u>	<u>Col. [f] - Col. [e]</u>	<u>Worksheet A5,</u> <u>Ln. 2</u>	<u>Worksheet A1.</u> <u>Lns. (26-25)</u>	<u>Worksheet A1,</u> <u>Lns. (30-29)</u>	<u>Worksheet A1, Ln.</u> <u>19</u>	
2	Prior December							=	
3	January						=		
<u>4</u>	February		-				-		
5	March			.			-	-	
<u>5</u>	April						-		
7	May				=	=			
8	June			.		=	-	-	
)	July								
0	August								
1	September								
2	October			=					
3	November								
<u>4</u>	December			2					
5	13-Month Average	_	-	-	_	_	_	_	_

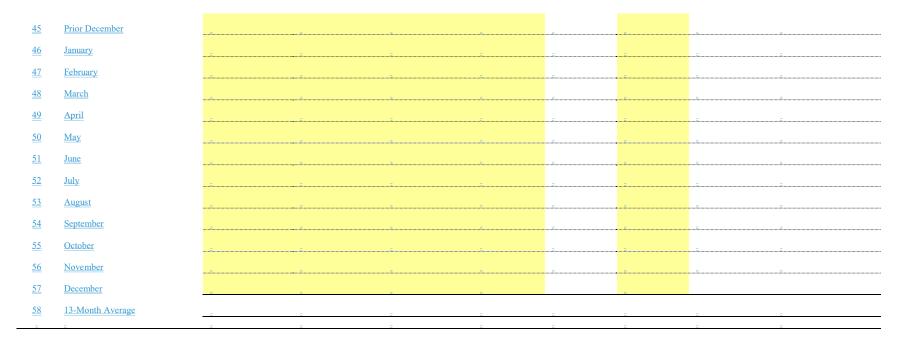
16 Reference for BOY/EOY Balances Worksheet A1, Lns. (20+21+22+23) Worksheet A1, Ln. 27 Col. [f] - Col. [e] Company Input / Records Worksheet A1, Ln. 25 Worksheet A1, Ln. 29 Fixed \$0 17 Prior December Image: Image:



Accumulated Depreciation^{1, 3}

<u>31</u>	Prior December	
<u>32</u>	January	· · · · · · · · · · · · · · · · · · ·
<u>33</u>	<u>February</u>	
<u>34</u>	March	
<u>35</u>	April	
<u>36</u>	May	
<u>37</u>	June	
<u>38</u>	July	
<u>39</u>	August	
<u>40</u>	<u>September</u>	
<u>41</u>	October	
<u>42</u>	November	
<u>43</u>	December	
<u>44</u>	13-Month Average	

Accumulated Depreciation (AROs)^{1, 2}



Notes and Sources:

1 Unless otherwise stated, source of shaded cells is company input/records. Sources for certain BOY/EOY gross plant balances are listed on lines 1 and 16.

² <u>Monthly ARO balances for the intangible plant function are fixed at \$0.</u>

³ Accumulated depreciation balances for the intangible plant function reflect the Company's balances for Account No. 111 (Accumulated provision for amortization of electric utility plant).

El Paso Electric Company Formula Rate Template (Actuals) Excluded Transmission Plant 2 Months Ended December 31, 2020

: Lin	e No. Description of Facilities!	= Reason for Exclusion from Network Transmission	= GROSS PLAN	= [T IN SERVICE BA]	= LANCES	=	=	=	=	= GROSS PLAN	= IT IN SERVICE BAI	= LANCES	=	=	=	= <u>13-Month Average</u>
			Dec-2019	Jan-2020	<u>Feb-2020</u>	<u>Mar-2020</u>	<u>Apr-2020</u>	<u>May-2020</u>	<u>Jun-2020</u>	<u>Jul-2020</u>	<u>Aug-2020</u>	<u>Sep-2020</u>	<u>Oct-2020</u>	<u>Nov-2020</u>	<u>Dec-2020</u>	Balance
		р	<u>[c]</u>	[<u>d]</u>	<u>[e]</u>	<u>[f]</u>	[<u>g]</u>	[<u>h]</u>	<u>[i]</u>	<u>[j]</u>	<u>[k]</u>	Ш	<u>[m]</u>	<u>[n]</u>	<u>[0]</u>	[<u>p]</u>
ł	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
a	Anthony to Border Steel	Agreed in Settlement, Docket No. ER22-282	=	=	=	=	=	=	=	=	=	=	=	=	=	=
b	Rio Grande to Border Steel	Agreed in Settlement, Docket No. ER22-282	=	=	=	=	=	=	=	÷	=	=	=	=	=	=
<u>ic</u>	Apollo to Cox ²	Agreed in Settlement, Docket No. ER22-282	=	=	=	=	=	=	=	=	=	=	=	=	=	=
<u>id</u>	Jornada to Hatch	Agreed in Settlement, Docket No. ER22-282	=	=	=	=	=	=	=	=	=	=	=	=	=	=
e	Emerald to Largo to Mar	Agreed in Settlement, Docket No. ER22-282	=	=	=	=	=	=	=	=	=	=	=	=	=	=
f	Oro Grande to White Sands	Agreed in Settlement, Docket No. ER22-282	=	=	=	=	÷	=	=	÷	=	=	=	÷	=	=
g	<u>Arroyo to Jornada²</u>	Agreed in Settlement, Docket No. ER22-282	÷	=	=	=	=	÷	=	÷	÷	=	=	=	÷	=
+			÷	=	=	÷	=	÷	÷	=	=	=	=	=	÷	=
ZZ	<u>Z</u>		=	÷	=	=	=	=	=	=	=	=	÷	=	=	=
2	Total Excluded Transmission Plant (Sum Lns.	<u>. (1a through 1zz))</u>	=	÷	=	=	=	=	=	=	÷	=	=	=	=	=
-	=	=	÷	=	=	÷	÷	÷	÷	÷	=	÷	=	÷	÷	=

Notes and Sources:

<u>Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent</u> adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of <u>excluded transmission plant balances.</u>

<u>These lines are undergoing configuration changes such that radial characteristics are expected to be eliminated.</u> The settlement's exclusion from the OATT rate base is temporary. These lines will be included in the OATT rates <u>upon reconfiguration completion.</u>

Network **FERC** Estimated BALANCES BALANCES Network Network Allocator Recovery % Construction Average Description² **Approval** In-Service **Transmission** Allocator <u>CWIP</u> Start Date Dec-<u>Jan-</u> Feb-<u>Jul-</u> Oct-Dec-Approved³ <u>Mar-</u> <u>Apr-</u> May-<u>Aug-</u> Sep-<u>Nov-</u> **Docket** <u>Jun-2020</u> **Balance** Justification⁴ Code <u>%</u> Date 2020 2020 2020 Line 2019 2020 2020 2020 2020 2020 2020 2020 2020 <u>No.</u> [s]=Avg. ([f] [a] [b] [c] [d] [e] [<u>f</u>] [g] [h] [i] [j] [<u>k]</u> [1] [**0**] [p] [q] [r] <u>[t]</u> <u>[u]</u> v = s x c x u[w] [m] [n] through [r]) <u>la</u> <u>1b</u> 1zz Total Construction Work in Progress (Sum Lns. (1a through 1zz)) 2

Notes and Sources:

- Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of CWIP balances.
- ² The accrual of allowance for funds used during construction (AFUDC) ceases when CWIP is recovered in rate base corresponding to the amount of CWIP included in rate base. Accounting procedures must ensure that there is no duplicate recovery of CWIP and corresponding capitalized AFUDC.
- Percentages greater than 0% listed in column [c] must be accompanied by a corresponding FERC docket number in column [b], where rate base treatment was specifically directed or approved by the Commission pursuant to a \$205, \$206, or \$219 filing.

⁴ <u>Only network allocator codes listed on Worksheet A22 may be inputed.</u>

Worksheet A6

<mark>El Paso Electric Company</mark> Formula Rate Template (Actuals)

Deferred Income Tax (DIT) Averages

12 Months Ended December 31, 2020

Line	Description / Month			Day	y <mark>s in Period¹</mark>					Calculation of Actu	al Monthly Bal	ances	
<u>No.</u>			<u>Days in</u> <u>Month</u>	<u>Days</u> Prorated	<u>Days in</u> <u>Trued-Up</u> <u>Period</u>	Proration Percentage	Prorated Projected Monthly Activity ²	<u>Actual</u> <u>Monthly</u> <u>Activity³</u>	Difference Between Actual and Projected Activity ⁴	Monthly Actual Activity Above <u>Projection</u> (No Prorationing) ⁵	<u>Monthly</u> <u>Actual</u> <u>Activity</u> <u>Below</u> <u>Projection</u> (Prorate) ⁶	<u>Monthly Actual</u> <u>Activity that</u> <u>Decreases</u> <u>Absolute Balance</u> <u>(No</u> <u>Prorationing)⁷</u>	Partially <u>-</u> Prorated Actual ADIT Balances ⁸
	<u>[a]</u>		[b]	[c]	<u>[d]</u>	[e]=[c]/[d]	<u>[f]</u>	[g]	[<u>h] = [g] - [f]</u>	<u>[i]</u>	<u>[i]</u>	<u>[k]</u>	[1]
Accur	nulated Deferred Income Taxes (Acc	<u>count No. 190)</u>	_	=	=	=	= = =	= = =	=	=	=	2	=
<u>1</u>	Dec-2019 (Worksheet A8, Ln. 3,	<u>1/1/2020</u>											
2	<u>Col. [q])</u> Jan-2020	<u>1/31/2020</u>	<u>31</u>				=	=	=	=	Ξ	=	
<u>3</u>	<u>Feb-2020</u>	2/29/2020	<u>29</u>				-	=	=	=	=	=	=
4	<u>Mar-2020</u>	3/31/2020	<u>31</u>				=	=	=	Ξ	=	=	=
<u>5</u>	<u>Apr-2020</u>	4/30/2020	<u>30</u>				=	=	=	=	=	=	=
<u>6</u>	<u>May-2020</u>	<u>5/31/2020</u>	<u>31</u>				=	=	=	=	=	=	=
<u>7</u>	<u>Jun-2020</u>	6/30/2020	<u>30</u>				=	=	=	=	=	=	=
<u>8</u>	<u>Jul-2020</u>	7/31/2020	<u>31</u>				-	Ξ	=	=	=	Ξ	=
<u>9</u>	<u>Aug-2020</u>	<u>8/31/2020</u>	<u>31</u>				=		=	=	=	=	=
<u>10</u>	<u>Sep-2020</u>	<u>9/30/2020</u>	<u>30</u>				=		=	=	=		=
<u>11</u>	<u>Oct-2020</u>	10/31/2020	<u>31</u>				=	=	=	=	=	=	=
<u>12</u>	<u>Nov-2020</u>	<u>11/30/2020</u>	<u>30</u>				=		=	=	=		=
<u>13</u>	<u>Dec-2020</u>	<u>12/31/2020</u>	<u>31</u>				=		=	=	=	=	=
<u>14</u>	<u>Total (Sum Lns. (1 through 13))</u>	=	=	=	=	=		= = =	=	=	=	=	=
+	13)) Total Account No. 190 - Balances I	Not Subject to Pr	orationing										

Total Account No. 190 - Balances Not Subject to Prorationing

15 Beginning of Year Balance (Worksheet A8, Ln. 4,

Col. [q]) End of Year Balance (Worksheet A8, Ln. 4, Col. <u>16</u>

[cc])

Average of Beginning of Year and End of Year Balances (Average Lns. 15 and 16) 17

18 Total Account No. 190 - Prorated Balance at End of Year (Ln. 13, Col. [1])

19Total Average Account No. 190 Balance (Lns. (17+18))

=

_														
Accun	ulated Deferred Income Taxes - O	ther Property (A	Account No	<u>. 282)</u>	=	=	= = =	= = =	=	=	=	=	=	
<u>20</u>	Dec-2019 (Worksheet A8, Ln. 7,	1/1/2020												
21	<u>Col. [q])</u> Jan-2020	<u>1/31/2020</u>	<u>31</u>				=	=	=	=	=			
22	<u>Feb-2020</u>	2/29/2020	<u>29</u>				=	=	=	=	=			
<u>23</u>	<u>Mar-2020</u>	3/31/2020	<u>31</u>				=	=	=	=	=			
24	<u>Apr-2020</u>	4/30/2020	<u>30</u>				=	=	=	=	=			
<u>25</u>	<u>May-2020</u>	<u>5/31/2020</u>	<u>31</u>				=	=	=	=	=			
<u>26</u>	<u>Jun-2020</u>	6/30/2020	<u>30</u>				=	=	=	=	=			
27	<u>Jul-2020</u>	7/31/2020	<u>31</u>				=	=	=	=	=			
<u>28</u>	<u>Aug-2020</u>	8/31/2020	<u>31</u>				=	=	=	=	=			
<u>29</u>	<u>Sep-2020</u>	9/30/2020	<u>30</u>				=	=	=	=	=			
<u>30</u>	<u>Oct-2020</u>	10/31/2020	<u>31</u>				=	=	=	=	=			
<u>31</u>	<u>Nov-2020</u>	<u>11/30/2020</u>	<u>30</u>				=	=	=	=	=	=	=	
<u>32</u>	<u>Dec-2020</u>	<u>12/31/2020</u>	<u>31</u>				=		=	=	=	=	=	
<u>33</u>	Total (Sum Lns. (20 through 32))	=	=	=	=	=	= = =	= = =	=	=	=	=	=	
+														
	Total Account No. 282 - Balances	Not Subject to P	rorationing											
<u>34</u>	Beginning of Year Balance (Work	<u>sheet A8, Ln. 8,</u>	<u> </u>											
<u>35</u>	Col. [q]) End of Year Balance (Worksheet	A8. Ln. 8. Col.												
	[cc])			T 04	1.0.5)								=	
<u>36</u>	Average of Beginning of Year and	End of Year Ba	lances (Ave	rage Lns. 34 a	<u>ind 35)</u>									
27	Total Account No. 282 - Prorated	Dalance at End a	f Voor (I r	22 Cal [1])										
<u>37</u>	1 otal Account No. 282 - Prorated	Dalance at End 0	<u>or rear (Ln.</u>	<u>52, Coi. [1])</u>										
38	Total Average Account No. 282 B	alance (Ins. (36												
<u>30</u>	<u>+ 37))</u>	<u>alance (Llis. (50</u>	<u>.</u>										=	

Accun	nulated Deferred Income Taxes - O	<u>Other Property (Account No. 283)</u>	= = =	= = =	=	=	=	=	=
<u>39</u>	Dec-2019 (Worksheet A8, Ln. 11, Col. [q])	<u>1/1/2020</u>							
<u>40</u>	<u>Jan-2020</u>	<u>1/31/2020</u>	=	=	=		=	=	=
<u>41</u>	<u>Feb-2020</u>	2/29/2020	-	=	=	=	=	=	=
<u>42</u>	<u>Mar-2020</u>	<u>3/31/2020</u>	=	=	=	=	=	=	=
<u>43</u>	<u>Apr-2020</u>	<u>4/30/2020</u>	=	=	=	=	=	=	=
<u>44</u>	<u>May-2020</u>	<u>5/31/2020</u>	=		=	=	=	=	=
<u>45</u>	<u>Jun-2020</u>	<u>6/30/2020</u>	-		=		=	=	=
<u>46</u>	<u>Jul-2020</u>	<u>7/31/2020</u>	=	=	=	=	=	=	=
<u>47</u>	<u>Aug-2020</u>	<u>8/31/2020</u>	-		=	<u></u>	=	=	=
<u>48</u>	<u>Sep-2020</u>	<u>9/30/2020</u>	=	=	=	=	=	=	=
<u>49</u>	<u>Oct-2020</u>	<u>10/31/2020</u>	=	=	=		=	=	=
<u>50</u>	<u>Nov-2020</u>	<u>11/30/2020</u>	=	=	=	=	=	=	=
<u>51</u>	<u>Dec-2020</u>	<u>12/31/2020</u>	=	=	=	=	=	=	=
<u>52</u>	<u>Total (Sum Lns. (39 through 51</u>			= = =	=	=	=	=	=
-									
	Total Account No. 283 - Balances	s Not Subject to Prorationing							
<u>53</u>	Beginning of Year Balance (Wo								
	Beginning of Year Balance (Wo 12, Col. [q])	orksheet A8, Ln.							
<u>54</u>	Beginning of Year Balance (Wo 12, Col. [q]) End of Year Balance (Worksheet [cc])	orksheet A8, Ln. A8, Ln. 12, Col.							=
	Beginning of Year Balance (Wo 12, Col. [q]) End of Year Balance (Worksheet [cc])	orksheet A8, Ln.							-
<u>54</u>	Beginning of Year Balance (Wo 12, Col. [q]) End of Year Balance (Worksheet [cc]) Average of Beginning of Year and	orksheet A8, Ln. A8, Ln. 12, Col.							=
<u>54</u> 55	Beginning of Year Balance (Wo 12, Col. [q]) End of Year Balance (Worksheet [cc]) Average of Beginning of Year and	orksheet A8, Ln. A8, Ln. 12, Col. d End of Year Balances (Average Lns. 53 and 54)							-
<u>54</u> 55	Beginning of Year Balance (Wo12, Col. [q])End of Year Balance (Worksheet[cc])Average of Beginning of Year andTotal Account No. 283 - ProratedTotal Average Account No. 283 I	orksheet A8, Ln. A8, Ln. 12, Col. d End of Year Balances (Average Lns. 53 and 54) Balance at End of Year (Ln. 51, Col. [1])							-
<u>54</u> <u>55</u> <u>56</u>	Beginning of Year Balance (Wo 12, Col. [q]) End of Year Balance (Worksheet [cc]) Average of Beginning of Year and Total Account No. 283 - Prorated	orksheet A8, Ln. A8, Ln. 12, Col. d End of Year Balances (Average Lns. 53 and 54) Balance at End of Year (Ln. 51, Col. [1])							-
<u>54</u> <u>55</u> <u>56</u>	Beginning of Year Balance (Wo 12, Col. [q]) End of Year Balance (Worksheet [cc]) Average of Beginning of Year and Total Account No. 283 - Prorated Total Average Account No. 283 In the second sec	orksheet A8, Ln. A8, Ln. 12, Col. d End of Year Balances (Average Lns. 53 and 54) Balance at End of Year (Ln. 51, Col. [1])			2	=	=	=	-
<u>54</u> <u>55</u> <u>56</u>	Beginning of Year Balance (Wo 12, Col. [q]) End of Year Balance (Worksheet [cc]) Average of Beginning of Year and Total Account No. 283 - Prorated Total Average Account No. 283 In the second sec	orksheet A8, Ln. A8, Ln. 12, Col. d End of Year Balances (Average Lns. 53 and 54) Balance at End of Year (Ln. 51, Col. [1]) Balance (Lns. (55)	= = =		z	E	z	=	-
<u>54</u> <u>55</u> <u>56</u> <u>57</u> <u>58</u>	Beginning of Year Balance (Wo 12, Col. [q]) End of Year Balance (Worksheet [cc]) Average of Beginning of Year and Total Account No. 283 - Prorated Total Average Account No. 283 In the second sec	orksheet A8, Ln. A8, Ln. 12, Col. d End of Year Balances (Average Lns. 53 and 54) Balance at End of Year (Ln. 51, Col. [1]) Balance (Lns. (55) Network Transmission (Lns. (14 + 33 + 52))			=	=		=	
<u>54</u> <u>55</u> <u>56</u> <u>57</u> <u>58</u>	Beginning of Year Balance (Wo 12, Col. [q]) End of Year Balance (Worksheet [cc]) Average of Beginning of Year and Total Account No. 283 - Prorated Total Average Account No. 283 I + 56)) Total Average Actual ADIT for S Deferred Income Taxes (Account Dec-2019 (Worksheet A9, Ln. 3,	orksheet A8, Ln. A8, Ln. 12, Col. d End of Year Balances (Average Lns. 53 and 54) Balance at End of Year (Ln. 51, Col. [l]) Balance (Lns. (55) Network Transmission (Lns. (14 + 33 + 52))			-	=	=	=	
54 55 56 57 58 Excess	Beginning of Year Balance (Wo 12, Col. [q]) End of Year Balance (Worksheet [cc]) Average of Beginning of Year and Total Account No. 283 - Prorated Total Average Account No. 283 I ± 56)) Total Average Actual ADIT for S Deferred Income Taxes (Account)	orksheet A8, Ln. A8, Ln. 12, Col. d End of Year Balances (Average Lns. 53 and 54) Balance at End of Year (Ln. 51, Col. [l]) Balance (Lns. (55) Network Transmission (Lns. (14 + 33 + 52))			=	=	=	=	-

<u>61</u>	<u>Feb-2020</u>	<u>2/29/2020</u>	=	=	=	=	=	=	=	
<u>62</u>	<u>Mar-2020</u>	<u>3/31/2020</u>	=	=	=	=	=	=	=	
<u>63</u>	<u>Apr-2020</u>	<u>4/30/2020</u>	=	=	=	=	=	=	=	
<u>64</u>	<u>May-2020</u>	<u>5/31/2020</u>	=	=	=	=	=	=	=	
<u>65</u>	<u>Jun-2020</u>	<u>6/30/2020</u>	=	=	=	=	=	=	=	
<u>66</u>	<u>Jul-2020</u>	<u>7/31/2020</u>	=	=	=	=	=	=	=	
<u>67</u>	<u>Aug-2020</u>	<u>8/31/2020</u>	=	=	=	=	=	=	=	
<u>68</u>	<u>Sep-2020</u>	<u>9/30/2020</u>	=	=	=	=	=	=	=	
<u>69</u>	<u>Oct-2020</u>	<u>10/31/2020</u>	=	=	=	=	=	=	=	
<u>70</u>	<u>Nov-2020</u>	<u>11/30/2020</u>	=	=	=	=	=	=	=	
<u>71</u>	<u>Dec-2020</u>	<u>12/31/2020</u>	=	=	=	=	=	=	=	
<u>72</u>	<u>Total (Sum Lns. (59 through 71)</u>				=	=	=	=	=	
-	=									—
	Total Excess Deferred Income Tax	xes Acct No. 254 - Balances Not Subject to Prorationing								
73	Beginning of Year Balance (Worl									
	Col. [q])									
<u>74</u>	End of Year Balance (Worksheet [cc])	<u>z A9, Ln. 4, Col.</u>							=	
<u>75</u>	Average of Beginning of Year and	End of Year Balances (Average Lns. 73 and 74)								
<u>76</u>	Total Excess Deferred Income Tax	xes - Prorated Balance at End of Year (Ln. 71, Col. [1])								
77	Total Average Excess Deferred In	ncome Tax Balance (Lns. (75							=	
	<u>+ 76))</u>									
Deficie	nt Deferred Income Taxes (Accou	nt No. 182.3)		= = =						
78	Dec-2019 (Worksheet A9, Ln. 7,					-		-	_	
70	<u>Col. [q])</u> Jan-2020									
<u>79</u>		<u>1/31/2020</u>	=	=	=	=	=	=	=	
<u>80</u>	<u>Feb-2020</u>	2/29/2020	=	=	=	=	=	=	=	
<u>81</u>	<u>Mar-2020</u>	<u>3/31/2020</u>	=	=	=	=	=	=	=	
<u>82</u>	<u>Apr-2020</u>	<u>4/30/2020</u>	=	=	=	=	=	=	=	
<u>83</u>	<u>May-2020</u>	<u>5/31/2020</u>	=	=	=	=	=	=	=	
<u>84</u>	<u>Jun-2020</u>	<u>6/30/2020</u>	=	=	=	=	=	=	=	

<u>85</u>	<u>Jul-2020</u>	7/31/2020			=	=	=	=	=	=	=
<u>86</u>	<u>Aug-2020</u>	<u>8/31/2020</u>			=	=	=	=	=	=	=
<u>87</u>	<u>Sep-2020</u>	<u>9/30/2020</u>			=	=	=	=	=	=	=
<u>88</u>	<u>Oct-2020</u>	10/31/2020			=	_	=	=	=	=	=
<u>89</u>	<u>Nov-2020</u>	<u>11/30/2020</u>			=		=	=	=	=	=
<u>90</u>	<u>Dec-2020</u>	<u>12/31/2020</u>			=	=	=	=	=	=	=
<u>91</u>	Total (Sum Lns. (78 through	90)) =	= =	=	= = =		=	=	=	=	=
<u>92</u> <u>93</u> <u>94</u> <u>95</u>	Total Deficient Deferred Incom Beginning of Year Balance (W Col. [q]) End of Year Balance (Worksh [cc]) Average of Beginning of Year a Total Deficient Deferred Incom	<u>Vorksheet A9, Ln. 8,</u> heet A9, Ln. 8, Col. • and End of Year Balances (<i>i</i>	(Average Lns. 92 and 93	<u>3)</u>							=
<u>96</u>	Total Average Deficient Deferr	red Income Tax Balance (Lr	<u>15. (94 + 95))</u>								=
<u>97</u>	Total Average Actual Excess/	/Deficient Deferred Incom	e Taxes for Network T	Fransmission (Lns. (77	<u>+96))</u>	= = =	=	=	=	=	=
= <u>Notes</u>	and Sources:	= =	= =	=	= = =	= = =	=	=	=	=	=
1	Columns [b] through [e] are aut	tomatically populated based	l on the year inputed on	Worksheet A1, line 1.							
2	Prorated projected monthly and be taken from the Company's 2		<u>y from the projected rate</u>	e filing for the year curre	ently being trued-up (pursuan	t to actual costs). For exar	<u>nple, if actual co</u>	sts are being calcula	ated for the year 20	122, the amounts sh	own in column [f] mu
<u>3</u>	See Worksheet A8, lines 3, 7, 1	11, columns [q] through [cc]	<u> for actual monthly AD</u>	JIT activity. See Worksh	neet A9, lines 3 and 7, column	s [q] through [cc] for actu	al monthly exces	ss and deficient defe	rred income tax act	<u>tivity.</u>	
<u>4</u>	<u>Column [h] identifies the differ</u> activity (a portion of projected (Columns [f] and [g], respectiv	d activity did not actually o	occur) and a positive dif	ifference represents an u	under-projection of monthly a	ctivity (a portion of proje	cted activity wa	as in excess of what	t actually occurred	l). If projected and	actual monthly activit

portion of projected activity was in excess of what actually occurred).

Column [i] automatically identifies monthly ADIT and excess/deficient deferred income tax activity that is in excess of the originally-projected prorated amounts. This incremental actual activity is not subject to prorationing.

<u>Column [j]</u> automatically identifies monthly ADIT and excess/deficient deferred income tax activity that is below the originally-projected prorated amounts but still increases the absolute size of the ADIT or excess/deficient deferred income tax balance. This actual activity is subject to prorationing.

Column [k] automatically identifies monthly actual ADIT and excess/deficient deferred activity that is opposite in direction from the originally-projected monthly activity. For example, if the originally-projected monthly activity was negative and the actual monthly activity was positive, Column [k] will automatically populate with the full monthly activity. This activity is not subject to prorationing.

If the originally-projected monthly activity and the actual monthly activity are in opposite directions (i.e., one is positive and one is negative), then the monthly balance will be calculated by adding the value in Column [k] to the balance for the prior month. If the originally-projected monthly activity and the actual monthly activity are in the same direction (i.e., both are positive or both are negative) then the monthly balance will be calculated by adding the values in Columns [f], [i], and [j] to the balance for the prior month. If the originally-projected monthly activity is zero, then the monthly balance will be calculated by adding the actual monthly activity in Columns [f] to the balance for the prior month.

