

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).<sup>1</sup>

**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);

---

<sup>1</sup> 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).<sup>2</sup>

## **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.<sup>3</sup>

---

<sup>2</sup> 18 C.F.R. § 385.602(d).

<sup>3</sup> 18 C.F.R. § 385.602(f).

Honorable Debbie-Anne A. Reese, Acting Secretary

April 11, 2024

Page 3

**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: /s/ Wendy Warren

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**

**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”).<sup>1</sup>

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

---

<sup>1</sup> 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, Short-Term Firm and Non-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.<sup>2</sup> 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”)<sup>3</sup> 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.<sup>4</sup>
- 1.4. On November 19, 2021, Tri-State, UNS, and TEP filed timely motions to intervene.<sup>5</sup> AEPCO and CAWCD also filed a joint motion to intervene and a

---

<sup>2</sup> 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).

<sup>3</sup> 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).

<sup>4</sup> *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).

<sup>5</sup> 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.<sup>6</sup> 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*<sup>7</sup> 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.<sup>8</sup>

---

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).

<sup>6</sup> 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”).

<sup>7</sup> *Mansfield Municipal Elec. Dep’t v. New England Power Company*, 97 FERC ¶ 61,134, at 61,613-14 (2001) (“*Mansfield*”).

<sup>8</sup> 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.<sup>9</sup> 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.<sup>10</sup> 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.

---

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

<sup>10