-

=		=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
	Line No.	Description					<u>Total</u>	Company	End-of-N	Month Ba	lances					Nety Allo						Netwo	ork Transn	nission En	l-of-Mon	th Balance	25				Prorated? ⁵	Network Allocator Justification ⁶
			<u>Dec-</u> 2019	<u>Jan-</u> 2020	<u>Feb-</u> 2020	<u>Mar-</u> 2020	<u>Apr-</u> 2020	<u>May-</u> 2020	<u>Jun-</u> 2020	<u>Jul-</u> 2020	<u>Aug-</u> 2020	<u>Sep-</u> 2020	<u>Oct-</u> 2020	<u>Nov-</u> 2020	<u>Dec-</u> 2020	Code	<u>%</u>	<u>Dec-</u> 2019	<u>Jan-</u> 202	<u>Feb-</u> 2020	<u>Mar-</u> 2020	<u>Apr-</u> 2020	<u>May-</u> 2020	<u>Jun-</u> 2020	<u>Jul-</u> 2020	<u>Aug-</u> 2020	<u>Sep-</u> 2020	<u>Oct-</u> 2020	<u>Nov-</u> 2020	<u>Dec-</u> 2020		
		<u>[a]</u>	[b]	<u>[c]</u>	<u>[d]</u>	<u>[e]</u>	[f]	<u>[g]</u>	[<u>h]</u>	[1]	[1]	<u>[k]</u>	Щ	<u>[m]</u>	<u>[n]</u>	<u>[0]</u>	<u>[p]</u>	[q] = [b] x [p]	0 [1] [2] <u>×</u> [2]	[s] = [d] x [p]	[t] = [e] x [p]	[u] = [f] x [p]	[v] = [g] x [p]	[w] = [h] x [p]	[x] = [<u>i] x</u> [p]	[y] = [j] <u>x</u> [g]	[z] = [k] x [p]	[<u>aa] =</u> [<u>]] x</u> [p]	[bb] = [m] x [p]	[cc] = [n] x [p]	<u>[dd]</u>	<u>[cc]</u>
=		=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
<u>A</u>	ccum	ulated Deferred Incom	<mark>e Taxes (</mark> /	Account N	0. 190) ^{1,}	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
_																																
<u>1</u> ;	<u>a</u>	Alternative Minimum Tax Credit Carryforward	=	=	-	=	=	=	=	=	=	-	-	-	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	<u>Not related to</u> <u>jurisdictional cost-</u> <u>of-service</u>
<u>1</u>	<u>b</u>	AOCI Amortization of Debt Costs	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	No	Account no. 219 not included in network
10	<u>c</u>	AOCI Decommissioning	=	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	transmission rates Account no. 219 not included in network
1	<u>d</u>	<u>Costs</u> <u>AOCI Retirement</u> <u>Plans</u>	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	transmission rates Account no. 219 not included in network
10	<u>e</u>	<u>Capitalized Interest</u>	=	÷	÷	=	÷	=	=	=	=	÷	÷	=	=	=	=	=	=	=	=	=	=	=	÷	=	=	=	÷	=	<u>Yes</u>	transmission rates Differences in capitalized interest calculation for book-
<u>1</u> :	f	CIAC	-	=	-	-	=	=	-	-	-	=	-	=	-	-	=	=	=	=	=	-	=	=	=	=	-	=	=	=	<u>Yes</u>	<u>tax_purposes_(plant-</u> <u>related)</u> <u>CIACs_not_included</u>
1	g	<u>Coal Reclamation</u> Costs	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	in network transmission rates Four Corners Generation Station
<u>11</u>	<u>h</u>	Decommissioning Costs	=	=	=	=	=	=	=	=	=	=	=	=	÷	=	÷	=	=	=	=	=	=	=	=	=	=	=	Ξ	=	<u>Yes</u>	land reclamation (production-related) Portion of decommissioning
<u>1i</u>	i	Deferred Fuel FERC	=	=	=	=	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	<u>costs related to</u> transmission <u>Deferred fuel</u> <u>regulatory assets not</u>
<u>1</u> j	į	Deferred Fuel NM	=	=	=	=	=	=	=	=	=	÷	=	-	=	-	÷	=	=	=	=	=	=	=	=	=	=	=	Ξ	=	<u>No</u>	included in network transmission rates Deferred fuel regulatory assets not included in network
<u>11</u>	<u>k</u>	Deferred Fuel TX	÷	÷	-	-	÷	÷	-	-	-	÷	-	÷	=	=	÷	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	transmission rates Deferred fuel regulatory assets not included in network transmission rates

Worksheet A8

<u>11</u>	Depreciation Differences	=	=	=	=	=	=	=	=	=	÷	=	=	÷	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>Yes</u>	<u>Not related to</u> jurisdictional cost-
<u>1m</u>	Excess Deferred	-	_	-	_	-	_	_	_	-	-	_	-	<u>.</u>	_		-	-	-	_	_	=	-	=	=	-	=	_	=	No	<u>of-service</u> <u>Tax gross-up for</u>
	<u>Taxes Fed</u>																														excess deferred income tax regulatory liability excluded from rate base
<u>1n</u>	<u>ITC</u>	÷	=	÷	=	÷	=	=	=	=	=	=	=	=	-	÷	=	=	=	=	=	=	=	=	÷	=	=	=	=	<u>No</u>	<u>Not related to</u> jurisdictional cost- of-service
<u>10</u>	<u>NOL Carryforward -</u> <u>AZ</u>		=	÷	=	÷	=	=	=	=	=	=	=	=	=	=	=	÷	=	=	=	=	=	÷	=	=	=	=	=	<u>Yes</u>	ADIT for NOL includable in rate base. Kern River Gas Transmission Co., 117 FERC ¶
<u>1p</u>	<u>NOL Carryforward -</u> <u>Federal</u>		=	÷	-	=	-	-	-	÷	÷	=	-	÷	-	=	÷	=	=	=	÷	=	Ξ	Ξ	=	Ξ	=	Ξ	=	Yes	61,077 ADIT for NOL includable in rate base. Kern River Gas Transmission Co., 117 FERC ¶
<u>1q</u>	<u>NOL Carryforward -</u> <u>NM</u>	: :	-	÷	=	÷			Ξ	=	=	÷	=	=	=	=	Ξ	=	=	Ξ	=	=	=	=	=	=	=	=	=	<u>Yes</u>	61,077 <u>ADIT</u> for NOL includable in rate base. Kern River Gas Transmission <u>Co.</u> 117 FERC ¶ 61,077
<u>1r</u>	<u>Other</u>	÷	=	÷	=	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	<u>Not related to</u> <u>jurisdictional cost-</u> of-service
<u>1s</u>	Other Employee Benefits	= =	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	Related to A&G expenses
<u>1t</u>	R & D Credit	÷	=	÷	=	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>Yes</u>	<u>Not related to</u> jurisdictional cost- of-service
<u>1u</u>	Retirement Plans	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	Related to A&G expenses
<u>1v</u>	<u>SFAS 143 ARO</u>	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>Yes</u>	AROs not included in network transmission rates
<u>1w</u>	Strategic Costs	÷	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	<u>Not related to</u> jurisdictional cost-
<u>1x</u>	<u>Taxes Other Than</u> Federal Income Tax	=	=	÷	=	÷	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	<u>of-service</u> <u>Not related to</u> <u>jurisdictional cost-</u>
<u>1y</u>	<u>Unbilled Revenue</u>	÷	=	÷	=	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	of-service <u>Not related to</u> <u>jurisdictional cost-</u> of service
	<u></u>	-	÷	÷	=	÷	=	=	=	-	÷	=	÷	=	=	-	=	=	=	=	=	=	=	=	=	=	=	=	=	<u></u>	<u>of-service</u>
<u>1zz</u>		=	=	=	=	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	-	=	=	=	=		<u></u>
2	Total Account No. 1	90 (Sum L	.ns. 1a thi	rough 1zz)	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
	-																														
	-																														

Total Account No. 190 - Balances Subj	ect to Prorationing
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Total Account No. 190 - Balances Not Subject to Prorationing

Accun	ulated Deferred Inco	me Taxes	- Other P	<u>'roperty (</u>	Account N	No. 282) ^{1, 3}	3	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	2	=
a	<u>ABFUDC - CWIP</u>	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	No	No CWIP included
<u>5b</u>	<u>AEFUDC</u>	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	in rate base Corresponding Account 182.3 regulatory asset excluded from rate
<u>c</u>	<u>AEFUDC - CWIP</u>	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	base No CWIP included in rate base
<u>d</u>	Decommissioning Costs	=	=	=	=	÷	÷	=	=	=	=	=	=	÷	÷	=	=	=	=	=	÷	=	÷	÷	÷	÷	÷	÷	=	<u>Yes</u>	Portion of decommissioning costs related to transmission
2	Depreciation Differences	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>Yes</u>	Accelerated/straight- line depreciation differences
ſ	Nuclear Fuel	-	=	=	-	=	=	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	No	Production-related
g	<u>Repair Allowance</u>	=	=	=	=	=	=	-	=	=	-	-	-	=	=	-	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>Yes</u>	<u>Tax</u> <u>deduction</u> (expense) for repairs in the year in which the expenditures are incurred
1	Section 174 R&D	=	=	=	=	=	=	=	÷	=	=	=	=	=	=	=	=	=	=	÷	=	=	=	=	=	=	=	=	÷	<u>Yes</u>	Tax deductio (expense) for R&I in the year in whic the expenditures ar incurred
	<u></u>	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	<u></u>	
Z		=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=		<u></u>
	Total Account N	<u>lo. 282 (S</u> i	um Lns. 5	a throug	<u>h 5zz)</u>					=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	Ξ	÷	Ξ	=	÷	=
	Total Account N Total Account N			Č.		-																									
		<u>0. 262 - Da</u>		<u>n Subject</u>		Jiiiig																									
cun	ulated Deferred Inco	me Taxes	- Other (A	Account I	<u>No. 283)^{1, 4}</u>	4				=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	Ξ	=	=	=	=		=
	<u>AEFUDC</u>	E	=	÷	÷	÷	=	Ξ	÷	=	E	E	E	=	÷	÷	÷	=	=	÷	÷	÷	=	÷	÷	÷	÷	÷	÷	<u>No</u>	Corresponding Account 182 regulatory ass excluded from ra base
	<u>AEFUDC - CWIP</u>	-	÷	=	÷	=	=	=	=	=	=	=	=	=	÷	=	=	-	=	=	=	=	=	=	=	=	=	=	=	No	<u>No</u> CWIP include in rate base
<u>c</u>	<u>Amortization of Del</u> <u>Costs</u>	<u>ot</u>	=	=	=	=	÷	=	=	=	=	=	÷	÷	=	÷	=	=	=	÷	=	=	=	=	=	=	=	=	÷	<u>Yes</u>	Amortization of del costs included in network transmission rates

<u>9d</u>	<u>Decommissioning</u> <u>Costs</u>	÷	÷	÷	÷	÷	÷	÷	÷	÷	÷	÷	÷	÷	÷	=	÷	÷	=	=	=	=	Ξ	=	=	=	=	÷	=	<u>No</u>	Related to gains/losses not included in network
<u>9e</u>	Deferred Fuel FERC	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	transmission rates Deferred fuel regulatory assets not included in network
<u>9f</u>	Deferred Fuel NM	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	transmission rates Deferred fuel regulatory assets not included in network
<u>9g</u>	Deferred Fuel TX	=	÷	÷	=	=	÷	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	transmission rates Deferred fuel regulatory assets not included in network
<u>9h</u>	Excess Deferred Taxes Fed	<u>l</u>	=	÷	÷	=	÷	÷	÷	-	÷	÷	÷	÷	÷	=	÷	=	÷	=	=	=	=	=	=	=	=	=	=	<u>No</u>	transmission rates <u>Tax gross-up for</u> excess deferred income tax regulatory liability excluded from rate
<u>9i</u>	Excess Deferred Taxes State	<u>l</u>	=		÷	=	=	=	=	=	÷	÷	÷	÷	÷	=	÷	-	z	=	=	Ξ	Ξ	=	Ξ	=	=	Ξ	=	<u>No</u>	base Tax gross-up for excess deferred income tax regulatory liability excluded from rate base
<u>9j</u>	<u>Other</u>	÷	÷	=	÷	÷	=	=	÷	=	÷	÷	÷	=	=	=	=	-	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	base <u>Not related to</u> jurisdictional cost-
<u>9k</u>	<u>Taxes Other Than</u> Federal Income Tax	<u>1</u> =	=	÷	÷	=	=	=	÷	=	-	-	-	÷	÷	=	=	-	=	=	=	=	=	=	=	=	=	=	=	<u>No</u>	of-service Not related to jurisdictional cost- of-service
		=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=		
<u>9zz</u>		=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=		
<u>10</u>	Total Account No 283 (Sum Lns. 9: through 9zz)		÷	÷	=	÷	=	=		=	Ξ	Ξ	Ξ	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
<u>11</u> <u>12</u>	Total Account No 283 - Balance: Subject to Prorationing Total Account No 283 - Balances No Subject to to Subject to Prorationing to to to Subject to	<u>-</u> - - - -																													
<u>13</u>	<u>Total ADIT (Lns. 2</u> + 6 + 10)	-	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
	_	-	-	-	=	-	-	-	-	-	-	-	-	=	-	=	=	-	=	=	-	-	=	=	-	-	-	-	-	-	-

<u>Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz, 5a</u> through 5zz and 9a through 9zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of ADIT items.

Total company Account No. 190 balances shown on line 2 must match the balances showns on Worksheet A1, line 42, which are taken from the Company's FERC Form No. 1.

Total company Account No. 282 balances shown on line 6 must match the balances showns on Worksheet A1, line 44, which are taken from the Company's FERC Form No. 1.

Total company Account No. 283 balances shown on line 10 must match the balances showns on Worksheet A1, line 45, which are taken from the Company's FERC Form No. 1.

Enter 'Yes' or 'No.' Only plant-related ADIT balances are subject to prorationing. Values on lines 3, 4, 7, 8, 11, and 12 will populate automatically based on the inputs to column [dd]. Inputs only needed for ADIT items with non-zero allocations to network transmission rates.

Only network allocator codes listed on Worksheet A22 may be inputed. Only deferred taxes related to rate base, construction, or other costs and revenues affecting jurisdictional cost-of-service may be included as rate base reductions/additions.

Worksheet A9

Worksheet A9

Worksheet A9

Worksheet A9

El Paso Electric Company Formula Rate Template (Actuals) Excess and Deficient Deferred Income Taxes 12 Months Ended December 31, 2020

			T.	ntal Cor	inany E	Ind_of N	Ionth Ba	lances ¹⁴		Tot	tal Comp	oany En Balance:		nth		etwork locator	N	letwork '	Transm	lission F	nd_of M	Ionth Pa	lances	Ne	twork T	ransmis Bala		d-of-Mo	onth				<u>Amorti</u> zation	
Line <u>No.</u>	Description	$\frac{\underline{Dec}}{\underline{201}}$	<u>Jan-</u> <u>202</u> <u>0</u>	$\frac{\underline{Feb}}{\underline{202}}$	$\frac{\text{Mar}}{\underline{202}}$	Apr		<u>Jun-</u> 2020	<u>Jul-</u> 202 <u>0</u>	$\frac{\underline{\text{Aug}}}{\underline{202}}$	$\frac{\underline{\text{Sep}}}{\underline{202}}$	$\frac{\underline{Oct}}{\underline{202}}$		$\frac{\underline{Dec}}{\underline{202}}$	Cod e	<u>%</u>	$\frac{\underline{Dec}}{\underline{201}}$ $\underline{201}$ $\underline{9}$ $\underline{[9]}$	<u>Jan-</u> <u>202</u> <u>Q</u> [<u>r]</u>	$\frac{Feb}{\underline{202}}$ $\frac{\underline{202}}{\underline{0}}$ $\underline{\underline{5}}$	$\frac{Mar}{\underline{202}}$ $\frac{\underline{0}}{\underline{11}}$	$\frac{\underline{Apr}}{\underline{202}}$ $\underline{\underline{202}}$ $\underline{\underline{0}}$ $\underline{\underline{101}}$	$\frac{May}{\underline{202}}$ $\frac{\underline{202}}{\underline{0}}$ $\underline{[v]}$	<u>Jun-</u> 2020	<u>Jul-</u> 202 <u>0</u> [x]	<u>Aug</u> <u>202</u> <u>0</u> [y]	<u>Sep</u> <u>=</u> <u>202</u> <u>0</u> [<u>2]</u>	$\frac{\underline{Oct}}{\underline{202}}$ $\underline{0}$ \underline{aa}	<u>Nov</u> 202 0 [bb]	<u>Dec</u> <u>202</u> <u>0</u> [cc]	<u>Annual</u> <u>Amortizati</u> <u>on</u>	$\frac{\underline{Prorated}}{\frac{2^2}{2}}$	Protected or Unprotected 2	<u>Period</u> <u><u>/</u> <u>Metho</u> <u>dology</u></u>	<u>Network</u> <u>Allocator</u> Justification ³
-	<u>[a]</u>	<u>[b]</u>	[C] =	[d] =	[e] =	[<u>f]</u> =	[g] =	[<u>h]</u> =	<u>[]</u>	<u>[j]</u>	<u>[k]</u>	Ш.	[<u>m]</u>	[<u>n]</u>	<u>[0]</u>	[p] =	≣ [b] ⊻ [p]	اللہ تھا۔ اللہ تھا۔ اللہ تھا۔	≣ [d] ⊻ [₽]	≡ [e] ⊻ [p]	= [f] <u>x</u> [p]	≣ [g] ⊻ [p]	[w] = [h] x [p]	= [1] <u>x</u> [1]		= [k] <u>x</u> [p]		≣ [<u>m]</u> ⊻ [p]	≣ [n] ⊻ [p]	[<u>dd] = [cc]</u> -[q]	[<u>ee]</u>	[<u>ff</u>]	[gg]	[<u>hh]</u>
	Deferred Income																																	
<u>Taxes</u> <u>1a</u>	(Account No. 254) Excess Deferred FIT - Tax Rate Change 1989	-	=	-	-	-		2	-	-	=	-		=	=	=	=	-	=	=			Ξ		-	-	-		=	Ξ	-	<u></u>	=	2
<u>10</u> 1b	Excess Deferred FIT - 2017 TCJA - Protected (Plant)			=			ā								=			.		-				=	Ξ		=							
<u>10</u>	Excess Deferred SIT - Tax Rate Change 2017	=	=											=	=				=		= =	=		-	=			=				•		
<u>1d</u>	Excess Deferred SIT - Tax Rate Change 2018	=	=						.										=						.	.	-	=		-		•		
<u>le</u> <u>lf</u>	<u>=</u> Excess Deferred <u>FIT - Tax Rate</u> Change 1989	=		=		=				=					=					=	=	=		=			=	=	=				<u></u>	
1zz		=	=	=	=	=	=				=	=		=	=	=		=	=		=	=		=	=		=	=					<u></u>	<u></u>
2	Total Excess Deferred Income Taxes Acct No. 254 (Sum Lns. 1a through 1zz)	-		=	=	=		=	=	-	=	-	-	=	_	=		=	=	=	=	-	-		=	-		-	-					

Excess Deferred Income Taxes Subject to Prorationing

<u>3</u>

	Excess Deferred
	Income Taxes
	Not Subject to
<u>4</u>	Prorationing

+	Deficient Deferred				
	Income Taxes (Account				
	<u>No. 182.3)</u>				
-	Deficient			 	
	Deferred FIT -				
	Tax Rate				
	<u>Sa Change 1993</u>		 	 	•
	Deficient				
	Deferred FIT -				
	2017 TCJA-				
	Unprotected 5b (Labor)				
	Deficient				
	Deferred FIT -				
	2017 TCJA-				
	Unprotected 5c (Not allocated)				
			 	 	•
	Deficient Deficient				
	Deferred SIT 5d Normalizaiton				
	5zz				
╈	Total Deficient				
	Deferred				
	Income Taxes				
	Acct No. 182.3				
	(Sum Lns. 5a				
	6 through 5zz)		 	 	_
T				 	
	Deficient				
	Deferred				
	Income Taxes				
	<u>Subject to</u>				
	<u>7</u> <u>Prorationing</u>				
	Deficient				
	Deferred				
	Income Taxes				
	Not Subject to				
	<u>8</u> Prorationing				
+	Total Ensans				
	Total Excess and Deficient				
	Deferred				
	Income Taxes				
	$\frac{1100 \text{me} \text{ 1 axes}}{(\text{Lns. } 2+6)}$				
+		<u> </u>		 	
'					
T	Total Excess				
	and Deficient				

Deferred10Income Taxes

	Subject to
	Prorationing
	<u>Fotal Excess</u>
	Subject to Prorationing Total Excess and Deficient Deferred income Taxes Not Subject to Prorationing
	Deferred
	income Taxes
	Not Subject to
<u>11</u>	Promisioning

Notes and Sources:

- Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz and 5a through 5zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of excess and deficient deferred income tax items.
- 2 Enter 'Yes' or 'No.' Only plant-related ADIT balances are subject to prorationing. Values on lines 3, 4, 7, 8, 10, and 11 will populate automatically based on the inputs to column [ee].
- <u>a</u> Only network allocator codes listed on Worksheet A22 may be inputed. Only deferred taxes related to rate base, construction, or other costs and revenues affecting jurisdictional cost-ofservice may be included as rate base reductions/additions.
- ⁴ Excess and deficient deferred income tax balances exclude income tax gross-ups recorded to accounts 182.3 and 254.

Worksheet A10

Worksheet A10

El Paso Electric Company Formula Rate Template (Actuals) Regulatory Assets and Liabilities 12 Months Ended December 31, 2020

	=	=	=	=	=	=	=	=	=	=		-	=	=	=	=	=	=	=	-	=	-	=	-	-	=	=	-	=
<u>Line</u> <u>No.</u>	<u>Type²</u>	<u>Descriptio</u> <u>n</u>	FERC Accou nt No.	<u>FERC</u> <u>Approva</u> <u> Docket</u>	<u>Amo</u> <u>unt³</u>	<u>Period</u> (Months)	<u>Monthly</u> <u>Amortizat</u> <u>ion</u> <u>Expense</u>	<u>Amortizati</u> on Months <u>in Current</u> <u>Year</u>	<u>Current</u> <u>Year</u> <u>Amortizatio</u> <u>n Expense</u>	<u>%</u> <u>Approved</u> <u>for Rate</u> <u>Recovery</u> ⁴	<u>Networ</u> <u>k</u> <u>Allocato</u> <u>r</u> <u>Cod</u> <u>y</u>	<u>Network</u> <u>Transmissio</u> <u>n</u> <u>Amortizatio</u> <u>n Expense</u>	<u>Dec</u> <u>201</u> <u>2</u>	<u>UN</u> <u>Jan-</u> <u>202</u> <u>Q</u>	$\frac{Feb}{202}$	<u>Mar-</u> 2020	$\frac{ALANC}{\underline{Apr}}$ $\frac{\underline{\bar{a}}}{\underline{202}}$ $\underline{\underline{0}}$	<u>May-</u> 2020	<u>Jun</u> = <u>202</u> <u>0</u>	<u>Jul-</u> 202 Q	Aug	$\frac{\underline{Sep}}{\underline{202}}$	<u>ED BAL</u> <u>Oct-</u> <u>2020</u>	<u>Nov-</u> 2020	$\frac{\underline{\text{Dec}}}{\underline{\underline{\underline{0}}}2}$	<u>13-Month</u> <u>Avg.</u> <u>Unamortize</u> <u>d Balance</u>	<u>%</u> <u>Approved</u> <u>for Rate</u> <u>Base</u> <u>Treatment⁵</u>	<u>Network</u> <u>Transmission</u> <u>Unamortized</u> <u>Balance</u>	<u>Network</u> <u>Allocator</u> <u>Justificati</u> <u>on⁶</u>
	<u>[a]</u>	<u>b</u>]	<u>[c]</u>	<u>[d]</u>	<u>[e]</u>	<u>[f]</u>	[g]=[e]/[f]	[h]=If [n]/[g] <12, [n]/[g], Otherwise, <u>12</u>	[i]=[g]x[h]	<u>[i]</u>	[<u>k]</u>]	<u>[m]=[i]x[j]x[</u> <u>]]</u>	<u>[n]</u>	<u>[0]</u>	<u>[b]</u>	<u>[d]</u>	<u>[r]</u>	<u>[s]</u>	<u>[t]</u>	<u>[u]</u>	<u>[v]</u>	<u>[w]</u>	<u>[x]</u>	<u>[y]</u>	<u>[Z]</u>	<u>[aa]=Avg.</u> (<u>[n] through</u> <u>[z])</u>	[<u>bb]</u>	<u>[cc]=[aa]x[l]</u> <u>x[bb]</u>	<u>[dd]</u>
															-	-					-	-							-
<u>1a</u>	<u>Asset</u> Liabilit	<u></u>	<u></u>	<u></u>					=	=	<u></u>															=			<u></u>
<u>1b</u>	<u><u><u>Liaoint</u></u> <u><u>y</u></u></u>	<u></u>	<u></u>	<u></u>		.			5								_				=				<u> </u>				<u></u>
<u>1c</u>	Asset																												
					ΞΞ					=			ā							=							=		
	<u></u>				≅			ā	=	.		=		.		=	≡	≅		=						Ξ	=		<u></u>
<u> </u>	<u></u>	<u></u>	<u></u>	<u></u>							<u></u>			.		=					=				-				<u></u>
	<u></u>	<u></u>	<u></u>	<u></u>	=	=	=	=	=	=	<u></u>	=		=	=		=		=		=				=	=	=	=	<u></u>
<u>lzz</u>					_					_			_	-	2	_	_	2	_	_	2	-	-	_	_				
2	<u>Total Re</u> <u>Assets a</u> Liabilitio <u>Lns. (1a</u> <u>1zz))</u>	n <u>d</u> es (Sum	=	8	=	8	=	=	=	-		=	_	=	=	=	_		_	-	=	_	=	=		=	=	=	=
<u>3</u>	<u>Total Reg</u> <u>Assets</u>	gulatory																											
<u>4</u>	<u>Total Re</u> Liabilitie		=	=	=	=	<u> </u>	=	=	=		=	=	=	=	=	=	=	=	=	=	_	-	=	=	=	=	=	<u> </u>

Notes and Sources:

Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of regulatory assets and liabilities.

- ² Must be listed as either 'Asset' or 'Liability'. Lines 3 and 4 populate automatically based on these labels.
- ³ <u>Total amount of regulatory asset/liability should be listed.</u>
- Percentages greater than 0% listed in column [j] must be accompanied by a corresponding FERC docket number in column [d], where recovery was specifically directed or approved by the Commission pursuant to a \$205, \$206, or \$219 filing. The associated recovery period resulting from the Commission direction or approval must be listed in column [f].
- ⁵ Percentages greater than 0% listed in column [bb] must be accompanied by a corresponding FERC docket number in column [d], where rate base treatment was specifically directed or approved by the Commission pursuant to a §205, §206, or §219 filing. To the extent that rate base inclusion for the regulatory asset/liability was approved in a separate docket than the docket in which the rate recovery (through amortization) was approved, list both dockets in column [d].
- <u>6</u> <u>Only network allocator codes listed on Worksheet A22 may be inputed.</u>

El Paso Electric Company

Formula Rate Template (Actuals)

Abandoned Plant 12 Months Ended December 31, 2020

Lin e	<u>Descriptio</u> <u>n</u>	<u>FERC</u> <u>Accoun</u> <u>t No.</u>	<u>FERC</u> <u>Appro</u> <u>val</u> <u>Docke</u> <u>‡</u>	<u>Amount²</u>	<u>Recover</u> <u>y Period</u> (<u>Months</u> <u>)</u>	<u>Monthly</u> <u>Amortizatio</u> <u>n Expense</u>	<u>Amortizatio</u> <u>n Months in</u> <u>Current</u> <u>Year</u>	<u>Current</u> <u>Year</u> <u>Amortizatio</u> <u>n Expense</u>	<u>%</u> <u>Approve</u> <u>d for</u> <u>Rate</u> <u>Recovery</u> <u>3</u>	<u>Network</u> <u>Allocator</u> <u>Cod</u> <u>e</u>		<u>Dec</u> <u>=</u> <u>201</u> <u>2</u>	<u>Jan-</u> 202 0	<u>Feb-</u> <u>202</u> <u>0</u>	<u>UNAMO</u> <u>Mar</u> <u>202</u> <u>0</u>	$\frac{Apr}{\underline{202}}$	<u>D BALAN</u> <u>May</u> <u>=</u> <u>2020</u>	<u>NCES</u> <u>Jun-</u> <u>202</u> <u>0</u>	<u>Jul-</u> 202 Q	<u>Aug-</u> 2020	<u>Sep-</u> 202 <u>0</u>	$\frac{\text{UNAMC}}{\text{BALA}}$ $\frac{\text{Oct-}}{202}$ $\underline{0}$	$\frac{\text{DRTIZED}}{\text{NCES}}$ $\frac{\text{Nov}}{\underline{202}}$ $\underline{0}$	$\frac{\underline{Dec}}{\underline{\underline{202}}}$	<u>13-Month</u> <u>Avg.</u> <u>Unamortize</u> <u>d Balance</u>	<u>%</u> <u>Approved</u> <u>for Rate</u> <u>Base</u> <u>Treatment</u> <u>4</u>	<u>Network</u> <u>Transmission</u> <u>Unamortized</u> <u>Balance</u>	<u>Network</u> <u>Allocator</u> <u>Justificatio</u> <u>n⁵</u>
<u>No.</u>	<u>[a]</u>	Ь	<u>[c]</u>	<u>[d]</u>	<u>[e]</u>	[f]=[d]/[e]	[g]= <u>If</u> [m]/[f] < <u>12,</u> [m]/[f], <u>Otherwise,</u> <u>12</u>	[h]=[f]x[g]	<u>[i]</u>		<u>[1]=[h]x[i]x[</u> <u>k]</u>	<u>[m]</u>	<u>[n]</u>	<u>[0]</u>	[<u>p]</u>	<u>[d]</u>	[r]	<u>[5]</u>	<u>[t]</u>	<u>[u]</u>	[<u>v]</u>	<u>[w]</u>	<u>[x]</u>	<u>[y]</u>	[z]=Avg. ([m] <u>through</u> [<u>y])</u>	<u>[aa]</u>	<u>[bb]=[z]x[aa]x[</u> <u>k]</u>	[cc]
-					-		2		-		=	-	-	-			-		-	-			-	-	=			
	<u></u>	<u></u>						=			=		<u></u>												Ξ			
<u>1b</u>	<u></u>	<u></u>	<u></u>	=	=	=	=	=	=	<u></u>	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u></u>
10																												
<u></u>					Ξ						=		<u>.</u>		<u></u>			=		ΞΞ					ΞΞ.			
	<u></u>	<u></u>	<u></u>		=	=		=	=	<u></u>								<u>=</u>		=	=				=	=		
	<u></u>	<u></u>						ā			=			=	=													
	<u></u>	<u></u>	<u></u>		=			=	Ξ	<u></u>	=		=	=							=		=		ΞΞ			
1zz																												
	Total Aban	doned Plan	t (Sum																					-				
2	Lns. (1a thi	rough 1zz))		-	=	-		=	=			=	=	=	=	-	=	=	-	=	=	=	=	-	-	=	-	
	-	-	=		-	=		=	-		-	-	=	-	-	-	-	-	-	-	-	-	-	-		-		=

<u>Notes and</u> Sources:

3

<u>4</u>

 Unless otherwise stated, source of shaded cells is company

 input/records. Lines 1a through 1zz represent adjustable

 lines that may be expanded/compressed on an annual basis

 to provide for a sufficient breakout of abandoned plant.

² <u>Total amount of abandoned plant should be listed.</u>

Percentages greater than 0% listed in column [i] must be accompanied by a corresponding FERC docket number in column [c], where recovery was specifically directed or approved by the Commission pursuant to a \$205, \$206, or \$219 filing. The associated recovery period resulting from the Commission direction or approval must be listed in column [e].

Percentages greater than 0% listed in column [aa] must be accompanied by a corresponding FERC docket number in column [c], where rate base treatment was specifically directed or approved by the Commission pursuant to a §205, §206, or §219 filing. To the extent that rate base inclusion for the abandoned plant was approved in a separate docket than the docket in which the rate recovery (through amortization) was approved, list both dockets in column [c].
 Only network allocator codes listed on Worksheet A22 may be inputed.

<u>El Paso Electric Company</u> Formula Rate Template (Actuals) Unfunded Reserves

12 Months Ended December 31, 2020

Line	■ Description ²	<u>Subaccount</u> <u>No.</u>	<u>%</u> <u>Customer</u> <u>Funded</u>	<u>% Non-</u> <u>Restricted</u>	<u>Dec-</u> 2019	<u>Jan-</u> 2020	<u>Feb-</u> 2020	<u>Mar-</u> 2020	<u>BALA</u> <u>Apr-</u> <u>2020</u>	<u>NCES</u> <u>May-</u> <u>2020</u>	<u>Jun-</u> 2020	<u>Jul-</u> 2020	<u>Aug-2020</u>	<u>Sep-</u> 2020	<u>BALA</u> <u>Oct-</u> <u>2020</u>	<u>NCES</u> <u>Nov-</u> <u>2020</u>	<u>Dec-</u> 2020	<u>Average</u> <u>Unfunded</u> <u>Reserves</u>	<u>Netw</u> <u>Alloca</u> <u>Code</u>	ator	<u>Network</u> <u>Transmission</u> <u>Balance</u>	<u>Network Allocator</u> Justification ³
<u>No.</u>	<u>[a]</u>	<u>[b]</u>	<u>[c]</u>	<u>[d]</u>	<u>[e]</u>	<u>[f]</u>	[g]	[<u>h]</u>	[1]	[j]	<u>[k]</u>	[1]	<u>[m]</u>	<u>[n]</u>	<u>[0]</u>	<u>[p]</u>	<u>[q]</u>	[<u>r]=Avg.</u> ([e] <u>through</u> [<u>q])</u>	<u>[s]</u>	[<u>t]</u>	[u]=[r]x[c]x[d]x[t]	<u>[v]</u>
= <u>1a</u>	<u>AP763 - OPEB</u>	=	=	=			=	=	=	=	=	=	=	=	=			=	<u>WS</u>		=	=
<u>1b</u>	<u>AP772 - OPEB -</u> <u>UNION</u>	=	=	=	. =				=		=	=		=	=	=	=	=	<u>WS</u>		=	
<u>1c</u>	AP773 - OPEB - LIFE INSURANCE	=	=								=		=	=	=			=	<u>WS</u>	=		
<u>1d</u>	<u>AP774 - OPEB -</u> <u>401(H)</u>	=	=	=				=			=		=	=	=	=		=	<u>WS</u>			
	AP761 - PENSIONS	=	=	=	=			=	=	=	=	=	=	=	=		=	=	<u>WS</u>	=	=	
	AP764 - SERP AP765 - EXCESS	=	=		=			. =			=	=	=	=	=	=			<u>WS</u>		=	
<u>lg</u> 1h	BENEFIT PLAN AP710 - A/P ACCRUALS	=	=	=				=	=	=	=	=	=	=	=	=		=	<u>WS</u> WS	=	=	
	<u>AP762 - 401K</u>	=	=	=	<u> </u>		=	=			=	=	=	=	=	=	=	=	<u>WS</u>	=	=	
<u>1j</u>	AP766 - MEDICAL INSURANCE	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>WS</u>	=	=	
<u>1k</u>	AP767 - LIFE INSURANCE	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>WS</u>	=	=	
<u>11</u>	<u>AP768 - DENTAL</u> INSURANCE	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>WS</u>	_	=	
	<u>AP769 - LT & ST</u> <u>DISABILITY</u>																					
<u>1m</u>	INSURANCE AP753 - PAYRL	=	=		=	=			=	=		=	=	=	=		=		<u>WS</u>	=	=	
<u>1n</u>	CORP BONUS BLANKET	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u>WS</u>	_	=	

10 DEDUCT CIEAR WS Image: Cience of the second secon		AP751 - PAYRL				
AP751 - PAYRL WS WS 1p DEDUCT CLEAR WS Image: SERP 1q AP764 - SERP WS Image: SERP AP765 - EXCESS WS Image: SERP WS AP766 - MEDICAL WS Image: SERP Image: SERP 1s INSURANCE WS Image: SERP Image: SERP 1s NSURANCE WS Image: SERP Image: SERP 1a COMP WS Image: SERP Image: SERP 1a COMP Image: SERP Image: SERP Image: SERP 1a Comp Image: SERP Image: SERP Image: SERP 1a Image: SERP Image: SERP Image: SERP Image: SERP	10			WS		
Ip DEDUCT CLEAR WS Image: Series of the series (Sume) Iq AP764 - SERP WS Image: Series of the series (Sume) AP765 - EXCESS WS Image: Series of the series (Sume) Image: Series of the series (Sume) AP765 - MEDICAL AP766 - MEDICAL WS Image: Series of the series of the series (Sume) AP766 - MEDICAL AP780 - OTHER WS Image: Series of the series of the series of the series of the series (Sume) Is NSURANCE WS Image: Series of the series of the series (Sume) Image: Series (Sume) Is NSURANCE Image: Series (Sume) Image: Series (Sume) Image: Series (Sume) Is Image: Series (Sume) Image: Series (Sume) Image: Series (Sume) Image: Series (Sume) Is Image: Series (Sume) Image: Series (Sume) Image: Series (Sume) Image: Series (Sume) Image: Series (Sume) Image: Series (Sume) Image: Series (Sume) Image: Series (Sume) Image: Series (Sume)	<u>10</u>		=	<u><u><u>vv</u></u></u>	=	
lq AP764-SERP WS Image: Series of the				IL IC		
AP765 - EXCESS WS Image: Second	<u>lp</u>	DEDUCT CLEAR		<u>WS</u>		
AP765 - EXCESS ws -	<u>1q</u>	AP764 - SERP	_	<u>WS</u>	= =	
AP766 - MEDICAL 1s INSURANCE AP780 - OTHER 1t EMPLY BENEFITS AP790 - WORKERS 1u COMP 1m 1m 1m 1m		<u>AP765 - EXCESS</u>				
1s NSURANCE AP780 - OTHER 1t AP780 - OTHER 1t CMPLY BENEFITS 1 COMP 1 COMP 1 1	<u>1r</u>	BENEFIT PLAN	_	<u>WS</u>	= =	
AP780 - OTHER 1t EMPLY BENEFITS ap790 - WORKERS 1u COMP a a a a a a a a a a b a b b b b b c c c <td></td> <td>AP766 - MEDICAL</td> <td></td> <td></td> <td></td> <td></td>		AP766 - MEDICAL				
AP780 - OTHER 1t EMPLY BENEFITS ap790 - WORKERS 1u COMP a a a a a a a a b a a b b b b c b c c c <td><u>1s</u></td> <td>INSURANCE</td> <td>_</td> <td><u>WS</u></td> <td></td> <td></td>	<u>1s</u>	INSURANCE	_	<u>WS</u>		
It EMPLY BENEFITS AP790 - WORKERS Iu OMP In a serves (Sum		AP780 - OTHER				
1u COMP 1ZZ <td><u>1t</u></td> <td></td> <td>-</td> <td><u>WS</u></td> <td>= _ =</td> <td></td>	<u>1t</u>		-	<u>WS</u>	= _ =	
Image:		AP790 - WORKERS				
Image:	<u>1u</u>	COMP	_	<u>WS</u>		
1zz Total Unfunded Reserves (Sum)			-			
<u>Total Unfunded Reserves (Sum</u>	<u></u>			<u></u>	= =	<u></u>
	<u>1zz</u>	<u> </u>		<u></u>		<u></u>
		Total Unfunded Reserves (Sum				
	2		_	_		_
			-	-		-

Notes and Sources:

- Image: 1Unless otherwise stated, source of shaded cells is company
input/records. Lines 1a through 1zz represent adjustable lines
that may be expanded/compressed on an annual basis to
provide for a sufficient breakout of unfunded reserves.
- Unfunded reserves are listed by subaccount, specifically 2 including (but not limited to) all subaccounts for FERC Account Nos. 228.1 through 228.4, as well as accounts 242 and 253. "Unfunded reserve" is defined as 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 related to SFAS 109 and 158 shall not be included as unfunded reserves.

³ <u>Only network allocator codes listed on Worksheet A22 may be</u> <u>inputed.</u>

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El Paso Electric Company

Formula Rate Template (Actuals) Hold Harmless Adjustments 12 Months Ended December 31, 2020

	Description	<u>FERC</u> <u>Account</u>	<u>FERC</u> <u>Merger /</u> <u>Acquisition</u>	<u>Annual</u> <u>Expense</u>	<u>Netw</u> <u>Alloc</u>	ator <u>T</u>	<u>Network</u> ransmission Expense	<u><u>]</u> <u>Dec-</u></u>	<u>MONTH</u> Jan-		<u>TE BAS</u> JSTMEI <u>Mar-</u>			<u>MON</u> Jun-	<u>THLY F</u> Jul-	ATE BA	ASE BA	LANCE	<u>E ADJUS</u> Nov-	<u>STMENT</u>	<u>13-</u> <u>Month</u> <u>Avg.</u>	<u>Network</u> <u>Transmission</u>	Network Allocator
<u>Line</u> <u>No.</u>		<u>No.</u>	Docket	<u>Adjustment</u>	<u>Code</u>	đ	$\frac{1}{[g] = [d] x}$	<u>2019</u>	2020	2020	<u>2020</u>	<u>2020</u>	<u>May-2020</u>	<u>2020</u>	2020	2020	2020	2020	2020	2020	<u>Balance</u> [<u>u]=Avg.</u> ([<u>h]</u>	$\frac{\text{Balance}}{[v] = [f] x}$	<u>Justification</u>
	<u>[a]</u>	[<u>b]</u>	<u>[c]</u>	<u>[d]</u>	<u>[e]</u>	[<u>f</u>]		[<u>h]</u>	<u>[i]</u>	[j]	[<u>k]</u>	[1]	<u>[m]</u>	<u>[n]</u>	<u>[0]</u>	[<u>p]</u>	<u>[d]</u>	<u>[r]</u>	<u>[s]</u>	<u>[t]</u>	<u>through</u> [<u>t]</u>)		<u>[w]</u>
	=	-	=	=	=			=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
<u>1a</u>	<u></u>	<u></u>	<u></u>		<u></u>	= =		=	=	=	=	=	=				=	=	=	=	=	=	<u></u>
11.	<u></u>	<u>•••</u>	<u></u>	=	<u></u>			=	=	=	=	=		. =			=	=	=	=	=	=	<u></u>
<u>1c</u>	<u></u>	<u></u>	<u></u>	=	<u></u>	= =				=				=		=			=	=	=	=	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	=	<u></u>			=	=	=		=					=		=		=	=	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	=	<u></u>			=	=	=	=	=	=	=	=		=	=	=	=	=		<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	=	<u></u>					=				=					=			=	<u></u>
<u>1zz</u>	<u></u>	<u></u>	<u></u>	=	<u></u>			-	_	_	_		=	-	_	=	-	=	-	=			<u></u>
	<u>Total Hold</u>																						
	Harmless																						
	<u>Adjustments</u> (Sum Lns. 1a																						
	<u>through 1zz)</u>	-	_	-	_			-	_	_	_	_	_	_	_	-	-	_	-	_	_	_	-
	_	_						_				_			-		_	_	_	_			

Notes and Sources:

Unless otherwise stated, source of shaded
cells is company input/records. Lines 1a
through 1zz represent adjustable lines that
may be expanded/compressed on an
annual basis to provide for a sufficient
breakout of hold harmless adjustments.This worksheet allows for the removal of
any amounts pursuant to a hold harmless
agreement in merger or acquisition
proceedings before the Commission. This

worksheet will only be populated with the required information if the Commission approves such an agreement. The docket number associated with such Commission approval must be listed. Only network allocator codes listed on Worksheet A22 may be inputed.

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El Paso Electric Company

Formula Rate Template (Actuals) Land and Land Rights Held for Future Use 12 Months Ended December 31, 2020

=	=	=	=	=	=	=	=	=	=	=	=	=	=	=		=	
	Definite Plan	Estimated In-				BALA	NCES					BALA	NCES			<u>Average</u> Land Held	<u>Netwo</u> Alloca
Description ²	$\frac{\text{for Future}}{\text{Use}^2}$	Service Date ²	<u>Dec-</u> 2019	<u>Jan-</u> 2020	<u>Feb-</u> 2020	<u>Mar-</u> 2020	<u>Apr-</u> 2020	<u>May-</u> 2020	<u>Jun-2020</u>	<u>Jul-</u> 2020	<u>Aug-</u> 2020	<u>Sep-</u> 2020	<u>Oct-</u> 2020	<u>Nov-</u> 2020	<u>Dec-</u> 2020	<u>for Future</u> <u>Use</u>	Code
<u>[a]</u>	[b]	[<u>c]</u>	<u>[d]</u>	<u>[e]</u>	[<u>f]</u>	[g]	<u>[h]</u>	<u>[i]</u>	[<u>j]</u>	<u>[k]</u>	[1]	<u>[m]</u>	<u>[n]</u>	<u>[0]</u>	[<u>p]</u>	[<u>q]=Avg.</u> ([d] through [<u>p])</u>	<u>[r]</u>

	=	=	=	=	=			=	=	=	=	=	=	=	=	=	=	=	=	
<u>la</u>	<u></u>	<u></u>	<u></u>	=	=	_			=	=	=		=	=	=	=	<u></u>	=	=	<u></u>
<u>1b</u>	<u></u>	<u></u>	<u></u>													_	<u></u>	_	_	<u></u>
1	<u></u>	<u></u>	<u></u>	_	_	_		_	_	_	_	_	_	_	_	_	<u></u>	_	_	
		<u></u>	<u></u>	_	_	_			_	_	_	_	_	_	_	_	<u></u>	_	_	
	<u></u>	<u></u>	<u></u>	=	=	= -	= =	=	=	=	=	=	=	=	=	=	<u></u>	=	=	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	=	=	= =	= =	=	=	=	=	=	=	=	=	=	<u></u>	=	=	<u></u>
<u>1zz</u>	<u></u>	<u></u>	<u></u>	=	=	= :		=	=	=	=	=	=	=	=		<u></u>			<u></u>
	Total Land a	and Land Rights																		
		ure Use (Sum																		

Lns. (1a through 1zz)) 2

Notes and

Sources:

Line

<u>No.</u>

- Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of land and land rights held for future use balances.
- As required by the general instruction for 2 Account No. 105 (Electric plant held for future use). See 18 C.F.R. Part 101.
- Only network allocator codes listed on 3 Worksheet A22 may be inputed.

Worksheet A14

<u>Network</u>

Allocator

<u>%</u>

[s]

Network

Transmission

Balance

[t]=[q]x[s]

Network

Allocator

Justification³

[u]

=

<u>Line</u> <u>No.</u>

	<u>Month</u> [a]	<u>Materials & Supplies:</u> <u>Transmission</u> [b]	Materials & Supplies: Stores Expense [c]	$\frac{\text{Total Materials}}{\text{and Supplies}}$ $[d] = [b] + [c]$	<u>Prepayments</u> [e]
<u>1</u> 2	<u>Working Capital¹</u> <u>Reference for BOY/EOY Balances</u> Prior December	<u>Worksheet A1, Ln. 40</u>	Worksheet A1, Ln. 41	-	<u>Worksheet A1, Ln. 3</u>
<u>3</u>	January	=	.=	=	.=
<u>4</u>	February		.=		=
<u>5</u>	March		.=	=	
<u>6</u>	<u>April</u>		.=	=	=
<u>7</u>	May		.=	=	
<u>8</u>	June		.=	=	
<u>9</u>	July	=	.=		=
<u>10</u>	August	=	.=	=	=
<u>11</u>	September	=	.=	=	
<u>12</u>	October				=
<u>13</u>	November		.=	=	=
<u>14</u>	December			=	
<u>15</u>	13-Month Average	=	=	=	=
=	=	=	=	=	=

<u>Notes and Sources:</u>

Unless otherwise stated, source of shaded cells is company input/records. Sources for certain BOY/EOY balances are listed on line 1.

	E	=	=	. =	=	
<u>Line</u> <u>No.</u>	Description	Reference	Total Company Amount	<u>Network</u> <u>Code</u>	<u>Allocator</u> <u>%</u>	Network Transmission
=	<u>[a]</u>	<u>[b]</u>	<u>[c]</u>	[<u>d]</u>	<u>[e]</u>	<u>[f]</u>
	Development of Non-Recoverable A&G Expenses					
<u>1</u>	Portion of Industry Association Dues not recoverable	Company Input/Records	-			
<u>2</u>	[Intentionally Left Blank]					
<u>3</u>	General Advertising Expenses (930.1)	Worksheet A1, Ln. 60				
<u>4</u>	Less: Safety-Related Advertising ¹	Company Input/Records	=			
<u>5</u>	Total Non-Recoverable A&G Expenses	<u>Lns. $(1 + 2 + 3 - 4)$</u>	=			
<u>6</u>	OPEB Net Periodic Benefit Cost ²	Company Input/Records	=			
_	Development of Network Transmission Regulatory Commission Expenses					
<u>7</u>	Regulatory Commission Expenses	Worksheet A1, Ln. 59				
	Transmission-Related Regulatory Commission Expenses ³					
<u>7a</u>	FERC General and Other	FF1, Page 351, Ln. 2, Col. (h)	=			
<u>7b</u>	FERC Annual Fee	FF1, Page 351, Ln. 3, Col. (h)	=			
<u>7c</u>	FERC Audit 2019	FF1, Page 351, Ln. 4, Col. (h)	=			
<u></u>			=			
<u>7zz</u>	<u></u>	<u></u>	=			
<u>9</u>	Total Transmission-Related Regulatory Commission Expenses	Sum Lns. (7a through 7zz)	=	TP		
=		=	=		=	

Notes and Sources:

Includes line safety-related advertising expenses booked to Account No. 1

<u>930.1.</u>

- 2 Reflects the Company's actual OPEB net periodic benefit cost for the relevant year. This amount should approximate the OPEB net periodic benefit cost shown in the Notes to the Financial Statements contained in the Company's FERC Form No. 1 (Pages 122-123).
- <u>Amounts included on lines 7a through 7zz are limited to transmission-related regulatory commission expenses as listed on pages 350-351 of the Company's FERC Form No. 1.</u>
 Lines 7a through 7zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of transmission-related regulatory commission expenses.

El Paso Electric Company Formula Rate Template (Actuals) Taxes Other than Income Taxes 12 Months Ended December 31, 2020

Payment Image: Second	<u>Line</u> <u>No.</u>	<u>Description</u> [a]	Jurisdiction	= <u>FF1 Line</u> <u>Reference</u> [c]	Taxes Charged
LaEUTAEcderalLn.41b.Insurance ContributionsFederalI.a. 5.1c.UnemploymentFederalI.a. 111d.UnemploymentNew MexicoI.a. 211d.Pale Verofe Payroll TaxesArizonaI.a. 371zzIaI.a. 37I.a. 373zzIaI.a. 1I.a. 103zzIaI.a. 10I.a. 101zzIaI.a. 38I.a. 95bAd ValoremTexasIa. 95cAd ValoremNew MexicoIa. 195cAd ValoremIa. 33I.a. 33IaIaIa. 10I.a. 33IaIaIa. IaIa. 10IaIaIa. IaIa. Ia1zzIaIa. IaIa. Ia1zzIaIa. IaIa. Ia1zzIaIa. IaIa. Ia1zzIaIa. IaIa. Ia1zzIa. IaIa. IaIa. Ia1zzIa. IaIa. Ia	=	=	=	=	=
LaEUTAEcderalLn.41b.Insurance ContributionsFederalI.a. 5.1c.UnemploymentFederalI.a. 111d.UnemploymentNew MexicoI.a. 211d.Pale Verofe Payroll TaxesArizonaI.a. 371zzIaI.a. 37I.a. 373zzIaI.a. 1I.a. 103zzIaI.a. 10I.a. 101zzIaI.a. 38I.a. 95bAd ValoremTexasIa. 95cAd ValoremNew MexicoIa. 195cAd ValoremIa. 33I.a. 33IaIaIa. 10I.a. 33IaIaIa. IaIa. 10IaIaIa. IaIa. Ia1zzIaIa. IaIa. Ia1zzIaIa. IaIa. Ia1zzIaIa. IaIa. Ia1zzIaIa. IaIa. Ia1zzIa. IaIa. IaIa. Ia1zzIa. IaIa. Ia	Pavro	II Taxes			
Ib Insurance Contributions Federal In5 ic Unemployment Federal In11 id Unemployment New Mexico In11 id Unemployment New Mexico In11 id Unemployment New Mexico In12 ie Palo Verde Payroll Taxes Arizona In13 id Total Payroll Taxes (Sum Ins la through Izz)			Federal	Ln. 4	
isUnemploymentFederalLa. 111dUnemploymentNew MexicoLa. 211ePalo Verde Pavroll TaxesArizonaIn. 37172In. 19In. 19172In. 19In. 19173In. 19In. 19In. 19174Intal Highway and Vehicle Taxes (Sum Las. 1a through 3zz)In. 19175Intal Highway and Vehicle Taxes (Sum Las. 3a through 3zz)In. 19175Ad ValoremNew MexicoIn. 19176Ad ValoremNew MexicoIn. 19178Ad ValoremArizonaIn. 35179Intal Sa through 5zz)In. 10171Intal Sa through 5zz)Intal Intal I				•	_
1dUnemploymentNew MexicoIn. 211ePalo Verde Payroll TaxesArizonaI.n. 371f271f281f271f281f271f281f291f201f211f221f231f24Total Hayroll Taxes (Sum Lns. 1a through 1zz)1f251f271f281f271f281f291f211f221f231f241f251f261f271f281f291f21 <trr>1f21<</trr>					_
le Palo Verde Payroll Taxes Arizona Ln. 37 JZZ a	<u></u> 1d		New Mexico		_
initial 122initial initialinitial initial122initial initialinitial initialinitial initial2Total Payroll Taxes (Sum Las. 1a through 1zz)initial initialinitial initial3ainitial initialinitial initialinitial initial3ainitial initialinitial initialinitial initial3ainitial initialinitial initialinitial initial3ainitial initialinitial 				•	_
122 Total Payroll Taxes (Sum Lns. 1a through 1zz)	<u></u>		=	=	_
Highway and Vehicle Taxes 3a 3z 3zz 4 Total Highway and Vehicle Taxes (Sum Lns. 3a through 3zz) 5a Ad Valorem Froperty Taxes 5a Ad Valorem 5b Ad Valorem 5c Ad Valorem 5z 5z 5z 6 Total Property Taxes (Sum Lns. 5a through 5zz) 5z 7a Gross Receipts Taxes 7a Gross Receipts Taxes (Sum Lns. 7a through 7zz) 7a Total Gross Receipts Taxes (Sum Lns. 7a through 7zz) 7a Total Gross Receipts Taxes (Sum Lns. 7a through 7zz) 7b 7a Total Gross Receipts Taxes (Sum Lns. 7a through 7zz)	<u>1zz</u>		=	=	_
3a 322 322 322 322 322 322 4 Total Highway and Vehicle Taxes (Sum Lns. 3a through 3zz)	<u>2</u>	Total Payroll Taxes (Sum Lns. 1a through 1zz		=	=
3a 322 322 322 322 322 322 4 Total Highway and Vehicle Taxes (Sum Lns. 3a through 3zz)					
322	<u>Highw</u>	vay and Vehicle Taxes			
322 Image: Second Sec	<u>3a</u>			=	=
4 Total Highway and Vehicle Taxes (Sum Lns. 3a through 3zz) Property Taxes 5a Ad Valorem 5b Ad Valorem 5c Ad Valorem 5c Ad Valorem 5z ad Valorem 6 Total Property Taxes (Sum Lns. 5a through 5zz) 72 ad Gross Receipts Taxes (Sum Lns. 7a through 7zz) 72 a	<u></u>		=	=	
Property-Taxes 5a Ad Valorem 5b Ad Valorem 5b Ad Valorem 5c Total Property Taxes (Sum Lns. 5a through 5z) 5c Total Gross Receipts Taxes (Sum Lns. 7a through 7zz) 5c Total Gross Receipts Taxes (Sum Lns. 7a through 7zz) 5c Stat 5c Ompensating 5c Ompensating 5c Other Taxes	<u>3zz</u>		=	=	=
5aAd ValoremTexasLn. 95bAd ValoremNew MexicoLn. 195cAd ValoremArizonaLn. 355cAd Valorem5cAd Valorem5cAd Valorem5cAd Valorem5z6Total Property Taxes (Sum Lns. 5a through 5zz)6Total Property Taxes (Sum Lns. 5a through 5zz)7aGross Receipts Taxes7zGross Receipts Taxes7z8Total Gross Receipts Taxes (Sum Lns. 7a through 7zz)-9aUse TaxTexasLn. 139bCompensatingNew MexicoLn. 229cOther Taxes9cOther Taxes </td <td><u>4</u></td> <td>Total Highway and Vehicle Taxes (Sum Lns.)</td> <td><u>3a through 3zz)</u></td> <td>=</td> <td>=</td>	<u>4</u>	Total Highway and Vehicle Taxes (Sum Lns.)	<u>3a through 3zz)</u>	=	=
5aAd ValoremTexasLn. 95bAd ValoremNew MexicoLn. 195cAd ValoremArizonaLn. 355cAd Valorem5cAd Valorem5cAd Valorem5cAd Valorem5z6Total Property Taxes (Sum Lns. 5a through 5zz)6Total Property Taxes (Sum Lns. 5a through 5zz)7aGross Receipts Taxes7zGross Receipts Taxes7z8Total Gross Receipts Taxes (Sum Lns. 7a through 7zz)-9aUse TaxTexasLn. 139bCompensatingNew MexicoLn. 229cOther Taxes9cOther Taxes </td <td></td> <td></td> <td></td> <td></td> <td></td>					
5bAd ValoremNew MexicoLn. 195cAd ValoremArizonaLn. 355cAd Valorem5cAd Valorem5cAd Valorem5cAd Valorem5cAd Valorem5z5z6Total Property Taxes (Sum Lns. 5a through 5zz)7aGross Receipts Taxes7aGross Receipts Taxes7aGross Receipts Taxes (Sum Lns. 7a through 7zz)8Total Gross Receipts Taxes (Sum Lns. 7a through 7zz)9aUse TaxTexasLn. 139bCompensatingNew MexicoIn. 229cOther Taxes9cOther Taxe	Prope	<u>rty Taxes</u>			
Sc Ad Valorem Arizona Ln. 35 52z 6 Total Property Taxes (Sum Lns. 5a through 5zz) 6 Total Property Taxes (Sum Lns. 5a through 5zz) Gross Receipts Taxes Texas Ln. 10 7a Gross Receipts Texas Ln. 10 7zz 8 Total Gross Receipts Taxes (Sum Lns. 7a through 7zz) Other Taxes 9a Use Tax Texas Ln. 13 9b Compensating New Mexico Ln. 30 9c Other Taxes 9c Other Taxes	<u>5a</u>	Ad Valorem	Texas	<u>Ln. 9</u>	=
322 522 6 Total Property Taxes (Sum Lns. 5a through 5zz) 6 Total Property Taxes (Sum Lns. 5a through 5zz) Gross Receipts Taxes 7a Gross Receipts Texas Ln. 10 7zz 8 Total Gross Receipts Taxes (Sum Lns. 7a through 7zz) 9a Use Tax Texas Ln. 13 9b Compensating New Mexico Ln. 22 9c Other Taxes New Mexico Ln. 30	<u>5b</u>	Ad Valorem	<u>New Mexico</u>	<u>Ln. 19</u>	=
5zz6Total Property Taxes (Sum Lns. 5a through 5zz)Gross Receipts Taxes7aGross Receipts Taxes7aGross ReceiptsTexas7aGross Receipts7aGross Receipts7aGross Receipts7aGross Receipts7aGross Receipts7aGross Receipts7aGross Receipts7aGross Receipts Taxes (Sum Lns. 7a through 7zz)8Total Gross Receipts Taxes (Sum Lns. 7a through 7zz)8Total Gross Receipts9aUse TaxTexasLn. 139bCompensatingNew MexicoLn. 229cOther TaxesNew MexicoLn. 309cOther Taxes	<u>5c</u>	Ad Valorem	<u>Arizona</u>	<u>Ln. 35</u>	
6 Total Property Taxes (Sum Lns. 5a through 5zz)	<u></u>			. =	=
Gross Receipts Taxes 7a Gross Receipts Texas Ln.10	<u>5zz</u>		=	=	=
Gross Receipts Taxes 7a Gross Receipts Texas Ln.10	<u>6</u>	Total Property Taxes (Sum Lns. 5a through 5z	<u>z)</u>	=	=
7a Gross Receipts Texas Ln. 10					
Image:	<u>Gross</u>	Receipts Taxes			
7zzImage: second se	<u>7a</u>	Gross Receipts	<u>Texas</u>	<u>Ln. 10</u>	=
7zzImage: second se	<u></u>				
Other Taxes 9a Use Tax Texas Ln. 13	_		=	=	=
9a Use Tax Texas Ln. 13 9b Compensating New Mexico Ln. 22 9c Other Taxes New Mexico Ln. 30	8		<u>ugh 7zz)</u>	=	=
9a Use Tax Texas Ln. 13 9b Compensating New Mexico Ln. 22 9c Other Taxes New Mexico Ln. 30					
9a Use Tax Texas Ln. 13 9b Compensating New Mexico Ln. 22 9c Other Taxes New Mexico Ln. 30	<u>Other</u>	Taxes			
9b Compensating New Mexico Ln. 22 9c Other Taxes New Mexico Ln. 30			Texas	<u>Ln. 13</u>	-
9c Other Taxes New Mexico Ln. 30	<u>9b</u>		New Mexico	<u>.</u>	=
				•	_
9					
	<u></u> <u>9zz</u>				

10	Total Other T	Taxes (Sum	Lns. 9a throug	h 9zz)

<u>11</u> <u>Total Taxes Other than Income Taxes</u>

Notes and Sources:

 1
 Amounts shown must tie to the amounts shown on 263, column (i) of th Company's FERC

 Form No. 1. Only non-income related taxes charged in the current year should be included.

<u>Line</u> <u>No.</u>	<u>Month</u> [a]	<u>Preferred Stock Issued</u> (204) [b]	Unappropriated <u>Undistributed</u> <u>Subsidiary Earnings</u> (216.1) [c]	Accumulated Other Comprehensive Income (219) [d]	<u>Total Proprietary</u> <u>Capital</u> [e]	<u>Total Common Stock</u> [f] = [e]-[b]-[c]-[d]	<u>Total Long-Term</u> <u>Debt</u> (221 - 222 + 223 + 224 + 225 - 226) [g]	<u>Total Capitalization</u> [h]=[f]+[g] =
1	Reference for BOY/EOY Balances	<u>Worksheet A1, Ln. 6</u>	<u>Worksheet A1, Ln. 7</u>	<u>Worksheet A1, Ln. 8</u>	<u>Worksheet A1, Ln. 9</u>		<u>Worksheet A1, Ln. 10</u>	
2	Prior December	_	_	_	_	_	_	_
<u> </u>	January	=	=	=	=	=	=	=
<u>4</u>	February	=	=	=	=	=	=	=
<u>5</u>	March	=	.=	=		=		=
<u>6</u>	April	=	.=					=
<u>7</u>	May		.=					
<u>8</u>	June	=	=	=	=	=	=	=
<u>9</u>	July		=	=	=		=	=
<u>10</u>	August		=		=	=	=	=
<u>11</u>	September		.=	=	=	=	=	=
<u>12</u>	October							
<u>13</u>	November	=	=	=	=		=	
<u>14</u>	December							=
<u>15</u>	13-Month Average (Avg. Lns. 2 through 14)	<u> </u>	=	=	=	=	=	=

<u>16</u> <u>Capitalization Ratio²</u>

Cost of Capital³ <u>17</u>

<u>18</u> Weighted Cost of Capital (Lns. 16 x 17)

Notes and Sources:

- <u>1</u> <u>Unless otherwise stated, source of shaded cells is company input/records. Sources for certain BOY/EOY balances are listed on line 1.</u>
- 2 Capitalization ratios derived by diving the total common stock and long-term debt averages on line 15, columns [f] and [g], respectively, by the total capitalization average shown on line 15, column [h].
- <u>Cost of capital for common stock (ROE) of 10.25% approved in Docket No. ER22-282-000. This ROE is fixed and cannot be changed absent Commission approval. Cost of long-term debt derived by dividing the following annual interest expense by the average long-term debt balance shown on line 15, column [g].</u>

Interest Charges

Interest on Long-Term Debt (427)	=	Worksheet A1, Ln. 12
Amortization of Debt Discount and Expense (428)	=	Worksheet A1, Ln. 13
Amortization of Loss on Reaquired Debt (428.1)	=	Worksheet A1, Ln. 14
Amortization of Premium on Debt-Credit (429)	=	Worksheet A1, Ln. 15
Amortization of Gain on Reaquired Debt-Credit (429.1)	=	Worksheet A1, Ln. 16
Interest on Debt to Associated Companies (430)		Worksheet A1, Ln. 17
Annual Interest Expense	=	<u>(427 + 428 + 428.1 - 429 - 429.1 + 430)</u>
	_ =	

El Paso Electric Company

Formula Rate Template (Actuals) Corporate Income Tax Rates 12 Months Ended December 31, 2020

<u>Line</u> <u>No.</u>	<u> </u>	<u>Source</u> [b]	<u>Federal</u> [c]	<u>■</u> <u>New Mexico</u> [<u>d]</u>	<u>Arizona</u>	<u> </u>	<u>Total</u>
	=	<u>₽</u>	=	= =	<u>[e]</u>	=	<u>[g]</u> ₌
<u>1</u>	Corporate Income Tax Rate	https://taxfoundation.org/state-corporate-income-tax-rates-brackets-2020/	=	=			l
<u>2</u>	State Deduction for Federal Income Tax Purposes	-1.0 x Sum (Ln. 4, Cols. [d], [e], and [f]) x Ln. 1, Col. [c]					
<u>3</u>	State Apportionment Factor for Taxable Income/Losses	Company Input/Records			=		
4	Effective Rates ¹	<u>Lns. (1 x 3)</u>					
5	Blended State Income Tax Rate (SIT)	Ln. 4, Col. [g] less Ln. 4, Col. [c]					
<u>6</u>	Federal Income Tax Rate (FIT)	<u>Lns. (4 - 5)</u>					
<u>7</u>	Percent of Federal Income Deductible for State Tax Purposes (p)	Company Input/Records					-
<u>8</u>	Composite Income Tax Rate (T)	(Ln. 6 x (1.0 - Ln. 5) + Ln. 5 x (1.0 - Ln. 6 x Ln. 7)) / (1.0 - Lns. (5 x 6 x 7))					
			=	=		=	=

Notes and Sources:

¹ <u>Federal effective rate (column [c]) equals the sum on lines 1 and 2. Total effective rate equals the sum of line 4, columns [c] through [f].</u>

El Paso Electric Company

Formula Rate Template (Actuals) Permanent Book-Tax Differences 12 Months Ended December 31, 2020

Line No.	Description [a]	<u>Total Company</u> <u>Amount</u> [b]	<u>Network Alle</u> <u>Code</u> [<u>c]</u>	<u>ocator</u> <u>%</u> [d]	<u>Network</u> <u>Transmission</u> [e]	<u>Network Allocator Justification³</u> [<u>f]</u>
Perma	nent Book-Tax Differences ²			-	_	-
<u>1a</u>	Decommissioning Costs	=	NP	=	=	Portion of decommissioning costs related to transmission
<u>1b</u>	Key Man Life Insurance	=	<u>NA</u>	=		Key Man premiums/proceeds not included in the cost of service
<u>1c</u>	Lobbying		<u>NA</u>	=	=	Lobbying expenses not included in the cost of service
<u>1d</u>	Non-Deductible Merger Transaction Costs		<u>NA</u>	=	=	<u>Merger transaction costs not included in the</u> <u>cost of service</u>
<u>1e</u>	Non-Deductible Officer Compensation		<u>WS</u>	=	=	Officer compensation included in A&G expenses Employee compensation related to stock
<u>1f</u>	Stock Incentive Plans	=	<u>WS</u>	=	=	incentive plans included in A&G expenses
<u>1g</u>	Meals and Entertainment	=	<u>WS</u>	=	=	Meals and entertainment included in A&G expenses
<u></u> 1zz	····	Ē	=	=		
2	<u>Total Permanent Book-Tax Differences (Sum Lns. 1a through 1zz)</u>			=	=	-

<u>3</u> <u>AFUDC Equity</u>

 $\underline{4}$ <u>Total Permanent Differences (Lns. (2 + 3))</u>

5 <u>Federal Income Tax Rate (FIT)</u>⁴

<u>6</u> <u>Permanent Differences Grossed-Up (Lns. (4 / 5))</u>

|--|

<u>8</u> <u>Net Permanent Differences (Lns. (6 + 7))</u>

Notes and Sources:

1

Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of permanent differences.

Permanent differences are those that arise due to divergences between tax accounting and financial reporting, such as the non-deductibility of book depreciation expense related to equity AFUDC. As opposed to temporary differences, such as those related to the straight-line-versus-accelerated depreciation for book and tax purposes, respectively, permanent differences will not reverse over time. The Commission has held that certain permanent differences should be treated as temporary timing differences. See Accounting for Income Taxes, Docket No. AI93-5-000. Included permanent differences are limited to activities included in utility operating income.

³ <u>Only network allocator codes listed on Worksheet A22 may be inputed.</u>

⁴ <u>Sourced from Worksheet A19, line 6.</u>

⁵ 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 Formula Rate Template (Actuals) Incentive Plant Return and Taxes 2 Months Ended December 31, 2020

-		=	=	=	=			=	=	=	=	=	=	=	=			=	=	=	=	=		=	=		=		=	=	=	=		=	=	=	=		=			
		FER	ROE	Eau	Weight	<u>%</u> Appro	<u>Network</u> <u>Allocator</u>		GROS	S PLAN	NT IN S	SERVIC	E		GRO	SS PLAN	NT IN S	ERVICE			ACCU DEPR	MULAT ECIATI	<u>FED</u> ION		Δ	CCUM	ULATE	D DEPR	ECIATI	<u>ON</u>		<u>13-</u>	<u>13-</u> Month	Network	<u>Network</u>	Naturad			<u>Compo</u> <u>site</u>			Network
<u>Line</u> <u>No.</u>	Projec Name	$ \underline{\underline{C}} \\ \underline{\underline{Appr}} \\ \underline{\underline{Oval}} \\ \underline{\underline{Dock}} \\ \underline{\underline{et}^2} $	Incenti Ve Appro Ved ²	<u>ity</u> <u>Rati</u> <u>o</u> ³	ed ROE Incenti <u>ve</u>	<u>Appro</u> ved for <u>Rate</u> <u>Base</u> <u>Treat</u> ment	<u>Co</u> <u>%</u>	<u>De</u> <u>c-</u> <u>20</u> <u>19</u>	<u>Jan</u> <u>=</u> <u>20</u> <u>20</u>	<u>Fe</u> <u>b-</u> <u>20</u> <u>20</u>	<u>Ma</u> <u>r=</u> <u>20</u> <u>20</u>	<u>Ap</u> <u>I-</u> <u>20</u> <u>20</u>	<u>May-</u> 2020	<u>Jun</u> <u>=</u> <u>20</u> <u>20</u>	<u>Jul</u> <u>=</u> <u>20</u> <u>20</u>	<u>Au</u> <u>g-</u> <u>20</u> <u>20</u>	$\frac{Se}{P} \qquad \frac{O}{20} \qquad \frac{O}{2}$	$\frac{Dc}{L} = \frac{No}{20}$ $\frac{20}{20}$	<u>De</u> <u>c-</u> <u>20</u> <u>20</u>	<u>De</u> <u>e-</u> <u>20</u> <u>19</u>	<u>Jan</u> <u>=</u> <u>20</u> <u>20</u>	<u>Fe</u> <u>b-</u> <u>20</u> <u>20</u>	<u>Mar-</u> 2020	<u>Ap</u> <u>r-</u> <u>20</u> <u>20</u>	<u>Ma</u> <u>⊻-</u> <u>202</u> <u>0</u>	<u>Jun</u> <u>=</u> <u>20</u> <u>20</u>	<u>Jul</u> ₌ <u>20</u> <u>20</u>	$\begin{array}{c c} \underline{Au} & \underline{S} \\ \underline{g} \\ \underline{20} & \underline{2} \\ \underline{20} & \underline{2} \\ \underline{20} & \underline{2} \end{array}$	$\frac{\underline{Se}}{\underline{O}} = \underbrace{\underline{Oc}}{\underline{L}}$ $\frac{\underline{CO}}{\underline{O}} = \underbrace{\underline{CO}}{\underline{O}}$ $\frac{\underline{CO}}{\underline{O}} = \underbrace{\underline{CO}}{\underline{O}}$	<u>No</u> <u>v-</u> <u>20</u> <u>20</u>	<u>De</u> <u>c-</u> <u>20</u> <u>20</u>	<u>13-</u> <u>Month</u> <u>Avg.</u> <u>Gross</u> <u>Plant</u>	<u>13-</u> Month <u>Avg.</u> <u>Accum.</u> Depreciat <u>ion</u>	<u>Transmis</u> <u>sion</u> <u>Gross</u> <u>Plant</u>	<u>Transmis</u> <u>sion</u> <u>Accum.</u> <u>Deprecia</u> <u>tion</u>	<u>Network</u> <u>Transmi</u> <u>sion Net</u> <u>Plant</u>	s	Incentive <u>Return</u>	Income Tax Rate Gross- Up Rate ⁴	<u>Incentive</u> <u>Taxes</u>	Incentive Return and Taxes	$\frac{\text{Allocato}}{\underline{I}}$ $\frac{\underline{I}}{\underline{Justificat}}$ $\frac{\underline{Justificat}}{\underline{ion^{5}}}$
	[<u>a]</u>	[b]	[<u>c]</u>	[<u>d]</u>	<u>[e]=[c]</u> <u>x[d]</u>	<u>[1]</u>	[g] <u>h</u>]	<u>[i]</u>	<u>[]]</u>	<u>[k]</u>	Ш	[<u>m</u>]	<u>[n]</u>	<u>[0]</u>	[p]	<u>[a]</u>		<u>s]</u> [<u>t]</u>	<u>[u]</u>	[<u>v]</u>	<u>[w]</u>	[<u>x]</u>	[<u>y]</u>	[<u>z]</u>	<u>[aa</u>]	[<u>bb</u>]	<u>[cc</u>]	[<u>dd</u> []	<u>ee</u> [ff]]	[gg]	<u>[hh</u>]	<u>[ii]=Avg.</u> ([i]-[u])	[jj]=Avg. ([v]-[hh])	<u>[kk]=[h]</u> <u>x[ii]</u>	<u>[11]=[h]x[</u> jj]	<u>[mm]=[k]</u> <u>k]-[11]</u>	<u>k [nı</u>	<u>n]=[e]x[f]x[h</u>] <u>x[mm]</u>	[<u>00]</u>	[pp]=[nn] x[oo]	[qq]=[nn] ±[pp]	[II]
<u>1a</u>	-	-			_		<u> </u>	=	-	-	-	_	-	-	-	-		-	-	_	-	-	-	-	-	-	_		-	-	-	-	_	-	-		-		_	-	-	
<u>1b</u>	<u></u>	<u></u>	=		=	-		=	=	=	=	=	=	=	=	.=		=	=		=	=	=	=	=	=	_		-	=	-	=			=	=	=		=	=	=	
<u>1c</u>					=		<u></u>			=									=			=							.	=		=			=	=	=		=		.	
	<u></u>	<u></u>			=	=	<u> </u>		=				<u></u>					=	=			=	=					.=	=		=	=	=	=	=	=	=		=	=	=	
<u> </u>	<u></u>	<u></u>			=		<u></u>		=	=			=	=							=					=		.=			=	=		=	=	=	=					
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<u>1zz</u>	<u></u> Total	<u></u> Incentive F	Return			-		-	=	-	-	-	-	-	-			-	-	-	-	-	-	=	=	-	-		-	-	-						=					
	Retur	n and Taxe a through	es (Sum										_						_								_	_		_	_			_							_	_
=	=	=	=	_	=	=			-	-	-	-	-	-	-	-			1	-	-	-	-	-	-	-	-				-	-	-	-	=	=	-		=	-	-	-
Note	and																																									

 Durces:

 Unless otherwise stated, source of shaded cells is company input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of incentive plant return and income taxes.

All project-specific incentive ROE requires Commission authorization. No amounts may be included on this worksheet absent Commission authortization. The Commission docket in which incentive ROE treatment was granted must be listed.

Source: Worksheet A18, line 16, column [f].

<u>Source: Attachment H (Actuals), line 78.</u>

Only network allocator codes listed on Worksheet A22 may be inputed.

Worksheet A21

Worksheet A21

<u>Line</u>	<u>Description</u>	<u>Reference</u>	<u> </u>		<u>Amount / %</u>
<u>No.</u>	<u>[a]</u>	<u>[b]</u>	[<u>c</u>]		<u>[d]</u>
=	=	=		=	=
<u>1</u>	100% Network Transmission	Fixed Percentage ¹	<u>DA</u>	Ξ	
<u>2</u>	0% Network Transmission	Fixed Percentage ¹	<u>NA</u>	≣	
	<u>Gross Plant in Service</u>				
<u>3</u>	Network Transmission	Attachment H (Actuals), Ln. 19, Col. [c]			
<u>4</u>	Total Company	Attachment H (Actuals), Ln. 19, Col. [f]			
<u>5</u>	Gross Plant Allocation Factor	<u>Lns. (3 / 4)</u>	<u>GP</u>	≣	
	<u>Net Plant in Service</u>				
<u>6</u>	Network Transmission	Attachment H (Actuals), Ln. 29, Col. [c]			
<u>7</u>	Total Company	Attachment H (Actuals), Ln. 29, Col. [f]			
<u>8</u>	Net Plant Allocation Factor	<u>Lns. (6 / 7)</u>	<u>NP</u>	≣	
	Gross Transmission Plant in Service				
<u>9</u>	Network Transmission	Worksheet A4, Lns. (15 - 30)			
<u>10</u>	Total Company	Attachment H (Actuals), Ln. 16, Col. [c]			
<u>11</u>	Transmission Plant Allocation Factor	<u>Lns. (9 / 10)</u>	<u>TP</u>	≣	
	Wages and Salaries				
<u>12</u>	Production	Worksheet A1, Ln. 69			
<u>13</u>	Transmission	Worksheet A1, Ln. 70			
<u>14</u>	Distribution	Worksheet A1, Ln. 71			
<u>15</u>	Other	Worksheet A1, Lns. (72 + 73 + 74)			
<u>16</u>	Total	Sum Lns. (12 through 15)			=
<u>17</u>	Network Transmission	<u>Lns. (11 x 13)</u>			
<u>18</u>	Wages and Salaries Allocation Factor	<u>Lns. (17 / 16)</u>	WS	≣	

Notes and Sources:

¹ <u>This allocator is fixed and cannot be modified absent a ruling from the Commission.</u>

	=			=
Line	FERC			
<u>No.</u>	<u>Account</u>	Description	Reference	Amount
	<u>[a]</u>	[<u>b]</u>	<u>[c]</u>	[<u>d]</u>
	DIRECT I	EXPENSE AMOUNTS		
<u>1</u>	<u>561</u>	Load Ancillary Expenses	Worksheet A1, Lns. (48 through 55)	
<u>2</u>	<u>561.4</u>	Less: Scheduling, System Control and Dispatch Services	Worksheet A1, Ln. 51	
<u>3</u>	<u>561.5</u>	Less: Reliability, Planning and Standards Development	Worksheet A1, Ln. 52	
<u>4</u>	<u>561.6</u>	Less: Transmission Service Studies	Worksheet A1, Ln. 53	
<u>5</u>	<u>561.7</u>	Less: Generation Interconnection Studies	Worksheet A1, Ln. 54	
<u>6</u>	<u>561.8</u>	Less: Reliability, Planning and Standards Development Services	Worksheet A1, Ln. 55	=
<u>7</u>		Total Load Dispatch Expenses	Sum Lns. (1 through 6)	
<u>8</u>		Schedule 1 Point-to-Point Revenues	Company Records/Input	=
<u>9</u>		Schedule 1 Annual Revenue Requirement	<u>Lns. (7 - 8)</u>	
<u>10</u>		<u>Divisor (kW)</u>	Worksheet A2, Ln. 16	
		Rates		
<u>11</u>		<u>Annual (MW-year)</u>	<u>Lns. (9 / 10)*1,000</u>	
<u>12</u>		<u>Monthly (MW-month)</u>	Ln. 11 / 12.0 Months	
<u>13</u>		<u>Weekly (MW-week)</u>	Ln. 11 / 52.0 Weeks	
<u>14</u>		<u>Daily On-Peak (MW-day)</u>	<u>Ln. 13 / 6.0 Days</u>	
<u>15</u>		<u>Daily Off-Peak MkW-day</u>	<u>Ln. 13 / 7.0 Days</u>	
<u>16</u>		Hourly On-Peak (MW-hour)	<u>Ln. 14 / 16.0 Hours</u>	

<u>17</u>		<u>Hourly Off-Peak (MW-hour)</u>	Ln. 15 / 24.0 Hours	
	=		=	====

<mark>El Paso Electric Company</mark> Formula Rate Template (Projected) Attachment H (Projected) 12 Months Ended December 31, 2022

<u>Line</u> <u>No.</u>	Description	Reference	Total Company Amount	<u>Network A</u> <u>Code</u>	<u>Allocator⁴</u>	Network Transmission
	<u>[a]</u>	[<u>b]</u> ⁵	<u>[c]</u>	[<u>d]</u>	<u>[e]</u>	[f] = [c] x [e]
	SECTION I: RATE SUMMARY					
<u>1</u>	Gross Revenue Requirement	<u>Ln. 87</u>				
	Revenue Credits					
<u>2</u>	Rent from Electric Property (Account No. 454)	Attachment H (Actuals), Ln. 2				
<u>3</u>	Other Electric Revenues (Account No. 456.1)	Attachment H (Actuals), Ln. 3				
<u>4</u>	Incremental Palo Verde Revenue Credit	Attachment H (Actuals), Ln 4				
<u>5</u>	Total Revenue Credits	Sum Lns. (2 through 4)	=			=
<u>6</u>	True-Up Adjustment with Interest	Worksheet P15, Ln. 37				
<u>7</u>	Net Revenue Requirement	<u>Lns. (1 - 5 - 6)</u>	5			=
<u>8</u>	<u>Divisor (kW)</u>	Worksheet P1, Ln. 16				
	Rates					
<u>9</u>	<u>Annual (MW-year)</u>	<u>Lns. (7 / 8)*1,000</u>				
<u>10</u>	<u>Monthly (MW-month)</u>	Ln. 9 / 12.0 Months				
<u>11</u>	Weekly (MW-week)	Ln. 9 / 52.0 Weeks				
<u>12</u>	Daily On-Peak (MW-day)	<u>Ln. 11 / 6.0 Days</u>				
<u>13</u>	Daily Off-Peak (MW-day)	<u>Ln. 11 / 7.0 Days</u>				

<u>14</u>	Hourly On-Peak (MW-hour)
<u>15</u>	Hourly Off-Peak (MW-hour)

Gross Plant in Service¹

17

<u>18</u>

<u>19</u>

<u>20</u>

<u>21</u>

<u>22</u>

<u>23</u>

<u>24</u>

<u>25</u>

Ln. 12 / 16.0 Hours

Ln. 13 / 24.0 Hours

SECTION II: RATE BASE

<u>16</u> NA Production Attachment H (Actuals), Ln. 15 Transmission Worksheet P2, Ln. 27, Col. [e] TP Distribution Attachment H (Actuals), Ln. 17 NA General & Intangible Attachment H (Actuals), Ln. 18 <u>WS</u> Total Gross Plant in Service Sum Lns. (16 through 19) Accumulated Depreciation¹ Production Attachment H (Actuals), Ln. 20 NA Worksheet P2, Ln. 27, Col. [j] Transmission TP Distribution Attachment H (Actuals), Ln. 22 NA General & Intangible Attachment H (Actuals), Ln. 23 <u>WS</u> Total Accumulated Depreciation Sum Lns. (21 through 24) Net Plant in Service

<u>26</u>	Production	<u>Lns. (16 - 21)</u>	
<u>27</u>	<u>_Transmission</u>	<u>Lns. (17 - 22)</u>	
<u>28</u>	_Distribution	<u>Lns. (18 - 23)</u>	
<u>29</u>	<u>General & Intangible</u>	<u>Lns. (19 - 24)</u>	
<u>30</u>	Total Net Plant in Service	Sum Lns. (26 through 29)	=
<u>31</u>	Construction Work in Progress (CWIP)	Worksheet P3, Ln. 2, Cols. [s] and [v]	
	Rate Base Adjustments		
<u>32</u>	Accumulated Deferred Income Taxes (ADIT)	Worksheet P4, Ln. 58	
<u>33</u>	Unamortized Excess/Deficient Deferred Income	Worksheet P4, Ln. 97	

Taxes

<u>34</u>	Unamortized Regulatory Assets	<u>Worksheet P7, Ln. 3, Cols. [aa]</u> and [cc] Worksheet P7, Ln. 4, Cols. [aa]			
<u>35</u>	Unamortized Regulatory Liabilities	and [cc] Worksheet P8, Ln. 2, Cols. [z]			
<u>36</u>	Unamortized Abandoned Plant	and [bb]			
<u>37</u>	Unfunded Reserves	Attachment H (Actuals), Ln. 36			
<u>38</u>	Hold Harmless Adjustments	Attachment H (Actuals), Ln. 37			
<u>39</u>	Total Rate Base Adjustments	Sum Lns. (32 through 38)	=		=
<u>40</u>	Land and Land Rights Held for Future Use	Attachment H (Actuals), Ln. 39			
	Working Capital				
<u>41</u>	Cash Working Capital ²	<u>Ln. 59 x 1/8</u>			
<u>42</u>	Material and Supplies (Transmission)	Attachment H (Actuals), Ln. 41		TP	
<u>43</u>	Material and Supplies (Stores Expense)	Attachment H (Actuals), Ln. 42		<u>WS</u>	
<u>44</u>	Prepayments	Attachment H (Actuals), Ln. 43		<u>GP</u>	
<u>45</u>	Total Working Capital	Sum Lns. (41 through 44)	=		=
<u>46</u>	Rate Base	Lns. (30 + 31 + 39 + 40 + 45)	=		
	SECTION III: COST OF SERVICE				
	Adjusted Transmission O&M				
<u>47</u>	Transmission O&M Expenses	Worksheet P9, Ln. 2, Col. [e]		TP	
<u>48</u>	Less: Account Nos. 561.1-561.8 (Load Dispatch)	Worksheet P9, Ln. 3, Col. [e]		TP	
<u>49</u>	Less: Account No. 565 (Transmission of Electricity by Others)	Worksheet P9, Ln. 4, Col. [e]		TP	
50	Total Adjusted Transmission O&M	Lns. (47 - 48 - 49)			
			-		-
	Adjusted A&G				
Z 1	A&G (Excluding Property Insurance and			WC	
<u>51</u>	Regulatory Commission Expense)	Worksheet P9, Ln. 5, Col. [e]		WS	

<u>52</u>	Less: Non-Recoverable A&G	Worksheet P9, Ln. 6, Col. [e]		WS	
<u>53</u>	Plus: Property Insurance	Worksheet P9, Ln. 7, Col. [e]		GP	
<u>54</u>	Plus: Regulatory Commission Expense	<u>Worksheet P9, Lns. (8 + 9), Col.</u> [e]			
<u>55</u>	Less: Actual OPEB Expense	Worksheet P9, Ln. 10, Col. [e]		WS	
	Plus: Fixed OPEB Expense	Fixed Amount ³		WS	
<u>56</u>				<u>ws</u>	
<u>57</u>	Total Adjusted A&G	Lns. (51 - 52 + 53 + 54 - 55 + 56)	=		=
<u>58</u>	Hold Harmless Expense Adjustments	Attachment H (Actuals), Ln. 57			
<u>59</u>	Total Operating Expenses	Lns. $(50 + 57 + 58)$			
	Depreciation and Amortization ¹				
<u>60</u>	Transmission	Worksheet P2, Ln. 26		TP	
61	General & Intangible	Attachment H (Actuals), Ln. 60		WS	
		Worksheet P8, Ln. 2, Cols. [h]			
<u>62</u>	Amortization of Abandoned Plant	and [1] Worksheet P7, Ln. 3, Cols. [i] and			
<u>63</u>	Amortization of Regulatory Assets	<u>[m]</u>			
<u>64</u>	Amortization of Regulatory Liabilities	Worksheet P7, Ln. 4, Cols. [i] and [m]			
<u>65</u>	Total Depreciation and Amortization	<u>Sum Lns. (60 through 64)</u>			
<u>05</u>	Total Depresation and Amortization	<u>Sum Ens. (60 unough 64)</u>	=		=
	Taxes Other than Income Taxes				
<u>66</u>	Payroll	Worksheet P9, Ln. 11, Col. [e]		WS	
67	Highway and Vehicle	Worksheet P9, Ln. 12, Col. [e]		WS	
68	Property	Worksheet P9, Ln. 19, Col. [e]		NP	
69	Gross Receipts	Worksheet P9, Ln. 13, Col. [e]		<u>NA</u>	
70	Other	Worksheet P9, Ln. 14, Col. [e]		GP	
71	Total Taxes Other than Income Taxes	Sum Lns. (66 through 70)			
			-		-
1					

Return on Rate Base

<u>72</u> <u>Weighted Cost of Long-Term Debt</u>

Attachment H (Actuals), Ln. 71

<u>73</u>	Weighted Cost of Common Equity	Attachment H (Actuals), Ln. 72		
<u>74</u>	Weighted Average Cost of Capital	<u>Lns. (72 + 73)</u>	=	=
<u>75</u>	Return on Equity	<u>Lns. (46 x 73)</u>		
<u>76</u>	Interest Expense	<u>Lns. (46 x 72)</u>		
<u>77</u>	Total Return on Rate Base	<u>Lns. (75 + 76)</u>	=	=
	Income Tax Computations			
<u>78</u>	Composite Income Tax Rate (T)	Worksheet P10, Ln. 8		
<u>79</u>	Composite Income Tax Rate Gross-Up Rate	<u>Ln. 78 / (1.0 - Ln. 78)</u>		
80	Amortization of Excess/Deficient Deferred Income Taxes	<u>Worksheet P6, Ln. 9, Col. [dd] x -</u> <u>1.0</u>		
<u>80</u> 81	Permanent Differences	<u>1.0</u> Attachment H (Actuals), Ln. 80		
<u>81</u>	<u>remaient Differences</u>	<u>Attachment II (Actuals), Lii. 80</u>		
	Income Taxes			
02	Income Tax on Equity Return	Lns. (75 x 79)		
<u>82</u>	Tax Adjustment-Excess/Deficient Deferred	LIIS. (75 x 79)		
<u>83</u>	Income Taxes	<u>(1.0 + Ln. 79) x Ln. 80</u>		
<u>84</u>	Tax Adjustment-Permanent Differences	<u>(1.0 + Ln. 79) x Ln. 78 x Ln. 81</u>		
<u>85</u>	Total Income Taxes	Sum Lns. (82 through 84)	=	=
<u>86</u>	Incentive Plant Return and Taxes	Worksheet P11, Ln. 2, Col. [qq]		
87	Gross Revenue Requirement	Sum Lns. (59, 65, 71, 77, 85, and 86)		
<u>07</u>	Stoss Revenue Requirement			_ =
_		_		_

Notes and Sources: $\frac{1}{2}$

Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.

² <u>Cash working capital calculated using the 1/8th O&M methodology.</u>

3

<u>4</u>

Fixed other post-employment benefits (OPEB) expense of (\$3,848,723) as established in Docket No. ER22-282-000. This amount cannot be modified abset a ruling from the Commission. The
fixed OPEB expense will be used in lieu of the actual OPEB expense incurred in the year absent FERC approval. The Company reviews internal records and identifies the PBOP expenses to be
removed from A&G as shown on Worksheet A16, line 6.
Throughout this Formula Rate Template (Projected), network allocators are sourced from

<u>Worksheet P12.</u>
 <u>Throughout this Formula Rate Template yellow-shaded cells are sourced from Company manual inputs.</u>

El Paso Electric Company Formula Rate Template (Projected) Network Transmission Load (MW)

12 Months Ended December 31, 2022

Worksheet P1

<u>Line</u> <u>No.</u>	<u>Month</u> [a]	Historic Network <u>Transmission</u> System Peak Load [b]	Percentage of Maximum Network Transmission Load ¹ [c]	Projected Network <u>Transmission</u> Load ² [d]
	=	=		=
<u>1</u>	Reference for Monthly Loads	<u>Worksheet A2,</u> <u>Col. [i]</u>		
2	January		=	=
<u>3</u>	<u>February</u>		=	=
<u>4</u>	March		=	=
<u>5</u>	April		=	=
<u>6</u>	May		=	=
<u>7</u>	June		=	=
<u>8</u>	July	_	=	=
<u>9</u>	August		=	
<u>10</u>	September	-	=	
<u>11</u>	October	-	=	
<u>12</u>	November	-	=	
<u>13</u>	December			
<u>14</u>	12-Month Total		=	-
<u>15</u>	<u>12-Month CP Average (Ln. 14 / 1</u>			
<u>16</u>	<u>12-Month CP Average (kW) (Ln.</u>	<u>15 x 1,000)</u>		
=	=	80	=	80
	and Sources:			
<u>1</u>	Percentages in column [c] equal t	*	2	uumn [b]) divided
2	by the maximum network transmi	ission load shown in c	<u>column [b].</u>	
<u>2</u>	Projected network transmission lo			
	column [c] multiplied by the max	~		<u>y's system in the</u>
	year during which this projection	is being developed as	s shown below:	

Intermediate Year: Peak Network Load (MW):

El Paso Electric Company Formula Rate Template (Projected) Projected Transmission Plant Activity 12 Months Ended December 31, 2022

Line <u>No.</u>		Year [b]	Projected Transmission Plant Additions [c]	<u>% of Additions</u> <u>Network</u> <u>Transmission</u> [d]	Projected Transmission Gross Plant Balances ² [e]	Projected <u>Network</u> Transmission Gross Plant Balances ² [f]	Depreciation Rate Selection ³	Depreciation Rate ³ [h]	<u>Monthly</u> <u>Transmission</u> <u>Depreciation</u> <u>Expense³</u> [<u>i</u>]	Projected Transmission Accumulated Depreciation Balances ⁴	Projected Transmission Net Plant Balances [k]=[e]-[j]
1	December	2020	<u>Worksheet A4, Co</u> <u>43</u>	ol. [f], Lns. 14 and							
<u><u></u></u>	January	<u>2020</u>	<u> </u>				=	=	=		
<u><u> </u></u>	<u>February</u>	2021	=	=				=	=	=	=
<u>≤</u> 4	March	<u>2021</u> 2021									
<u><u> </u></u>	April	2021									
6	May	2021									
7	June	2021		=							
<u>8</u>	July	2021		=							
2	August	2021									
<u> </u>	<u>September</u>	2021	=	=							
11	October	2021		=							
12	November	2021									
13	December	2021		_							
14	January	2022		=							
15	February	2022		_							
16	March	2022	_	_							
17	April	2022	_								
18	May	2022	=	=							
<u>19</u>	June	2022	=	=							

Worksheet P2

<u>20</u>	July	<u>2022</u>	=		=								
<u>21</u>	August	<u>2022</u>	=		=								
<u>22</u>	<u>September</u>	<u>2022</u>	=		=								
<u>23</u>	October	<u>2022</u>	=		=								
<u>24</u>	November	<u>2022</u>	=		=				 				
<u>25</u>	December	<u>2022</u>	=		=	_	=				=	=	
=	=	=	=	=		=	=	=	=	=	=	=	
<u>26</u>	<u>2022 Total D</u>	epreciatio	n Expense (Si	<u>um Lns. (14</u>	through 25	<u>;))</u> =	=	=	=	=	=	=	

	2022 13-Month Average Balances (Avg Lns. (13 through											
<u>27</u>	<u>25))</u>		=	=	=	=	=	=	=			
=		=	=	=	=	=	=	=	=			

<u>Notes and</u> Sources:

- <u>Unless otherwise stated, source of shaded cells is company input/records. El Paso must input the percentage of projected additions it believes will be recoverable through network transmission rates in Column [d].</u>
- ² Balances in Column [e] calculated using the end of year gross plant balances shown on Line 1 as well as the projected plant additions for all subsequent months show in Column [c]. Balances in Column [f] reflect the same computation factoring in the network transmission percentages shown in Column [d].
- In periods in which the Company will use its current FERC approved depreciation rates to depreciate projected transmission plant additions, enter an 'A' in Column [g]. In periods in which El Paso will use new depreciation rates submitted to FERC for approval, enter an 'N' in Column [g] These depreciation rates used to develop projected depreciation expense are shown below:

 Selection
 Rate
 Source

 A
 Attachment H (Actuals), Column [c], Lns. (59 / 16) / 12.0

 N
 Annual Composite Depreciation Rate in New Filed Study / 12.0

The monthly depreciation expense values shown in Column [i] are derived by multiplying the corresponding monthly depreciation rate shown in Column [h] by the average of the gross plant balances for the current and prior months contained in Column [e].

⁴ Balances in Column [j] calculated using the end of year accumulated depreciation balances shown on Line 1 as well as the projected depreciation expense for all subsequent months shown in Column [j].

El Paso Electric Company

Formula Rate Template (Projected) Construction Work in Progress (CWIP)

12 Months Ended December 31, 2022

_		-	=		=					_													=
Line No.	$\frac{\text{Descriptio}}{\underline{n}^2}$	<u>FERC</u> <u>Approval</u> <u>Docket</u>	<u>Recovery</u> <u>%</u> <u>Approved³</u>	Construction Start Date	Estimated <u>In-</u> <u>Service</u> <u>Date</u>	<u>Dec-</u> 2021	<u>Jan-</u> 2022	<u>BA</u> <u>Feb-</u> 2022	<u>LANC</u> <u>Mar-</u> <u>2022</u>	<u>ES</u> <u>Apr-</u> <u>2022</u>	<u>May-</u> 2022	<u>Jun-</u> 2022	<u>Jul-</u> 2022	<u>Aug-</u> 2022	<u>BALA</u> <u>Sep-</u> <u>2022</u>	<u>NCES</u> <u>Oct-</u> 2022	<u>Nov-</u> 2022	<u>Dec-</u> 2022	<u>Average</u> <u>CWIP</u>		work ocator <u>%</u>	<u>Network</u> <u>Transmission</u> <u>Balance</u>	<u>Network</u> <u>Allocator</u> Justification ⁴
<u>No.</u>	<u>[a]</u>	<u>[b]</u>	[c]	<u>[d]</u>	<u>[e]</u>	[<u>f]</u>	[g]	[<u>h]</u>	<u>[i]</u>	[1]	<u>[k]</u>	[1]	<u>[m]</u>	<u>[n]</u>	[0]	[p]	<u>[q]</u>	[r]	[s]=Avg. ([f] <u>through</u> [r])	<u>[t]</u>	<u>[u]</u>	[v]=[s]x[c]x[<u>u]</u>	<u>[w]</u>
_	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=
<u>1a</u>	<u></u>	<u></u>	=	<u></u>	<u></u>	=	_	=	=	_	=	_	_	_	_	_	_	=	=	<u></u>	=	=	<u></u>
<u>1b</u>	<u></u>	<u></u>	=	<u></u>	<u></u>	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u></u>	=	=	<u></u>
<u>lc</u>	<u></u>	<u></u>	=	<u></u>	<u></u>	=	=	=	=	=	=	=	=	=	=	=	=	=	=	<u></u>	=	=	<u></u>
<u></u>	<u></u>	<u></u>	=	<u></u>	<u></u>	=	=	=	=	=	=		=	=	=	=	=	=	=	<u></u>	=	=	<u></u>
<u></u>	<u></u>	<u></u>	=	<u></u>	<u></u>	=	=		=	=	=		=	=	=	=	=	=	=	<u></u>	=	=	<u></u>
<u> </u>	<u></u>	<u></u>		<u></u>	<u></u>		=						=			=			=	<u></u>	=	=	<u></u>
1zz				<u></u>													_			<u></u>	_		
	Total Cons	truction Wo							-	-			- Sec		- Mark								
<u>2</u>	<u>Progress (S</u> <u>1zz))</u>	um Lns. (1a	<u>through</u>	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=	
_	=	=	=	=	=	_	=	_	_	_	_	_	_	-	_	_	-	_	=	=	_	=	=

Notes and

Sources:

- <u>Unless otherwise stated, source of shaded cells is company</u> input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of CWIP balances.
- ² The accrual of allowance for funds used during construction (AFUDC) ceases when CWIP is recovered in rate base corresponding to the amount of CWIP included in rate base. Accounting procedures must ensure that there is no duplicate recovery of CWIP and corresponding capitalized AFUDC.

Worksheet P3

- Percentages greater than 0% listed in column [c] must be accompanied by a corresponding FERC docket number in column [b], where rate base treatment was specifically directed or approved by the Commission pursuant to a §205, §206, or §219 filing.
 Only network allocator codes listed on Worksheet P12 may be
- ⁴ <u>Only network allocator codes listed on Worksheet P12 may be</u> <u>inputed.</u>

		=	=	=	=	=		=	=	=			
				<u>Days ir</u>	Period ¹								
<u>Line</u> <u>No.</u>	Description / Month	=	Days in Month [b]	Days Prorated [c]	<u>Days in</u> <u>Trued-Up</u> <u>Period</u> [d]	Proration Percentage [e]=[c]/[d]		Projected Monthly Activity ² [f]	Projected <u>Projected</u> <u>Monthly</u> <u>Activity</u> [g] = [e] x [f]	Prorated Projected Balances [h] = Cumulative([g])			
Accu	Accumulated Deferred Income Taxes (Account No. 190)												
1	Dec-2021 (Worksheet A8, Ln. 3, Col. [q])	1/1/2022		-	_	_							
<u>2</u>	<u>Jan-2022</u>	<u>1/31/2022</u>						=	=	=			
<u>3</u>	<u>Feb-2022</u>	2/28/2022						=	=	=			
<u>4</u>	<u>Mar-2022</u>	3/31/2022						=	=	=			
<u>5</u>	<u>Apr-2022</u>	4/30/2022						=	=	=			
<u>6</u>	<u>May-2022</u>	<u>5/31/2022</u>						=	=	=			
<u>7</u>	<u>Jun-2022</u>	<u>6/30/2022</u>						=	=	=			
<u>8</u>	<u>Jul-2022</u>	7/31/2022						=	=	=			
<u>9</u>	<u>Aug-2022</u>	8/31/2022						=	=	=			
<u>10</u>	<u>Sep-2022</u>	<u>9/30/2022</u>						=	=	=			
<u>11</u>	<u>Oct-2022</u>	10/31/2022						=	=	=			
12	<u>Nov-2022</u>	11/30/2022						=	=	=			
<u>13</u>	<u>Dec-2022</u>	<u>12/31/2022</u>						=	=	=			
<u>14</u>	Total (Sum Lns. (1 through 13))	=		=	=	=		=	=	=			

<u>Total Account No. 190 - Balances Not Subject to</u> Prorationing

15 Beginning of Year Balance (Worksheet P5, Ln. 4, Col. [q])

<u>16</u> End of Year Balance (Worksheet P5, Ln. 4, Col. [cc])

=

<u>17</u> <u>Average of Begin</u>	nning of Year and End of Year	Balances (Average Lns. 15 and 16)
-----------------------------------	-------------------------------	-----------------------------------

18 Total Account No. 190 - Prorated Balance at End of Year (Ln. 13, Col. [h])

<u>19</u> <u>Total Average Account No. 190 Balance (Lns. (17 + 18))</u>

Accumulated Deferred Income Taxes - Other Property (Account No. 282) Dec-2022 (Worksheet P5, Ln. 7, Col. [q]) 1/1/2022 <u>20</u> Jan-2022 <u>21</u> 1/31/2022 Feb-2022 <u>22</u> 2/28/2022 Mar-2022 23 3/31/2022 =_____ <u>Apr-2022</u> <u>24</u> 4/30/2022 = _____ <u>May-2022</u> <u>25</u> 5/31/2022 Jun-2022 6/30/2022 26 =_____ Jul-2022 7/31/2022 <u>27</u> = = Aug-2022 <u>28</u> <u>8/31/2022</u> Sep-2022 29 9/30/2022 =_____ <u>Oct-2022</u> 10/31/2022 30 -Nov-2022 11/30/2022 31 Dec-2022 <u>32</u> 12/31/2022 <u>33</u> Total (Sum Lns. (20 through 32))

<u>Total Account No. 282 - Balances Not Subject to</u> Prorationing

- <u>34</u> Beginning of Year Balance (Worksheet P5, Ln. 8, Col. [q])
- 35 End of Year Balance (Worksheet P5, Ln. 8, Col. [cc])
- 36 Average of Beginning of Year and End of Year Balances (Average Lns. 34 and 35)
- 37 Total Account No. 282 Prorated Balance at End of Year (Ln. 32, Col. [h])
- <u>38</u> <u>Total Average Account No. 282 Balance (Lns. (36 + 37))</u>

Accu	<u>mulated Deferred Income Taxes - Other Pro</u>	<u>perty (Account No. 283)</u>	=	=	= =	=	=	=
<u>39</u>	Dec-2022 (Worksheet P5, Ln. 11, Col. [q])	<u>1/1/2022</u>						
<u>40</u>	<u>Jan-2022</u>	<u>1/31/2022</u>				=	=	=
<u>41</u>	<u>Feb-2022</u>	<u>2/28/2022</u>					=	=
<u>42</u>	<u>Mar-2022</u>	<u>3/31/2022</u>				=	=	=
<u>43</u>	<u>Apr-2022</u>	<u>4/30/2022</u>				=	=	=
<u>44</u>	<u>May-2022</u>	<u>5/31/2022</u>				=	=	=
<u>45</u>	<u>Jun-2022</u>	<u>6/30/2022</u>				=		=
<u>46</u>	<u>Jul-2022</u>	<u>7/31/2022</u>				=	=	=
<u>47</u>	<u>Aug-2022</u>	8/31/2022				=	=	=
<u>48</u>	<u>Sep-2022</u>	<u>9/30/2022</u>				=	=	=
<u>49</u>	<u>Oct-2022</u>	10/31/2022				=	=	=
<u>50</u>	<u>Nov-2022</u>	11/30/2022				_	=	=
<u>51</u>	<u>Dec-2022</u>	<u>12/31/2022</u>				=	=	=
<u>52</u>	Total (Sum Lns. (39 through 51))		-	-		-	-	_
	Total Account No. 283 - Balances Not Subje Prorationing	<u>ct to</u>						
	Beginning of Year Balance (Worksheet P5, 1	<u>.n. 12, Col.</u>						
<u>53</u>	<u>[q])</u>							
<u>54</u>	End of Year Balance (Worksheet P5, Ln. 12,							_ =
<u>55</u>	Average of Beginning of Year and End of Year	ear Balances (Average Lns. 53 and 54)						
<u>56</u>	Total Account No. 283 - Prorated Balance at	End of Year (Ln. 51, Col. [h])						
<u>57</u>	Total Average Account No. 283 Balance (Lr	<u>s. (55 + 56))</u>						
<u>58</u>	Total Average Projected ADIT for Netwo	<u>k Transmission (Lns. (14 + 33 + 52))</u>		=		=	=	=

Excess Deferred Income Taxes (Account No. 254)

<u>59</u> Dec-2022 (Worksheet P6, Ln. 3, Col. [q]) <u>1/1/2022</u>

<u>60</u>	Jan-2022	<u>1/31/2022</u>	=	=	-
<u>61</u>	<u>Feb-2022</u>	<u>2/28/2022</u>	=	=	=
<u>62</u>	<u>Mar-2022</u>	<u>3/31/2022</u>	=	=	
<u>63</u>	<u>Apr-2022</u>	<u>4/30/2022</u>	=	=	=
<u>64</u>	<u>May-2022</u>	5/31/2022	=	=	=
<u>65</u>	<u>Jun-2022</u>	<u>6/30/2022</u>	=	=	=
<u>66</u>	<u>Jul-2022</u>	7/31/2022	=	=	=
<u>67</u>	<u>Aug-2022</u>	<u>8/31/2022</u>	=	=	=
<u>68</u>	<u>Sep-2022</u>	9/30/2022	=	=	=
<u>69</u>	<u>Oct-2022</u>	10/31/2022	=	=	=
<u>70</u>	<u>Nov-2022</u>	11/30/2022	=	=	=
<u>71</u>	<u>Dec-2022</u>	<u>12/31/2022</u>	=	=	=
<u>72</u>	Total (Sum Lns. (59 through 71))		=	=	-
	Total Excess Deferred Income Taxes Acct No.	b. 254 - Balances Not Subject to Prorationing			
<u>73</u>	Beginning of Year Balance (Worksheet P6, L	<u>n. 4, Col. [q])</u>			
<u>74</u>	End of Year Balance (Worksheet P6, Ln. 4, C	<u>Col. [cc])</u>		_	
<u>75</u>	Average of Beginning of Year and End of Ye	ar Balances (Average Lns. 73 and 74)			
<u>76</u>	Total Excess Deferred Income Taxes - Prorat	ed Balance at End of Year (Ln. 71, Col. [h])			
				_	
<u>77</u>	Total Average Excess Deferred Income Tax I	Balance (Lns. (75 + 76))		_	
Defic	ient Deferred Income Taxes (Account No. 18	2.3)		=	-
<u>78</u>	Dec-2022 (Worksheet P6, Ln. 7, Col. [q])	<u>1/1/2022</u>			
<u>79</u>	<u>Jan-2022</u>	<u>1/31/2022</u>		=	
<u>80</u>	<u>Feb-2022</u>	<u>2/28/2022</u>		=	
<u>81</u>	<u>Mar-2022</u>	<u>3/31/2022</u>		=	=
<u>82</u>	<u>Apr-2022</u>	<u>4/30/2022</u>		=	=
<u>83</u>	<u>May-2022</u>	<u>5/31/2022</u>		=	=
<u>84</u>	<u>Jun-2022</u>	<u>6/30/2022</u>	=	_	

<u>91</u>	<u>Total (Sum Lns. (78 through 90))</u>		_	_	_	 _	_	_
<u>90</u>	<u>Dec-2022</u>	<u>12/31/2022</u>				=	=	
<u>89</u>	<u>Nov-2022</u>	<u>11/30/2022</u>				=	=	=
<u>88</u>	<u>Oct-2022</u>	10/31/2022					=	=
<u>87</u>	<u>Sep-2022</u>	<u>9/30/2022</u>				=	=	=
<u>86</u>	<u>Aug-2022</u>	<u>8/31/2022</u>				=	=	=
<u>85</u>	<u>Jul-2022</u>	7/31/2022					=	=

Total Deficient Deferred Income Taxes Acct No. 182.3 - Balances Not Subject to Prorationing

- 92 Beginning of Year Balance (Worksheet P6, Ln. 8, Col. [q])
- <u>93</u> End of Year Balance (Worksheet P6, Ln. 8, Col. [cc])
- <u>94</u> Average of Beginning of Year and End of Year Balances (Average Lns. 92 and 93)
- 95 Total Deficient Deferred Income Taxes Prorated Balance at End of Year (Ln. 90, Col. [h])
- <u>96</u> <u>Total Average Deficient Deferred Income Tax Balance (Lns. (94 + 95))</u>

97 Total Average Projected Excess/Deficient Deferred Income Taxes for Network Transmission (Lns. (77 + 96))

Notes and Sources:

- <u>Columns [b] through [e] are automatically populated based on the year inputed on Worksheet A1, line 2.</u>
 <u>See Worksheet P5, lines 3, 7, 11, columns [q] through [cc] for actual monthly ADIT activity. See Worksheet P6, lines 3 and 7, columns [q] through [cc] for actual monthly excess and deficient deferred income tax activity.
 </u>
- <u>2</u>

ıy	Compar	Electric	Paso	El
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Formula Rate Template (Projected) Accumulated Deferred Income Taxes (ADIT) Balances

12 Months Ended December 31, 2022

<u>.ine</u> No.	Description	Dec- 2021	<u>Jan-</u> 2022	Feb- 2022	<u>Mar-</u> 2022	<u>Apr-</u> 2022	Total Comp May- 2022	Dany End-o Jun- 2022	o <mark>f-Month Barbaro Jul-</mark> 2022	<u>Alances</u> <u>Aug-</u> 2022	<u>Sep-</u> 2022	<u>Oct-</u> 2022	<u>Nov-</u> 2022	Dec- 2022	<u>Netwo</u> <u>Alloca</u> <u>Code</u>	<u>%</u>	Dec- 2021	Jan- 2022	Feb- 2022	<u>Mar-</u> 2022	<u>Apr-</u> 2022	<u>May-</u> 2022	smission En Jun- 2022	<u>Jul-</u> 2022	Aug- 2022	<u>Sep-</u> 2022	<u>Oct-2022</u>	<u>Nov-</u> 2022	Dec- 2022	Prorated? ²	<u>Network Allocator</u> Justification ³
	<u>[a]</u>	р	[c]	[d]	<u>[e]</u>	[f]	[g]	[<u>h]</u>	[1]	[j]	[k]	[1]	[m]	[<u>n]</u>	<u>[0]</u>	[p]	[q] = [b] x [p]	[r] = [c] x [p]	[s] = [d] x [p]	[t] = [e] x [p]	[u] = [f] x [p]	[v] = [g] x [p]	[w] = [h] x [p]	[x] = [i] x [p]	[y] = [j] x [p]	[z] = [k] x [p]	<u>[aa] = [l] x</u> [p]	[<u>bb]</u> = [<u>m] x</u> [<u>p]</u>	[cc] = [n] x [p]	[<u>dd]</u>	[ee]
<u>zumulat</u> xes (Aco	<u>ted Deferred Income</u> count No. 190) ¹																												-		
A	Alternative Minimum Fax Credit Carryforward	_		_		_	_	_	_	-	_	_	_	_	NA			_	_	-	_		_	-	_	_	_	-	_	-	-
	AOCI Amortization of Debt Costs														NA								<u>.</u>					•	•		
A	AOCI Decommissioning Costs					ā			ā		-				NA			-	-					-	ī		ā				
	AOCI Retirement Plans										-			-	NA				-									. <u>.</u>	•		
	Capitalized Interest							Ξ			=				NP			Ξ	=	Ξ	Ξ	ΞΞ	Ξ	=							
f C				ā	ā	÷	ā	ā	÷	ā	-	ā		ā	NA				=		ā		ā	-	=	ā	ā				
	Coal Reclamation Costs										-				NA				-	ā				ā			ā	. <u></u>	•		
				-						-	-		-	-	NP			=	-		<u></u>	=	<u></u>		-		ā		· · · · ·		
	Decommissioning Costs		=	=	<u></u>	=	=	=	=		=	=			<u>Nr</u> NA			=	Ξ	ā	=	=	=	ā	Ξ	.	=				
		=		=	=	=		=	=	=	=	=	=	=				=	=	=	=	=	=	=	=	Ξ	=		=		
	Deferred Fuel NM			-							-			-	NA			=	-	=	<u> </u>	=		=	=		=		·=		
	Deferred Fuel TX	=	=	=	=	=	=	=	=	=	=	=	=	=	NA	=;		=	=	=	=	=	=	=	=	=	Ξ	=			
E	Depreciation Differences Excess Deferred Taxes				<u>-</u>					<u> </u>		<u>-</u>			<u>NP</u>				=	.			.	.	=				••••=		
	<u>led</u>			=				=	=	=	=			=	<u>NA</u>			=	=	Ξ	=	=	ΞΞ	Ξ	=	Ξ	ā				
<u>n I</u>	TC	=	=	=	=	=	=	=	Ξ	=	=	=	Ξ	=	<u>NA</u>		=	=	=	Ξ	Ξ	=	Ξ	Ξ	=		ā				
	<u>NOL Carryforward - AZ</u>		=	=	-		=	-	=	-	-	-		-	<u>NP</u>				=		<u></u>			=	=			. <u></u>	•····=		
p F	ederal NOL Carryforward -			=		=		=	=		=	=			<u>NP</u>			Ξ	=	Ξ	=			Ξ	=		=				
	<u>IM</u>			ā	ā	-		ā	ā	ā		ā		ā	<u>NP</u>			ā	=	=	=				=	ā	ā				
: <u>0</u>	<u>Other</u> Dther Employee			=											NA				=								ā	. <u></u>	•=		
	Benefits		=	ā				=		ā	=	=			<u>WS</u>			=	=	=	=			.	=	.			ā		
<u>lt</u> R	<u>R & D Credit</u>			-		-		-	=		_	-	-	-	<u>NP</u>			-	=	=	=		-		=	-	=	-			

Worksheet P5

Worksheet P5

Worksheet P5

1u Retirement Plans	WS		
Iv SFAS 143 ARO	NA		
		.	
Iw Strategic Costs Image: Costs Image: Costs	NA		
1x Federal Income Tax	NA		
ly Unbilled Revenue	NA		
<u>a</u> <u>a</u>			
lzz "			
Total Account No. 190			
(Sum Lns. 1a through 2 1zz)	=	=	
Total Account No. 190 -			
Balances Subject to 3 Prorationing			
Total Account No. 190 - Balances Not Subject to			
4 Prorationing			
Accumulated Deferred Income Taxes - Other Property			
(Account No. 282) ¹ <u>e e e e e e e e e e e e e e e</u>		-	
5a ABFUDC - CWIP	NA		
Sb AEFUDC	NA		
		.	
<u>Sc</u> <u>AEFUDC - CWIP</u>	<u>NA</u>	-	
5d Decommissioning Costs	NP		
	<u>NP</u> <u>NP</u>	=	
Se Depreciation Differences		-	
Se Depreciation Differences	<u>NP</u> NA		
Se Depreciation Differences 5f Nuclear Fuel 5g Repair Allowance	<u>NP</u> NA NP		
Se Depreciation Differences 5f Nuclear Fuel 5g Repair Allowance	<u>NP</u> NA		
Se Depreciation Differences 5f Nuclear Fuel 5g Repair Allowance	<u>NP</u> NA NP		
5f Nuclear Fuel 5g Repair Allowance 5h Section 174 R&D 5zz	<u>NP</u> NA NP		
Se Depreciation Differences 5f Nuclear Fuel Sg Repair Allowance 5h Section 174 R&D Section 174 R&D Section 174 R&D	<u>NP</u> NA NP		
Section Differences	<u>NP</u> NA NP		

 Total Account No. 282 -Balances Subject to

 7
 Prorationing Total Account No. 282 -Balances Not Subject to

 8
 Prorationing

Accumulated Deferred Income	
Taxes - Other (Account No.	
<u>283)'</u>	
9a AEFUDC	NA N
96 AEFUDC - CWIP	
Amortization of Debt	
9e Costs	NP
<u>9d Decommissioning Costs a series a se</u>	NA a <u>a a a a a a a a a</u>
9e Deferred Fuel FERC	NA i ai i i i i i i i i i i i i i i i i i
<u>9f Deferred Fuel NM</u>	
0.4 Defended Eval TV	NA
9g Deferred Fuel TX	
Excess Deferred Taxes 9h Fed	NA A A A A A A A A A A A A A A A A A A
Excess Deferred Taxes	
9i State	
9j Other	NA
Taxes Other Than	
9k Federal Income Tax	NA
922	
<u>Total Account No. 283</u>	
(Sum Lns. 9a through 10 9zz)	
I	
Total Account No. 283 -	
Balances Subject to	
11 Prorationing	
Total Account No. 283 -	
Balances Not Subject to	
12 Prorationing	
Total ADIT (Lns. 2 + 6	
Notes and Sources:	
Unless otherwise stated, source of shaded cells is company input/records. Lines	

Unless otherwise stated, source of shaded cells is company input/records. Lines la through 1zz, 5a through 5zz and 9a through 9zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of ADIT items.

Enter 'Yes' or 'No.' Only plant-related ADIT balances are subject to prorationing, Values on lines 3, 4, 7, 8, 11, and 12 will populate automatically based on the inputs to column [dd]. Inputs only needed for ADIT items with non-zero allocations to network transmission rates. Only network allocator codes listed on Worksheet P12 may be inputed. Only deferred taxes related to rate base, construction, or other costs and revenues affecting jurisdictional cost-of-service may be included as rate base reductions/additions.

mortization	Alloc	<u>ator</u>	Net	twork Tr	ansmiss	ion End	of-Mont	th Balance	es			Bala	nces						Amortization	Network
	Code	0/0	Dec-	Jan-	Feb-	Mar-	Apr-	May-	Jun-	Jul-	Aug-	Sep-	Oct-	Nov-	Dec-	Annual	Prorated	Protected or	Period /	Allocator
	Couc	<u>70</u>	<u>2021</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>Amortization</u>	<u>?</u> 2	Unprotected?	Methodology	Justification ³
[n1]	<u>[0]</u>	[p]	[q] = [b] <u>x [p]</u>	[r] = [c] x [p]	[s] = [d] x [p]	[t] = [e] x [p]	[<u>u] =</u> [<u>f] x</u> [p]	[v] = [g] x [p]	[w] = [h] x [p]	[x] = [i] x [p]	[y] = [j] x [p]	[z] = [k] x [p]	[<u>aa]</u> = []] x [p]	<u>[bb]</u> <u>[</u> [<u>m]</u> x [p]	[cc] = [n] x [p]	<u>[dd] = [cc] -</u> [<u>q]</u>	[ee]	<u>[ff]</u>	[gg]	[hh]
	-	=	=	-	=	-	-	=	=	-	-	-	=		=	=	=	=	=	-

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<u>NP</u>	_	_	_	_			_	_	_	_	_	_	_	_				
<u>NP</u>																		
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<u>NP</u>																		
<u></u>	=	=	=	=	Ξ		=	=	Ξ		Ξ	=	=	=		 		
<u>NP</u>																		
	Ξ			=	=		=	=		=	=	=	=	=		 		
<u>NA</u>	=		=	=	=			=		=	=	=	=	=	<u></u>	 <u></u>	<u></u>	
 <u>NP</u>	=	=	=	=	=		=	=		=	=	=	=	=		 		
<u></u>	=	_	=	=	=			=	=	=	=	=	=	=	<u></u>	 <u></u>	<u></u>	
<u></u>			_	_	_	_						_	_		<u></u>	<u></u>	<u></u>	
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NP																			
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<u>WS</u>																			
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<u>NA</u>																			
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NP																			
 	Ξ	=		=	=	Ξ	=	=		=	=			=		 			
<u></u>	=	=	-			=		=	-		=	-	=	-	<u></u>	-	<u></u>	<u></u>	

pproved <u>r Rate</u> :overy ⁴	<u>Alloca</u>	<u>ator</u> <u>%</u>	<u>Transmission</u> <u>Amortization</u> <u>Expense</u>	<u>Dec-</u> 2021	<u>Jan-</u> 2022	<u>Feb-</u> 2022	<u>Mar-</u> 2022	<u>Apr-</u> 2022	<u>May-</u> 2022	<u>Jun-2022</u>	<u>Jul-</u> 202 2	<u>Aug-</u> 2022	<u>Sep-</u> 2022	<u>Oct-</u> 2022	<u>Nov-</u> 2022	<u>Dec-</u> 2022	<u>13-Month Avg.</u> <u>Unamortized</u> <u>Balance</u>	<u>% Approved</u> <u>for Rate Base</u> <u>Treatment⁵</u>	Network Transmission Unamortized Balance	<u>Network</u> <u>Allocator</u> Justification ⁶
<u>[]]</u>	<u>[k]</u>	[1]	<u>[m]=[i]x[j]x[l]</u>	[<u>n]</u>	<u>[0]</u>	[p]	<u>[q]</u>	[r]	<u>[s]</u>	<u>[t]</u>	<u>[u]</u>	<u>[v]</u>	<u>[w]</u>	<u>[x]</u>	<u>[y]</u>	<u>[z]</u>	<u>[aa]=Avg. ([n]</u> <u>through [z])</u>	[<u>bb]</u>	[cc]=[aa]x[l]x[bb]	<u>[dd]</u>
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	<u></u>			=		=			=			=	=					=		
-	<u></u>	- -	-	-	-	_	-	-	-	_		-	_		_	_		-	-	
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etwo loca		<u>Network</u> Transmission			Ī	JNAMC	DRTIZE	D BALA	NCES			Ţ	JNAMC BALA	NCES	D	<u>13-Month</u> <u>Avg.</u>	<u>Mapproved</u>	<u>Network</u> Transmission	Network
<u>de</u>	<u>%</u>	Amortization Expense	<u>Dec-</u> 2021	<u>Jan-</u> 2022	<u>Feb-</u> 2022	<u>Mar-</u> 2022	<u>Apr-</u> 2022	<u>May-</u> 2022	<u>Jun-</u> 2022	<u>Jul-</u> 2022	<u>Aug-2022</u>	<u>Sep-</u> 2022	<u>Oct-</u> 2022	<u>Nov-</u> 2022	<u>Dec-</u> 2022	Unamortized Balance	<u>for Rate</u> <u>Base</u> <u>Treatment⁴</u>	Unamortized Balance	<u>Allocator</u> Justification ⁵
	<u>[k]</u>	[l]=[h]x[i]x[k]	<u>[m]</u>	<u>[n]</u>	<u>[0]</u>	[p]	<u>[d]</u>	<u>[r]</u>	<u>[s]</u>	<u>[t]</u>	<u>[u]</u>	<u>[v]</u>	[w]	<u>[x]</u>	<u>[y]</u>	[<u>z]=Avg.</u> ([m] through [y])	<u>[aa]</u>	[bb]=[z]x[aa]x[k]	<u>[cc]</u>
	=	=	-	=	-	=	-	=	-	=	=	=	=	-	=	=	=	=	=
	=	=	_	=	_	=		=	=	=	-	=	=	=	=	=	=	=	<u></u>
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	=	-	=	-	=	=	=	=	=	=	=	=	=	=	=	=	=	=	=

=					=
<u>Line</u> <u>No.</u>	Description	Reference	Actual Costs	<u>Charge</u> <u>Factor¹</u>	Projected Costs
_	<u>[a]</u>	Ь	[<u>c]</u>	<u>[d]</u>	<u>[e]</u>
<u>1</u>	Net Plant in Service	Attachment H (Actuals), Ln. 29, Col. [c]		-	
	<u>O&M</u>				
<u>2</u>	Transmission O&M Expenses	Attachment H (Actuals), Ln. 46, Col. [c]			
<u>3</u>	Account Nos. 561.1-561.8 (Load Dispatch)	Attachment H (Actuals), Ln. 47, Col. [c]			
<u>4</u>	Account No. 565 (Transmission of Electricity by Others)	Attachment H (Actuals), Ln. 48, Col. [c]			
	<u>A&G</u>				
<u>5</u>	A&G (Excluding Property Insurance and Regulatory Commission Expense)	Attachment H (Actuals), Ln. 50, Col. [c]			
<u>6</u>	Non-Recoverable A&G	Attachment H (Actuals), Ln. 51, Col. [c]			
<u>7</u>	Property Insurance	Attachment H (Actuals), Ln. 52, Col. [c]			
<u>8</u>	Transmission-Related Regulatory Commission Expense	Attachment H (Actuals), Ln. 53, Col. [f]			
<u>9</u>	Amortization of Transmission Rate Case Expense	Projected FERC. Rate Case Expenses Amortized Over 3 Years			
<u>10</u>	Actual OPEB Expense	Attachment H (Actuals), Ln. 54, Col. [c]			
	Taxes Other than Income Taxes				
<u>11</u>	Payroll Taxes	Attachment H (Actuals), Ln. 65, Col. [c]			
12	Highway and Vehicle Taxes	Attachment H (Actuals), Ln. 66, Col. [c]			
13	Gross Receipts Taxes	Attachment H (Actuals), Ln. 68, Col. [c]			
14	Other Taxes (Non-Income)	Attachment H (Actuals), Ln. 69, Col. [c]			
<u> </u>					

Load Dispatch Expenses

<u>15</u>	Scheduling, System Control and Dispatch Services (561.4)	Worksheet A1, Ln. 51
<u>16</u>	Reliability, Planning and Standards Development (561.5)	Worksheet A1, Ln. 52
<u>17</u>	Transmission Service Studies (561.6)	Worksheet A1, Ln. 53
<u>18</u>	Generation Interconnection Studies (561.7)	Worksheet A1, Ln. 54
<u>17</u>	Reliability, Planning and Standards Development Services (561.8)	Worksheet A1, Ln. 55
<u>18</u>	<u>Net Plant in Service for Year Prior to Actual True-Up Year (2019)</u>	FERC Form No. 1, Page 200, Col. (b), Ln. 3 less Ln. 14
	Property Taxes	
<u>19</u>	Property Taxes	Attachment H (Actuals), Ln. 67, Col. [c]

Notes and Sources:

¹ The charge factor is calculated by dividing the individual O&M and A&G expenses on lines 2 through 17 (column [c]) by the actual net plant in service found on line 1. This charge factor is only used if the percentage change between projected and actual net plant (as shown on line 1) is less than 2.5%. In which case, the charge factors listed in Column [d] are multiplied by the projected net plant on line 1 to respective projected expenses. If the percentage change in net plant is greater than 2.5%, then each projected expense item will be calculated by increasing the corresponding actual expense item by 2.5%. If the percentage change is less than 0%, then each projected expense item will be calculated the same as corresponding actual expense.

% Change in Net Plant from Actual to Projected	<u>Ln. 1, Cols. ([e] - [c]) / Col. [c]</u>	=
Maximum Percentage Change	<u>Fixed 2.5%</u>	<u>2.5%</u>
Minimum Percentage Change	Fixed 0%	<u>0.0%</u>
<u>Use Calculated Charge Factors?</u> Use Maximum or Minimum Percentage Change?	<u>"Yes" if % change is between 0% and 2.5%</u> <u>otherwise "No"</u> <u>"Max" if % change is > 2.5%, "Min" if %</u> change is < 0%	=
Use Maximum or Minimum Percentage Change?	<u>change is < 0%</u>	=

Property tax expenses relate to plant balances as of December 31, 2 Years prior to the expense period. Projected property taxes in Column [e] are calculated by multiplying the charge factor in Column [d] by the actual net plant in service balance shown on line 1. Property taxes charge factor calculated by dividing the actual property expense shown on line 19 by the net plant in service for the year prior to actual true-up year as shown on line 18.

El Paso Electric Company

Formula Rate Template (Projected) Corporate Income Tax Rates 12 Months Ended December 31, 2022

<u>Line</u> <u>No.</u>	Description [a]	Source [b]	<u>Federal</u> [c]	<u>New Mexico</u> [<u>d]</u>	<u>Arizona</u> [e]	<u>Texas</u> [<u>f]</u>	<u>Total</u> [g]
<u>1</u>	Corporate Income Tax Rate	https://taxfoundation.org/state- corporate-income-tax-rates-brackets- 2020/	=		=	= 	
<u>2</u>	State Deduction for Federal Income Tax Purposes	<u>-1.0 x Sum (Ln. 4, Cols. [d], [e], and</u> [f]) x Ln. 1, Col. [c]					
<u>3</u>	State Apportionment Factor for Taxable Income/Losses	Company Input/Records			E	=	
<u>4</u>	Effective Rates ¹	<u>Lns. (1 x 3)</u>					
<u>5</u>	Blended State Income Tax Rate (SIT)	Ln. 4, Col. [g] less Ln. 4, Col. [c]					
<u>6</u>	Federal Income Tax Rate (FIT)	<u>Lns. (4 - 5)</u>					
<u>7</u>	<u>Percent of Federal Income Deductible for State Tax</u> <u>Purposes (p)</u>	Company Input/Records					-
<u>8</u>	Composite Income Tax Rate (T)	(Ln. 6 x (1.0 - Ln. 5) + Ln. 5 x (1.0 - Ln. 6 x Ln. 7)) / (1.0 - Lns. (5 x 6 x 7))					

 $\frac{1}{1}$ of line 4, columns [c] through [f].

<u>El Paso Electric Company</u>

Worksheet P11

Worksheet P11

Worksheet P11

Formula Rate Template (Projected) Incentive Plant Return and Taxes 12 Months Ended December 31, 2022

Lin Pro e Nai No. [2	Docket ²	ROE Incentive Approve d ² [c]	Equit ¥ <u>Ratio</u> 3 [d]	Weighte d ROE Incentive [e]=[c]x[d]	nt	Network Allocator <u>c</u> % [g] [h]	$\frac{\underline{\text{Dec}}}{\underline{\underline{202}}}$	$\begin{array}{c} \text{GROSS PLA} \\ \hline \text{Jan-} \\ \hline 202 \\ \hline 2 \\ 2 \\$		$\frac{\underline{Apr}}{\underline{2}}$	May Jun 202 202 2 2 [n] [o]	<u>-</u> <u>Jul-</u> 2 <u>202</u> 2	$\frac{\text{Sep}}{2} \stackrel{\square}{=} \stackrel{\square}{=} $		<u>Dv</u> <u>Dec</u> <u>=</u> <u>2</u> <u>2</u> <u>2</u> <u>2</u> <u>2</u> <u>1</u> <u>[u]</u> <u>-</u>		ACCUM DEPREC <u>Jan-</u> 202 2 [W]		$\frac{\text{Mar}}{\frac{2}{2}} = \frac{4}{2}$ $\frac{202}{2} = \frac{20}{2}$ $[y] = [z]$	<u>pr May</u> = = 02 <u>202</u> 2 <u>2</u> z] [aa]		<u>Jul-</u> 202 2	ECIATION Sep Oct = = 202 202 2 2 cee] [ff]			13-Month Avg. Gross <u>Plant</u> [ii]=Avg.([i]-[u])	<u>13-Month</u> <u>Avg.</u> <u>Accum.</u> <u>Depreciatio</u> <u>n</u> [ii]=Avg.([<u>v]-[hh])</u>	Network <u>Transmissi</u> on Gross <u>Plant</u> [kk]=[h]x[i i]	Network Transmissi on Accum. Depreciati on [II]=[h]x[jj]	Network <u>Transmissi</u> on Net Plant [mm]=[kk] -[11]	Incentive Ro [nn]≡[e]x[f]x <u>mm]</u>	<u>eturn</u>	Composi te Income Tax Rate Gross- Up Rate [00]	Incentive Taxes [pp]=[nn]x[o o]	Incentive Return and Taxes [qq]=[nn]+[pp]	Network Allocator Justificatio <u>n</u> ⁶ [rr]
<u>1a</u> <u>1b</u>		Ē			÷	āā.			ā	ā		ā	 		÷	=	ā	-		÷.			 	ā.	-											
<u>110</u> 111 111 111		Ē	ā.							-		÷.	 	=				-		÷.			 		-				ž.	Ē	Ē					
1zz Ince	 1 11									-			 									-	 		-		=	=			-					***
<u>ve</u> <u>Retri</u> and <u>Tax</u> (Sur Lns. <u>thro</u> <u>2</u> h.1z	<u>rn</u> § 1 1a		=		-				-					-	=	=					-				Ξ								-	-		

lotes and

 Notes and Sources:

 Unless otherwise stated, source of input/records. Lines 1a through 1zz represent adjustable lines that may be expanded/compressed on an annual basis to provide for a sufficient breakout of incentive plant return and income taxes.

 All project-specific incentive ROE requires Commission authorization. No amounts may be included on this worksheet absent Commission authorization. The commission docket in which incentive ROE treatment was granted must be listed.

 a
 Source: Worksheet A18, line 16, column [f].

 4
 Source: Attachment H (Actuals),

Source: Attachment H (Actuals), line.79.

Only network allocator codes listed on Worksheet P12 may be inputed.

Worksheet P11

<u>El Paso Electric Company</u>

Formula Rate Template (Projected)

Allocation Factors

12 Months Ended December 31, 2022

	=	=	=	=	=
<u>Line</u> <u>No.</u>	Description [a]	<u>Reference</u> [b]	<u>Code</u> [c]		<u>Amount / %</u> [<u>d]</u>
	=	=	=	=	=
<u>1</u>	100% Network Transmission	Fixed Percentage ¹	DA	Ξ	<u>100.00%</u>
2	0% Network Transmission	Fixed Percentage ¹	<u>NA</u>	Ξ	<u>0.00%</u>
	Gross Plant in Service				
<u>3</u>	Network Transmission	Attachment H (Projected), Ln. 20, Col. [c]			
<u>4</u>	Total Company	Attachment H (Projected), Ln. 20, Col. [f]			
<u>5</u>	Gross Plant Allocation Factor	<u>Lns. (3 / 4)</u>	<u>GP</u>	Ξ	
	Net Plant in Service				
<u>6</u>	Network Transmission	Attachment H (Projected), Ln. 30, Col. [c]			
7	Total Company	Attachment H (Projected), Ln. 30, Col. [f]			
<u>8</u>	Net Plant Allocation Factor	<u>Lns. (6 / 7)</u>	<u>NP</u>	Ξ	
	Gross Transmission Plant in Service				
<u>9</u>	Network Transmission	Worksheet P2, Ln. 27, Col. [f]			
<u>10</u>	Total Company	Attachment H (Projected), Ln. 17, Col. [c]			
<u>11</u>	Transmission Plant Allocation Factor	<u>Lns. (9 / 10)</u>	<u>TP</u>	Ē	

Worksheet P12

Wages and Salaries

<u>12</u>	Production	Worksheet A1, Ln. 69	
<u>13</u>	<u>Transmission</u>	Worksheet A1, Ln. 70	
<u>14</u>	Distribution	Worksheet A1, Ln. 71	
<u>15</u>	Other	Worksheet A1, Lns. (72 + 73 + 74)	
<u>16</u>	Total	Sum Lns. (12 through 15)	=
<u>17</u>	Network Transmission	<u>Lns. (11 x 13)</u>	
<u>18</u>	Wages and Salaries Allocation Factor	<u>Lns. (17 / 16)</u>	\underline{WS} \equiv
	=	=	= = =
Note	s and Sources:		
1			

- ¹ <u>This allocator is fixed and cannot be modified absent a ruling from the Commission.</u>
- -

<u>El Paso Electric Company</u>

=	=	=			
<u>Line</u> <u>No.</u>	<u>Account No.</u>	Account Description	Blended Rates FF1	Rate per Depreciation Rate Study	<u>Rates As</u> <u>Settled</u> <u>Docket No.</u> <u>ER22-282²</u>
	<u>[a]</u>	<u>[b]</u>	<u>[c]</u>	<u>[d]</u>	<u>[e]</u>
	<u>Steam Product</u>	ion Plant			
<u>1</u>	<u>311.00</u>	Structures and Improvements			
<u>2</u>	<u>312.00</u>	Boiler Plant Equipment			
<u>3</u>	<u>313.00</u>	Engines and Engine-Driven Generators			
<u>4</u>	<u>314.00</u>	Turbogenerator Units			
<u>5</u>	<u>315.00</u>	Accessory Electric Equipment			
<u>6</u>	<u>316.00</u>	Miscellaneous Power Plant Equipment			
	<u>Gas Turbine P</u>	lant			
<u>7</u>	341.00	Structures and Improvements			
<u>8</u>	342.00	Fuel Holders			
<u>9</u>	<u>343.00</u>	Prime Movers			
10	344.00	Generators			
<u>11</u>	345.00	Accessory Electric Equipment			
<u>12</u>	346.00	Miscellaneous Power Plant Equipment			
	Transmission H	<u>Plant</u>			
<u>13</u>	350.10	Land Rights			
<u>14</u>	350.10	Land Rights - Isleta			
<u>15</u>	352.00	Structures and Improvements			
<u>16</u>	<u>353.00</u>	Station Equipment			

<u>17</u>	354.00	Steel Towers and Fixtures
<u>18</u>	<u>355.00</u>	Wood and Steel Poles
<u>19</u>	356.00	Overhead Conductors & Devices
<u>20</u>	<u>359.00</u>	Roads and Trails

Distribution Plant

360.10 Land Rights <u>21</u> <u>22</u> 361.00 Structures and Improvements <u>23</u> <u>362.00</u> Station Equipment <u>24</u> 364.00 Poles, Towers and Fixtures <u>25</u> 365.00 **Overhead Conductors & Devices** <u>26</u> 366.00 **Underground Conduit** <u>27</u> Underground Conductors & Devices 367.00 <u>28</u> 368.00 Line Transformers <u>29</u> 369.00 **Services** <u>30</u> <u>370.00</u> Meters <u>31</u> <u>371.00</u> Installations on Customers' Premises <u>32</u> <u>373.00</u> Street Lightin and Signal Systems

General Plant

<u>33</u>	<u>390.00</u>	Structures and Improvements-Systems Operations Building
<u>34</u>	<u>390.00</u>	Structures and Improvements-Stanton Tower
<u>35</u>	<u>390.00</u>	Structures and Improvements-Eastside Operations Center
<u>36</u>	<u>390.00</u>	Structures and Improvements-Other Structures
<u>37</u>	<u>390.00</u>	Structures and Improvements-Other Structures Vanderbilt
<u>38</u>	<u>390.00</u>	Structures and Improvements-Other Structures Emergency Management System
<u>39</u>	<u>390.00</u>	Structures and Improvements-Other Structures Misc Buildings
<u>40</u>	<u>391.00</u>	Office Furniture and Equipment
<u>41</u>	<u>393.00</u>	Stores Equipment
<u>42</u>	<u>394.00</u>	Tools, Shop and Garage Equipment
<u>43</u>	<u>395.00</u>	Laboratory Equipment

<u>44</u>	<u>396.00</u>	Power Operated Equipment
<u>45</u>	<u>397.00</u>	Communication Equipment
<u>46</u>	<u>398.00</u>	Miscellaneous Equipment

Intangible Plant¹

<u>47</u>	<u>303.10</u>	Software - 5 Years
<u>48</u>	<u>303.20</u>	Software - 7 Years
<u>49</u>	<u>303.30</u>	Software - 9 Years
<u>50</u>	<u>303.40</u>	Software - 11 Years
<u>51</u>	<u>303.50</u>	Software - 13 Years
<u>52</u>	<u>303.60</u>	Software - 15 Years

Notes and Sources:

¹ Subject to a change in Uniform System of Accounts requirements, once an intangible asset is placed in a particular subaccount (corresponding to the appropriate useful life), it will remain in that subaccount and use the subaccount's amortization rate until it is fully amortized.

2 The depreciation rates listed for Transmission, General, and Intangible Plant were approved in the Docket No. ER22-282-000 Settlement and cannot be changed absent approval from the Commission pursuant to a section 205 or 206 filing.

El Paso Electric Company Formula Rate Template (Projected) Projected Transmission Depreciation Composite Rate 12 Months Ended December 31, 2022

=	=	=	=	=	=
<u>Line</u> <u>No.</u>	<u>Account</u> <u>No.</u>	Account Description	EOY 2020 Balance	Depreciation Rates	Depreciation Expense
	<u>[a]</u>	<u>[b]</u>	<u>[c]</u>	<u>[d]</u>	$\frac{[e] = [c] x}{[d]}$
				<u>Worksheet P13,</u> Col. [e]	
	Transmissio	on Plant		<u>coi. [c]</u>	
<u>1</u>	350.10	Land and land rights	_		
<u>2</u>	350.10	Land Rights (Isleta)	=		
<u>3</u>	<u>352.00</u>	Structures and improvements	=		
<u>4</u>	<u>353.00</u>	Station equipment	=		
<u>5</u>	<u>354.00</u>	Towers and fixtures	=		
<u>6</u>	355.00	Poles and fixtures	=		
<u>7</u>	356.00	Overhead conductors, devices			
<u>8</u> 9	<u>359.00</u>	Roads and trails	=		
<u>9</u>		<u>Transmission Total</u>	-		
<u>10</u>	<u>Monthly Co</u>	omposite Depreciation Rate (Ln. 9	9, Col. [e] / Col. [c])		
_ =	=	=	=	=	=
	=	=	=	=	=

Line No.	<u>Month</u> [<u>a]</u>	Year [b]	<u>Refunds / (Surcharges)¹ [c]</u>	Cumulative Refunds / (Surcharges) (Beginning of <u>Month</u>) [d]=Cumulative([c])	Base for Quarterly Compound Interest ² [e]	$\frac{\text{Base for Monthly}}{\text{Interest}}$ $[f] = [d] + [e]$	Monthly FERC Interest Rate ³	<u>Calculated Interest</u> [<u>h] = [f] x [g]</u>	<u>Amortization of</u> <u>Refunds /</u> (Surcharges) ⁴ [i]	Cumulative Refunds and Interest (End of <u>Month</u> [j]=Cumulative ([c],[h],[i])
NETV	VORK TRANSMISSION (ATTA	CHMENT	H)							
	True-Up Year			-	-	-	-	-		
<u>1</u>	January	<u>2020</u>								
<u>2</u>	<u>February</u>	<u>2020</u>								
<u>3</u>	March	<u>2020</u>								
<u>4</u>	April	<u>2020</u>								
<u>5</u>	May	<u>2020</u>								
<u>6</u>	June	<u>2020</u>								
<u>7</u>	July	2020								
<u>8</u>	August	<u>2020</u>								
<u>9</u>	September	<u>2020</u>								
<u>10</u>	<u>October</u>	<u>2020</u>								
<u>11</u>	November	<u>2020</u>								
<u>12</u>	December	<u>2020</u>								
	Intermediate Year									
<u>13</u>	January	<u>2021</u>								
<u>13</u> <u>14</u>	<u>February</u>	<u>2021</u> 2021								
<u> </u>	<u>r coruury</u>	2021								

<u>15</u>	March	2021		
<u>16</u>	April	2021		
<u>17</u>	May	2021		
<u>18</u>	June	2021		
<u>19</u>	July	<u>2021</u>		
<u>20</u>	August	<u>2021</u>		
<u>21</u>	September	<u>2021</u>		
<u>22</u>	October	<u>2021</u>		
<u>23</u>	November	<u>2021</u>		
<u>24</u>	December	<u>2021</u>		
	<u>Rate Year</u>			
<u>25</u>	<u>January</u>	2022		
<u>26</u>	<u>February</u>	2022		
<u>27</u>	March	2022		
<u>28</u>	April	2022		
<u>29</u>	May	2022		
<u>30</u>	June	2022		
<u>31</u>	July	2022		
<u>32</u>	August	2022		
<u>33</u>	<u>September</u>	2022		
<u>34</u>	October	2022		
<u>35</u>	November	2022		
<u>36</u>	December	2022	=	=
<u>37</u>	Total Network Transmission (Atta	chment H) True-Up Adjustment with Interest (Sum Lns. (25 through 36) x -1.0)		
<u>38</u>	Less: True-Up Adjustment ¹			
<u>39</u>	Total Interest for Network Transm	<u>ission (Attachment H) (Lns. (37 - 38))</u>		

LOAD DISPATCH (SCHEDULE 1)

<u>True-Up Year</u>

<u>40</u>	January	<u>2020</u>
<u>41</u>	February	<u>2020</u>
<u>42</u>	March	<u>2020</u>
<u>43</u>	April	<u>2020</u>
<u>44</u>	May	<u>2020</u>
<u>45</u>	June	<u>2020</u>
<u>46</u>	July	<u>2020</u>
<u>47</u>	August	<u>2020</u>
<u>48</u>	<u>September</u>	<u>2020</u>
<u>49</u>	October	<u>2020</u>
<u>50</u>	November	<u>2020</u>
<u>51</u>	December	<u>2020</u>

Intermediate Year

<u>52</u>	January	<u>2021</u>
<u>53</u>	February	<u>2021</u>
<u>54</u>	March	<u>2021</u>
<u>55</u>	April	<u>2021</u>
<u>56</u>	May	<u>2021</u>
<u>57</u>	June	<u>2021</u>
<u>58</u>	July	<u>2021</u>
<u>59</u>	August	<u>2021</u>
<u>60</u>	September	<u>2021</u>
<u>61</u>	October	<u>2021</u>
<u>62</u>	November	<u>2021</u>
<u>63</u>	December	<u>2021</u>
	<u>Rate Year</u>	
<u>64</u>	January	<u>2022</u>

	<u>Sandar y</u>	2022
<u>65</u>	February	<u>2022</u>
<u>66</u>	March	<u>2022</u>
<u>67</u>	<u>April</u>	<u>2022</u>

<u>68</u>	May	<u>2022</u>							
<u>69</u>	June	<u>2022</u>							
<u>70</u>	July	<u>2022</u>							
<u>71</u>	August	<u>2022</u>							
<u>72</u>	September	<u>2022</u>							
<u>73</u>	October	<u>2022</u>							
<u>74</u>	November	<u>2022</u>							
<u>75</u>	December	2022							
=	=	= =	=	=	=	=	=	=	=
<u>76</u>	<u>Total Load Dispatch (Schedule 1) True-Up Adjustment with Interest (Sum Lns. (64 through 75) x -1.0)</u>								
<u>77</u>	<u>77</u> Less: True-Up Adjustment ¹								
<u>78</u>									
=	=	= =	=	=	=	=	=	=	=
=	=	= =	=	=	=	=	=	=	=
Notes and Sources:									
¹ <u>Refunds/surcharges calculated as follows:</u>		Network Transmission	Load Dispatch						
	(A) Actual Net Revenue Require	ment for Current True-Up Year:							
	(B) Projected Net Revenue Requ	irement for Current True-Up Year:	-	=					
	(C) True-Up Adjustment ((B) - (<u>C)):</u>							
	(D) Monthly Refunds/Surcharge	<u>s ((C) / 12.0):</u>							
	Actual net revenue requirement for	or network transmission from Attachme	nt H (Actuals), line 6. Actual net	revenue requirement for	oad dispatch from Sc	hedule 1 (Actual),	line 9. Projected net reve	enue requirements fro	om the rate filings for

<u>the true-up year.</u>

Item (B) includes any amounts specified in the Docket No. ER22-282-000 Settlement.

² Equals the quarterly compound interest base at the end of the prior quarter plus interest calculated for the prior quarter.

³ The monthly interest rates to be applied to the over recovery or under recovery amounts during the true-up year and the first (6) months of the intermediate year will be determined using the monthly FERC interest rates (as determined pursuant to 18 C.F.R. Section 35.19a) posted at https://www.ferc.gov/interest-calculation-rates-and-methodology. The monthly interest rates to be applied to the over recovery or under recovery amounts during the rate year and the last (6) months of the intermediate year will be determined using the simple average of the monthly interest rates for the first (6) months of the intermediate year and the last (6) months of the intermediate year.

Determined using the "PMT" function employing the monthly interest rate for the rate year and the end-of-month cumulative refunds and interest amount as of December of the intermediate year.

4

=

=	=	=	=	=
<u>Line</u> <u>No.</u>	<u>FERC</u> <u>Account</u> [a]	<u>Description</u> [b]	<u>Reference</u> [c]	<u>Amount</u> [<u>d]</u>
<u>1</u>		Schedule 1 Actual Annual Revenue Requirement	Worksheet A1, Ln. 51	
<u>2</u>		True-Up Adjustment with Interest	Worksheet P14, Ln. x	
<u>3</u>		Schedule 1 Projected Annual Revenue Requirement	<u>Ln. 1 + Ln. 2</u>	
<u>4</u>		<u>Divisor (kW)</u>	Worksheet A2, Ln. 16	
		Rates		
<u>5</u>		Annual (MW-year)	<u>Lns. (3 / 4)*1,000</u>	
<u>6</u>		<u>Monthly (MW-month)</u>	Ln. 5 / 12.0 Months	
<u>7</u>		<u>Weekly (MW-week)</u>	<u>Ln. 5 / 52.0 Weeks</u>	
<u>8</u>		<u>Daily On-Peak (MW-day)</u>	<u>Ln. 7 / 6.0 Days</u>	
<u>9</u>		Daily Off-Peak (MW-day)	<u>Ln. 7 / 7.0 Days</u>	
<u>10</u>		Hourly On-Peak (MW-hour)	<u>Ln. 8 / 16.0 Hours</u>	
<u>11</u>		Hourly Off-Peak (MW-hour)	<u>Ln. 9 / 24.0 Hours</u>	
=	=	<u>_=</u>	=	=

Attachment C

Pro forma Attachment H-2 to the Tariff, transmission formula rate protocols (clean)

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" or "Transmission Provider") 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 any person or state or local regulatory body with standing or authority to participate in Federal Energy Regulatory Commission ("Commission" or "FERC") proceedings. The initial set of Interested Parties shall be any party to Docket No. ER22-282 (who can be contacted via the email indicated on the Service List of such docket). Information as to how someone not on such Service List may sign up to be an Interested Party will be posted on EPE's OASIS.

II. Annual Updates

 The Formula Rate Template, which is used to calculate rates for: (1) Schedule 1 – Scheduling System Control and Dispatch Service, (2) Schedule 7 – Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service, (3) Schedule 8 – Non-Firm Point-To-Point Transmission Service, (4) Network Integration Transmission Service, and these Protocols together comprise part of the Transmission Provider's filed rate (collectively, the "Formula Rate") for Transmission Service under the Tariff or transmission agreements incorporating Tariff rates. The Formula Rate does not include rates and charges under other Tariff schedules. 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 charged pursuant to Schedule 1, as well as Schedules 7, 8 and Attachment H-1 (together "transmission rates") 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 effective January 1, 2022 (i.e., as of the effective date established by the Commission in Docket No. ER22-282-000).
- 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 Template. 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 in calculating the Projection.
 - (b) By June 15 of the current year, calculate the true-up of the Projection for the immediately preceding calendar year in accordance with the Formula Rate ("True-Up Adjustment"). The True-Up Adjustment shall be based on

the difference between (1) EPE's projected Formula Rate net revenue requirements for the immediately preceding calendar year and (2) EPE's actual Formula Rate net revenue requirements for the immediately preceding calendar year. These actual net revenue requirements will be determined using EPE's FERC Form No. 1 data for the immediately preceding calendar year, and, to the extent specified in the Formula Rate, upon the books and records of EPE consistent with the Commission's accounting policies and practices; and will identify all material adjustments made to the FERC Form No. 1 data in determining Formula Rate inputs, including relevant footnotes to the FERC Form No. 1 and any adjustments not shown in the FERC Form No. 1.

- (c) 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 applicable 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 will be determined based on the Commission's regulation at 18 C.F.R § 35.19a and 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 P15 of the Formula Rate Template, shall be included in the Transmission Provider's subsequent projected net revenue requirement determination.
- (d) 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, but not limited to, 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 could impact the Formula Rate, including impact to the ATRR or load divisor; (ii) accounting changes related to any reorganization, acquisition, divestment, or merger transaction, (iii) any items included in the Formula Rate at an amount other than a historic cost basis (e.g., fair value adjustments), (iv) 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; (v) the initial implementation of an accounting standard or policy; (vi) the initial implementation of accounting practices for unusual or unconventional items where the Commission has not provided specific accounting direction; correction of errors and prior period adjustments that impact the calculation; (vii) the implementation of new estimation methods or policies that change prior estimates; (viii) changes to income tax elections; and (ix) reclassifications, including mapping changes, among FERC accounts between calendar years.

(e) 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 ("Publication Date"), as well as a populated Formula Rate Template in fully functional spreadsheets, with all formulae and links intact, 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 and provide sufficient information to enable Interested Parties to replicate the calculation of the formula results from the Formula Rate, as well as provide 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 projects exceeding \$5 million in cost; (iv) the estimated total installed cost of the facility; and (v) the reason for the facility addition.

- (f) On the Publication Date, notify Interested Parties by email (using the last known email addresses provided to the Transmission Provider) containing a link or a description of the location where the Annual Update is posted. The Transmission Provider shall use the email list, which includes the parties on the Commission's service list in the proceeding in which these Protocols are initially adopted, and any other email addresses of individuals who have requested to be included in the Annual Update distribution list.
- (g) Regional Cost Sharing Mechanism: In the event that EPE utilizes a regional cost sharing mechanism with other transmission owners for the recovery of transmission project costs under the Formula Rate Template, EPE shall endeavor to coordinate with other transmission owners utilizing the same regional cost sharing mechanism to hold an annual joint

informational meeting among those transmission owners and Interested Parties to provide all Interested Parties the opportunity to understand how those transmission owners are implementing their formula rates for recovering the costs of such projects. Regional cost sharing mechanisms do not include joint facility ownership arrangements except and to the extent all affected joint owners agree otherwise. At EPE's earliest convenience, but no less than seven (7) days prior to such joint informational meetings, EPE shall provide notice on its website and OASIS of the time, date, and location of the joint informational meeting, and shall provide notice of such meeting via the email list described in Section II.3(f). EPE shall provide remote access to joint informational meetings to allow all Interested Parties the opportunity to remotely participate in such meetings.

4. A permitted change to the Formula Rate fixed components related to rate of return on equity (ROE), depreciation rates, and Post-Employment Benefits Other than Pensions (PBOP or OPEB) may not be made absent a filing with the Commission pursuant to Federal Power Act ("FPA") Sections 205 or 206. Likewise, any modification to the Formula Rate will require a filing under section 205 or 206 of the FPA.

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 ("Annual Meeting") during which the Transmission Provider shall present details about its Annual Update. The Annual Meeting shall provide Interested Parties the chance to seek information and clarifications from the Transmission Provider about the Annual Update. The first Annual Meeting of a Rate Year shall take place within forty-five (45) calendar days from the Publication Date at a date and time convenient for a majority of the Interested Parties and posted on the Transmission Provider's OASIS and internet website. The Transmission Provider shall also schedule subsequent meetings as appropriate ("Subsequent Meetings"). The date and time of such Subsequent Meetings shall be posted on the Transmission Provider's OASIS and 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 used in the calculation of the Annual Update. Interested Parties will have one-hundred and fifty (150) calendar days after the Publication Date to serve reasonable information requests to the Transmission Provider ("Information Request Period"). Such information requests shall be deemed reasonable when limited to that which is necessary to determine any of the following: (1) if the Transmission Provider has properly calculated and applied the Formula Rate for the Annual Update under review; (2) whether the inputs to

the True-Up Adjustment or Projection are correct, prudent, and otherwise appropriate; (3) whether costs and credits have been accounted for and recorded appropriately; and (4) whether there have been any Material Changes that affect the Formula Rate calculations including the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1.

- 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 all Interested Parties 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 accessible to all Interested Parties 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 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. 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.
- 6. 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 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 Annual 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 and regardless of whether a Preliminary Challenge was submitted, file a Formal Challenge with the Commission regarding the Annual Update. For avoidance of doubt nothing in this Article IV 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 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. Formal Challenges shall be filed with FERC in the FERC Docket assigned to the Informational Filing, and any Formal Challenge shall be served on the

Transmission Provider by electronic service on the date of such filing in accordance with 18 C.F.R. § 385.2010(f)(3).

- 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.5.
- 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 Projection resulting from the information exchanged during the Information Request Period, as well as any matters agreed to by EPE during a Preliminary Challenge will be reported in a separate informational filing with the Commission within forty-five days of the close of the Information Request Period. Any such changes or adjustments agreed to by EPE on or before December 1 will be reflected in the Projection for the upcoming Rate Year. Any changes or adjustments agreed to by EPE 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 Formula Rate inputs, including but not limited to revisions to EPE's FERC Form 1, or as the result of any FERC proceeding to consider the True-Up Adjustment or Projection, or as a result of the procedures set forth herein, shall be incorporated into the Formula Rate and the charges or credits produced therefrom shall be incorporated into the Projection 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. Informational Filing

1. By March 15 of each following year, EPE shall submit to FERC an informational filing ("Informational Filing") of its Annual Update in Docket No. ER22-282. This Informational Filing must include the information that is reasonably necessary to determine: (1) that input data under the Formula Rate are properly recorded in any underlying workpapers; (2) that EPE has properly applied the Formula Rate and these Protocols; (3) the accuracy of data and the consistency with the Formula Rate of the net transmission revenue requirement and rates under review; and (4) the extent of accounting changes that affect Formula Rate inputs. The Informational Filing must also describe any corrections or adjustments made during that period and state in which Rate Year(s) those

corrections or adjustments will be reflected in accordance with these Protocols. Within five (5) days of such Informational Filing, EPE shall provide notice of the Informational Filing to Interested Parties. Any challenges to the implementation of the Formula Rate must be made through the Challenge Procedures described in Section III and IV of these Protocols, and not in response to the Informational Filing.

VII. 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 Tariff or 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.
- 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 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 correctly applied the Formula Rate consistent with the Protocols; (ii) it correctly calculated the Annual Update pursuant to the Formula Rate using inputs prepared in accordance with the Commission's applicable accounting regulations and guidance; (iii) it reasonably adopted and applied any Material Change. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.

Attachment D

Pro forma Attachment H-2 to the Tariff, transmission formula rate protocols (marked)

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"<u>or "Transmission Provider</u>") 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 <u>any person or state or</u> <u>local regulatory body with standing or authority to participate in a transmission customer of EPE,</u> 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<u>s</u> investigating the Formula Rate (as defined in Section II.1, below), and staff of FERC. The initial set of Interested Parties shall be any party to Docket No. ER22-282 (who can be contacted via the email indicated on the Service List of such docket). Information as to how someone not on such Service List may sign up to be an Interested Party will be posted on EPE's OASIS.

II. Annual Updates

 The Formula Rate Template, which includes-is used to calculate rates for: (1) Schedule 1 – Scheduling System Control and Dispatch Service-as Appendix B to Attachment H-1, (2) Schedule 7 – Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service, (3) Schedule 8 – Non-Firm Point-To-Point Transmission Service, (4) Network Integration Transmission Service, and these Protocols together comprise <u>part of</u> the Transmission Provider's filed rate (collectively, the "Formula Rate") for Transmission Service under the Tariff or transmission agreements incorporating Tariff rates. <u>The Formula Rate does not</u> <u>include rates and charges under other Tariff schedules.</u> 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 <u>charged pursuant to Schedule 1</u>, as well as Schedules 7, 8 and Attachment <u>H-1 (together "transmission rates")</u> 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 <u>effective January 1, 2022 (i.e., as of</u> the effective date established by the Commission <u>in Docket No. ER22-282-000</u>).
- 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 <u>Template</u>. 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 <u>in calculating the Projection</u>.

- (b) By June 15 of the current year, calculate the true-up of the Projection for the immediately preceding calendar year in accordance with the Formula Rate ("True-Up Adjustment"). The True-Up Adjustment shall use the actual data for such be based on the difference between (1) EPE's projected Formula Rate net revenue requirements for the immediately preceding calendar year and (2) EPE's actual Formula Rate net revenue requirements for the immediately preceding calendar year. These actual net revenue requirements will be determined using EPE's FERC Form No. 1 data for the immediately preceding calendar year, and, to the extent specified in the Formula Rate, upon the books and records of EPE consistent with the Commission's accounting policies and practices; and will identify all material adjustments made to the FERC Form No. 1 data in determining Formula Rate inputs, including relevant footnotes to the FERC Form No. 1 and any adjustments not shown in the FERC Form No. 1 to calculate the actual charges for that calendar year.
- (c) 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 <u>applicable</u> 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 will be determined based on the Commission's regulation at 18 C.F.R § 35.19a will be determined and 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 P15TU of the Formula Rate Template, shall be included in the Transmission Provider's subsequent projected net revenue requirement determination.

 (\underline{de}) 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, but not limited to, 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) accounting changes related to any reorganization, acquisition, divestment, or merger transaction, (iii) any items included in the Formula Rate at an amount other than a historic cost basis (e.g., fair value adjustments), (iv) 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 (v) the initial implementation of an accounting standard or policy; (vi) the initial implementation of accounting practices for unusual or unconventional items where the Commission has not provided specific accounting direction; correction of errors and prior period adjustments that impact the calculation; (vii) the implementation of new estimation methods or policies that change prior estimates; (viii) changes to income tax elections; and (ix) reclassifications, including mapping changes, among FERC accounts between calendar years.

- Post such Annual Update on its OASIS by June 15, or if June 15 is a (\underline{ed}) Saturday, Sunday or Federal holiday, the first business day thereafter ("Publication Date"), as well as a populated Formula Rate Template in fully functional spreadsheets, with all formulae and links intact, 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 and provide sufficient information to enable Interested Parties to replicate the calculation of the formula results from the Formula Rate, as well as provide 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 projects 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)<u>containing</u> <u>a link or a description</u> of the <u>location</u>website address where the Annual

Update <u>is postedposting is located</u>. The Transmission Provider shall use the email list, which includes the parties on the Commission's service list <u>in the proceeding in which these Protocols are initially adopted</u>, 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.

Regional Cost Sharing Mechanism: In the event that EPE utilizes a (g) regional cost sharing mechanism with other transmission owners for the recovery of transmission project costs under the Formula Rate Template, EPE shall endeavor to coordinate with other transmission owners utilizing the same regional cost sharing mechanism to hold an annual joint informational meeting among those transmission owners and Interested Parties to provide all Interested Parties the opportunity to understand how those transmission owners are implementing their formula rates for recovering the costs of such projects. Regional cost sharing mechanisms do not include joint facility ownership arrangements except and to the extent all affected joint owners agree otherwise. At EPE's earliest convenience, but no less than seven (7) days prior to such joint informational meetings, EPE shall provide notice on its website and OASIS of the time, date, and location of the joint informational meeting, and shall provide notice of such meeting via the email list described in Section II.3(f). EPE shall provide remote access to joint informational meetings to allow all Interested Parties the opportunity to remotely participate in such meetings.

4. A <u>permitted</u> change to the Formula Rate <u>inputs</u> <u>fixed components</u> related to <u>unamortized abandoned plant</u>, <u>construction work in progress</u> (which is currently <u>set to zero</u>), <u>rate of</u> return on equity <u>(ROE)</u>-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 and <u>Post</u>-Employment Benefits Other than Pensions <u>(PBOP or OPEB)</u> may not be made absent a filing with the Commission pursuant to Federal Power Act ("FPA") Sections 205 or 206. Likewise, any modification to the Formula Rate will require a filing under section 205 or 206 of the FPA.

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<u>Annual</u> Meeting") during which the Transmission Provider shall present details about its Annual Update. The <u>CustomerAnnual</u> Meeting shall provide Interested Parties the chance to seek information and clarifications from the Transmission Provider about the Annual Update. The first <u>CustomerAnnual</u> 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 <u>Interested Parties parties</u> and posted on the Transmission Provider's <u>OASIS and</u> internet website. The Transmission Provider shall also schedule subsequent <u>Customer Meetings meetings</u> as appropriate ("Subsequent Meetings"). The date and time of such Subsequent Meetings shall be posted on the Transmission Provider's <u>OASIS and</u> 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 <u>used in the calculation of supporting</u> the Annual Update. Interested Parties will have one-hundred and twenty-fifty (150120) calendar days after the Publication Date to serve reasonable information requests to the Transmission Provider ("Information Request Period"). Such information requests shall be <u>deemed reasonable when</u> limited to that which is necessary to determine <u>any of the following</u>: (1) if the Transmission Provider has properly calculated <u>and applied</u> the Formula Rate for the Annual Update under review; (2) whether the inputs to the True-Up Adjustment <u>or Projection</u> are correct, <u>prudent</u>, and otherwise appropriate; (3) whether costs and revenue credits and have been any Material Changes that affect the Formula Rate calculations <u>including the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1</u>.
- 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 <u>all Interested Parties</u> 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 <u>accessible to all Interested Parties</u> 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 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.
- 76. 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 <u>CustomerAnnual</u> 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 <u>and regardless of whether or submission of a</u> Preliminary Challenge<u>was submitted</u>, file a Formal Challenge with the Commission regarding the Annual Update. For avoidance of doubt<u>and</u> as provided in Article IV hereof, nothing in this <u>Article IV</u>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. AnyFormal Challenges shall be filed with FERC in the FERC Docket assigned to the Informational Filing, and any Formal Challenge shall be served on the Transmission Provider by electronic service on the date of such filing in accordance with 18 C.F.R. § 385.2010(f)(3).
- 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.<u>56</u>.
- 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 <u>Projection resulting</u> from the information exchanged during the Information Request Period, as well as any matters agreed to by EPE during a Preliminary Challenge will be reported in a separate informational filing with the Commission within forty-five days of the close of the Information Request Periodprojected 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 CompanyEPE on or before December 1 will be reflected in the Projection projected ATRR for the upcoming Rate Year. Any changes or adjustments agreed to by El Paso Electric CompanyEPE 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 Formula Rate_data_inputs, including but not limited to revisions to El Paso Electric Company's_EPE's_FERC Form 1, or as the result of any FERC proceeding to consider the Annual True-Up Adjustment or projected net ATRRProjection, or as a result of the procedures set forth herein, shall be incorporated into the Formula Rate_formula rate and the charges or credits_produced by the formula rate in the projected net ATRR_therefrom shall be incorporated into the Projection_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. <u>Informational Filing</u>

 1.
 By March 15 of each following year, EPE shall submit to FERC an informational

 filing ("Informational Filing") of its Annual Update in Docket No. ER22-282.

 This Informational Filing must include the information that is reasonably

necessary to determine: (1) that input data under the Formula Rate are properly recorded in any underlying workpapers; (2) that EPE has properly applied the Formula Rate and these Protocols; (3) the accuracy of data and the consistency with the Formula Rate of the net transmission revenue requirement and rates under review; and (4) the extent of accounting changes that affect Formula Rate inputs. The Informational Filing must also describe any corrections or adjustments made during that period and state in which Rate Year(s) those corrections or adjustments will be reflected in accordance with these Protocols. Within five (5) days of such Informational Filing, EPE shall provide notice of the Informational Filing to Interested Parties. Any challenges to the implementation of the Formula Rate must be made through the Challenge Procedures described in Section III and IV of these Protocols, and not in response to the Informational Filing.

<u>VII.</u> 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 <u>Tariff or</u> 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 correctly applied the Formula Rate consistent with the Protocols; (ii) it reasonably correctly calculated the challenged Annual Update pursuant to the Formula Rate using inputs prepared in accordance with the Commission's applicable accounting regulations and guidance; and (iii) it reasonably adopted and applied any Material Change. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.

Attachment E

Pro forma Part III, Section 34, and Schedules 1, 7, and 8 of the Tariff (clean)

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 10 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 "Projected Schedule 1," line 3. Annual updates to the Schedule 1 rates shall follow the procedures set forth in Attachment H-2.

For Yearly Service, the demand charge identified in Attachment H-1, tab
 "Projected Schedule 1," line 5 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.

- For Monthly Service, the demand charge identified in Attachment H-1, tab
 "Projected Schedule 1," line 6 multiplied by the amount of Reserved Capacity per month.
- For Weekly Service, the demand charge identified in Attachment H-1, tab
 "Projected Schedule 1," line 7 multiplied by the amount of Reserved Capacity per week.
- 4) For Daily On-Peak Service, the demand charge identified in Attachment H-1, tab "Projected Schedule 1," line 8 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 "Projected Schedule 1," line 9 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 "Projected Schedule 1," line 10 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 "Projected Schedule 1," line 11 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 within Transmission Provider's Control Area. These same rates apply to Firm Point-to-Point Transmission Service between any Point of Receipt and any Point of Delivery on the Transmission Provider's Palo Verde Facilities, except as provided in Section C. 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:

- 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 9.
- Monthly delivery: the demand charge identified in Attachment H-1, tab
 "Projected Attachment H," line 10 multiplied by the amount of Reserved Capacity per month.
- Weekly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 11 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 12 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 13 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 14 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 15 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

- 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.
- C. Stay Period Under Docket No. ER22-282-000 Settlement

Pursuant to a settlement agreement in Docket No. ER22-282-000, the assessment of fully rolled-in rates identified in Section A for Firm Point-to-Point Transmission Service at Points of Receipt and Delivery on the Palo Verde Facilities is subject to a stay of limited duration. The stay period for Long-Term Firm Point-to-Point Transmission Service on the Palo Verde Facilities runs from January 1, 2023 through December 31, 2025 ("LTF Stay Period"). The stay period for Short-Term Firm Pointto-Point Transmission Service on the Palo Verde Facilities runs from January 1, 2024 through December 31, 2026 ("STF Stay Period").

- Long-Term Firm Point-to-Point Transmission Service. During the LTF Stay Period, EPE will charge stated rates for Long-Term Firm Point-to-Point Transmission Service on the Palo Verde Facilities as follows:
 - o \$ 8,000/MW-year on the Palo Verde-Westwing facilities for those customers with Long-Term Firm Point-to-Point Transmission Service agreements with Points of Receipt and Delivery on the Palo Verde-Westwing facilities in effect on December 31, 2021
 - o \$ 19,275/MW-year on the Palo Verde-Jojoba-Kyrene facilities for those customers with Long-Term Firm Point-to-Point Transmission Service agreements with Points of Receipt and Delivery on the Palo Verde-Jojoba-Kyrene facilities in effect on December 31, 2021

These stated rates on the Palo Verde Facilities for Long-Term Firm Point-to-Point Transmission Service expire on December 31, 2025, after which the full rolled-in formula rate will apply.

- a) If a Long-Term Firm Point-to-Point Transmission Service customer redirects service to/from a secondary point during the LTF Stay Period, EPE will charge the customer for service to/from the secondary point at the higher of the incremental (stated) rate applicable under its Long-Term Firm Point-to-Point Transmission Service agreement or the rolled-in formula rate.
- b) If a Long-Term Firm Point-to-Point Transmission Service customer reassigns its service agreement or any of the capacity thereunder during the LTF Stay Period, EPE will charge the rolled-in formula rate to the customer to which the agreement or capacity has been assigned.
- c) If a Long-Term Firm Point-to-Point Transmission Service customer rolls over a transmission service agreement during the LTF Stay Period, service under the rolled-over transmission service agreement will be charged the stated rate above for the remainder of the LTF Stay Period, after which time the rolled-in formula rate will apply, subject to the provisions above governing service at secondary points and reassignments.
- d) All Long-Term Firm Point-to-Point Transmission Service agreements commencing January 1, 2022 or later, other than rollovers of prior Long-Term Firm Point-to-Point Transmission Service during the LTF Stay Period but including transmission service agreements for new Long-Term Firm Point-to-Point Transmission Service provided by EPE on the Palo Verde Facilities, will be charged the rolled-in formula rate.

2) Short-Term Firm Point-to-Point Transmission Services. The temporary stay in rolled-in rates for Short-Term Firm Point-to-Point Transmission Service under the settlement applies only to service from Points of Receipt on the Palo Verde-Westwing facilities to Points of Delivery on the Palo Verde-Westwing facilities. During the STF Stay Period, EPE will provide rate relief in the form of the following rates for transmission service customers that take Short-Term Firm Point-to-Point Transmission Service and/or Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines at levels at or above 350,000 megawatt-hours ("MWh") annually on that path.

\$666.670/MW-month
\$153.850/MW-week
\$25.642/MW-day On-Peak
\$21.979/MW-day Off-Peak
\$1.603/MW-hour On-Peak
\$0.916/MW-hour Off-Peak

Such rate relief will be applied prospectively in each calendar year of the STF Stay Period, based upon the customer's levels of service in the prior year, as follows:

a) Eligibility for the volume rate relief on the Palo Verde-Westwing lines will be determined based on the level of Short-Term Firm Point-to-Point Transmission Service and/or Non-Firm Point-to-Point Transmission Service taken by a particular customer on the Palo Verde-Westwing lines during the prior year, measured on a MWh basis. Customers that do not meet the eligibility criteria will be charged for Short-Term Point-to-Point Transmission Service on the Palo Verde-Westwing lines at the full rolled-in formula rate. Customers will be charged for Short-Term Firm Point-to-Point Transmission Service customers on the Palo Verde-Jojoba-Kyrene line at the full rolled-in formula rate.

- b) Eligibility for the rate relief on the Palo Verde-Westwing lines will be determined for each calendar year in year-end evaluations performed at the end of years 2023, 2024 and 2025 to determine the rate relief to be provided in years 2024, 2025 and 2026.
- c) For customers taking Short-Term Firm Point-to-Point Transmission Service on the Palo Verde-Jojoba-Kyrene line or on both the Palo Verde-Jojoba-Kyrene and the Palo Verde-Westwing lines, the rolled-in formula rate will be charged.
- d) The stated rates on the Palo Verde-Westwing lines for Short-Term Firm Pointto-Point Transmission Services expire on December 31, 2026, after which the full rolled-in formula rate will apply.
- 3) Charges for Ancillary Services provided pursuant to Schedules 1 through 6 and 9 of this Tariff, as applicable, and Real Power Losses provided pursuant to Section 10 of this Tariff, apply during the LTF and STF Stay Periods.

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 within Transmission Provider's Control Area. These same rates apply to Non-Firm Point-to-Point Transmission Service between any Point of Receipt and any Point of Delivery on the Transmission Provider's Palo Verde Facilities, except as provided in Section B with respect to Non-Firm Point-To-Point Transmission Service on certain of the Palo Verde Facilities.

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:

 Monthly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line 10 multiplied by the amount of Reserved Capacity per month.

Weekly delivery: the demand charge identified in Attachment H-1, tab
 "Projected Attachment H," line 11 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 12 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 13 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 14 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 15 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

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

- 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.
- 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.

B. Stay Period Under Docket No. ER22-282-000 Settlement

Pursuant to a settlement agreement in Docket No. ER22-282-000, the assessment of fully rolled-in rates identified in Section A for Non-Firm Point-to-Point Transmission Service is subject to a stay of limited duration. The temporary stay in rolled-in rates for Non-Firm Point-to-Point Transmission Service under the settlement applies only to service from Points of Receipt on the Palo Verde-Westwing facilities to Points of Delivery on the Palo Verde-Westwing facilities. The stay period for Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing facilities runs from January 1, 2024 through December 31, 2026 ("NF Stay Period").

 During the NF Stay Period, EPE will provide rate relief in the form of the following rates for Non-Firm Point-to-Point Transmission Service customers that take Short-Term Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines and/or Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines at levels at or above 350,000 megawatt-hours ("MWh") annually on that path.

\$666.670/MW-month
\$153.850/MW-week
\$25.642/MW-day On-Peak
\$21.979/MW-day Off-Peak
\$1.603/MW-hour On-Peak
\$0.916/MW-hour Off-Peak

Such rate relief will be applied prospectively in each calendar year of the NF Stay Period, based upon the customer's levels of service in the prior year, as follows:

- a) Eligibility for the volume rate relief on the Palo Verde-Westwing lines will be determined based on the level of Short-Term Firm Point-to-Point Transmission Service and/or Non-Firm Point-to-Point Transmission Service taken by a particular customer on the Palo Verde-Westwing lines during the prior year, measured on a MWh basis. Customers that do not meet the eligibility criteria will be charged for Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines at the full rolled-in formula rate. Customers will be charged for Non-Firm Point-to-Point Transmission Service on the Palo Verde-Jojoba-Kyrene line at the full rolled-in formula rate.
- b) Eligibility for the rate relief on the Palo Verde-Westwing lines will be determined for each calendar year in year-end evaluations performed at the end of years 2023, 2024 and 2025 to determine the rate relief to be provided in years 2024, 2025 and 2026.
- c) For customers taking Non-Firm Point-to-Point Transmission Service on the Palo Verde-Jojoba-Kyrene line or on both the Palo Verde-Jojoba-Kyrene and the Palo Verde-Westwing lines, the rolled-in formula rate will be charged.
- d) The stated rates on the Palo Verde-Westwing lines for Non-Firm Point-to-Point Transmission Services expire on December 31, 2026, after which the full rolled-in formula rates will apply.

Charges for Ancillary Services provided pursuant to Schedules 1 through 6 and 9 of this Tariff, as applicable, and Real Power Losses provided pursuant to Section 10 of this Tariff, apply during the NF Stay Period.

Attachment F

Pro forma Part III, Section 34, and Schedules 1, 7, and 8 of the Tariff (marked)

III. <u>NETWORK INTEGRATION TRANSMISSION SERVICE</u>

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 <u>1210</u> 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 "<u>Projected</u> Schedule 1," line <u>223</u>. Annual updates to the Schedule 1 rates shall follow the procedures set forth in Attachment H-2.

For Yearly Service, the demand charge identified in Attachment H-1, tab
 "Projected Schedule 1," line 285 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.

- For Monthly Service, the demand charge identified in Attachment H-1, tab
 "<u>Projected</u> Schedule 1," line <u>296</u> multiplied by the amount of Reserved Capacity per month.
- For Weekly Service, the demand charge identified in Attachment H-1, tab
 "Projected Schedule 1," line <u>307</u> multiplied by the amount of Reserved Capacity per week.
- 4) For Daily On-Peak Service, the demand charge identified in Attachment H-1, tab "<u>Projected</u> Schedule 1," line <u>318</u> 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 "<u>Projected</u> Schedule 1," line <u>329</u> 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 "<u>Projected</u> Schedule 1," line <u>3310</u> multiplied by the amount of Reserved Capacity per hour during on-peak periods.
- For Hourly Off-Peak Service, the demand charge identified in Attachment H-1, tab "<u>Projected</u> Schedule 1," line <u>3411</u> 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 within <u>Transmission Provider's Control Area</u>. These same rates apply to Firm Point-to-Point <u>Transmission Service between any Point of Receipt and any Point of Delivery on the</u> <u>Transmission Provider's Palo Verde Facilities, except as provided in Section C</u>. 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:

- 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 <u>119</u>.
- Monthly delivery: the demand charge identified in Attachment H-1, tab
 "Projected Attachment H," line <u>1210</u> multiplied by the amount of Reserved
 Capacity per month.
- Weekly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line <u>1311</u> 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 1412 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 1513 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 <u>1614</u> 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 <u>1715</u> 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

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

C. Stay Period Under Docket No. ER22-282-000 Settlement

Pursuant to a settlement agreement in Docket No. ER22-282-000, the assessment of fully rolled-in rates identified in Section A for Firm Point-to-Point Transmission Service at Points of Receipt and Delivery on the Palo Verde Facilities is subject to a stay of limited duration. The stay period for Long-Term Firm Point-to-Point Transmission Service on the Palo Verde Facilities runs from January 1, 2023 through December 31, 2025 ("LTF Stay Period"). The stay period for Short-Term Firm Pointto-Point Transmission Service on the Palo Verde Facilities runs from January 1, 2024 through December 31, 2026 ("STF Stay Period").

- 1)
 Long-Term Firm Point-to-Point Transmission Service.
 During the LTF Stay

 Period, EPE will charge stated rates for Long-Term Firm Point-to-Point

 Transmission Service on the Palo Verde Facilities as follows:
 - o \$ 8,000/MW-year on the Palo Verde-Westwing facilities for those customers with Long-Term Firm Point-to-Point Transmission Service agreements with Points of Receipt and Delivery on the Palo Verde-Westwing facilities in effect on December 31, 2021
 - o \$ 19,275/MW-year on the Palo Verde-Jojoba-Kyrene facilities for those customers with Long-Term Firm Point-to-Point Transmission Service agreements with Points of Receipt and Delivery on the Palo Verde-Jojoba-Kyrene facilities in effect on December 31, 2021

<u>These stated rates on the Palo Verde Facilities for Long-Term Firm Point-to-Point</u> <u>Transmission Service expire on December 31, 2025, after which the full rolled-in</u> <u>formula rate will apply.</u>

- a) If a Long-Term Firm Point-to-Point Transmission Service customer redirects service to/from a secondary point during the LTF Stay Period, EPE will charge the customer for service to/from the secondary point at the higher of the incremental (stated) rate applicable under its Long-Term Firm Point-to-Point Transmission Service agreement or the rolled-in formula rate.
- b) If a Long-Term Firm Point-to-Point Transmission Service customer reassigns its service agreement or any of the capacity thereunder during the LTF Stay Period, EPE will charge the rolled-in formula rate to the customer to which the agreement or capacity has been assigned.
- c) If a Long-Term Firm Point-to-Point Transmission Service customer rolls over a transmission service agreement during the LTF Stay Period, service under the rolled-over transmission service agreement will be charged the stated rate above for the remainder of the LTF Stay Period, after which time the rolled-in formula rate will apply, subject to the provisions above governing service at secondary points and reassignments.
- <u>d) All Long-Term Firm Point-to-Point Transmission Service agreements</u> <u>commencing January 1, 2022 or later, other than rollovers of prior Long-</u> <u>Term Firm Point-to-Point Transmission Service during the LTF Stay Period</u>

but including transmission service agreements for new Long-Term Firm <u>Point-to-Point Transmission Service provided by EPE on the Palo Verde</u> <u>Facilities, will be charged the rolled-in formula rate.</u>

2) Short-Term Firm Point-to-Point Transmission Services. The temporary stay in rolled-in rates for Short-Term Firm Point-to-Point Transmission Service under the settlement applies only to service from Points of Receipt on the Palo Verde-Westwing facilities to Points of Delivery on the Palo Verde-Westwing facilities. During the STF Stay Period, EPE will provide rate relief in the form of the following rates for transmission service customers that take Short-Term Firm Point-to-Point Transmission Service and/or Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines at levels at or above 350,000 megawatt-hours ("MWh") annually on that path.

<u>\$666.670/MW-month</u>
<u>\$153.850/MW-week</u>
<u>\$25.642/MW-day On-Peak</u>
<u>\$21.979/MW-day Off-Peak</u>
<u>\$1.603/MW-hour On-Peak</u>
<u>\$0.916/MW-hour Off-Peak</u>

Such rate relief will be applied prospectively in each calendar year of the STF Stay Period, based upon the customer's levels of service in the prior year, as follows:

a) Eligibility for the volume rate relief on the Palo Verde-Westwing lines will be determined based on the level of Short-Term Firm Point-to-Point Transmission Service and/or Non-Firm Point-to-Point Transmission Service taken by a particular customer on the Palo Verde-Westwing lines during the prior year, measured on a MWh basis. Customers that do not meet the eligibility criteria will be charged for Short-Term Point-to-Point Transmission Service on the Palo Verde-Westwing lines at the full rolled-in formula rate. Customers will be charged for Short-Term Firm Point-to-Point Transmission Service customers on the Palo Verde-Jojoba-Kyrene line at the full rolled-in formula rate.

- b) Eligibility for the rate relief on the Palo Verde-Westwing lines will be determined for each calendar year in year-end evaluations performed at the end of years 2023, 2024 and 2025 to determine the rate relief to be provided in years 2024, 2025 and 2026.
- c) For customers taking Short-Term Firm Point-to-Point Transmission Service on the Palo Verde-Jojoba-Kyrene line or on both the Palo Verde-Jojoba-Kyrene and the Palo Verde-Westwing lines, the rolled-in formula rate will be charged.
- <u>d) The stated rates on the Palo Verde-Westwing lines for Short-Term Firm Point-</u> <u>to-Point Transmission Services expire on December 31, 2026, after which the</u> <u>full rolled-in formula rate will apply.</u>
- <u>3) Charges for Ancillary Services provided pursuant to Schedules 1 through 6 and 9</u>
 <u>of this Tariff, as applicable, and Real Power Losses provided pursuant to Section</u>
 <u>10 of this Tariff, apply during the LTF and STF Stay Periods.</u>

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 <u>within Transmission Provider's Control Area.</u> These same rates apply to Non-Firm Point-to-Point Transmission Service between any Point of Receipt and any Point of Delivery on the <u>Transmission Provider's Palo Verde Facilities, except as provided in Section B with respect to</u> <u>Non-Firm Point-To-Point Transmission Service on certain of the Palo Verde Facilities</u>.

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:

Monthly delivery: the demand charge identified in Attachment H-1, tab
 "Projected Attachment H," line <u>1210</u> multiplied by the amount of Reserved Capacity per month.

Weekly delivery: the demand charge identified in Attachment H-1, tab
 "Projected Attachment H," line <u>1311</u> 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 <u>1412</u> 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 <u>1513</u> 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 <u>1614</u> 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 <u>1715</u> 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

- 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.

B. Stay Period Under Docket No. ER22-282-000 Settlement

Pursuant to a settlement agreement in Docket No. ER22-282-000, the assessment of fully rolled-in rates identified in Section A for Non-Firm Point-to-Point Transmission Service is subject to a stay of limited duration. The temporary stay in rolled-in rates for Non-Firm Point-to-Point Transmission Service under the settlement applies only to service from Points of Receipt on the Palo Verde-Westwing facilities to Points of Delivery on the Palo Verde-Westwing facilities. The stay period for Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing facilities runs from January 1, 2024 through December 31, 2026 ("NF Stay Period").

 During the NF Stay Period, EPE will provide rate relief in the form of the following rates for Non-Firm Point-to-Point Transmission Service customers that take Short-Term Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines and/or Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines at levels at or above 350,000 megawatt-hours ("MWh") annually on that path.

<u>\$666.670/MW-month</u>
<u>\$153.850/MW-week</u>
<u>\$25.642/MW-day On-Peak</u>
<u>\$21.979/MW-day Off-Peak</u>
<u>\$1.603/MW-hour On-Peak</u>
<u>\$0.916/MW-hour Off-Peak</u>

Such rate relief will be applied prospectively in each calendar year of the NF Stay Period, based upon the customer's levels of service in the prior year, as follows:

- a) Eligibility for the volume rate relief on the Palo Verde-Westwing lines will be determined based on the level of Short-Term Firm Point-to-Point Transmission Service and/or Non-Firm Point-to-Point Transmission Service taken by a particular customer on the Palo Verde-Westwing lines during the prior year, measured on a MWh basis. Customers that do not meet the eligibility criteria will be charged for Non-Firm Point-to-Point Transmission Service on the Palo Verde-Westwing lines at the full rolled-in formula rate. Customers will be charged for Non-Firm Point-to-Point Transmission Service on the Palo Verde-Jojoba-Kyrene line at the full rolled-in formula rate.
- b) Eligibility for the rate relief on the Palo Verde-Westwing lines will be determined for each calendar year in year-end evaluations performed at the end of years 2023, 2024 and 2025 to determine the rate relief to be provided in years 2024, 2025 and 2026.
- c) For customers taking Non-Firm Point-to-Point Transmission Service on the Palo Verde-Jojoba-Kyrene line or on both the Palo Verde-Jojoba-Kyrene and the Palo Verde-Westwing lines, the rolled-in formula rate will be charged.
- <u>d) The stated rates on the Palo Verde-Westwing lines for Non-Firm Point-to-Point</u> <u>Transmission Services expire on December 31, 2026, after which the full</u> <u>rolled-in formula rates will apply.</u>

<u>2) Charges for Ancillary Services provided pursuant to Schedules 1 through 6 and 9</u>
 <u>of this Tariff, as applicable, and Real Power Losses provided pursuant to Section</u>
 <u>10 of this Tariff, apply during the NF Stay Period.</u>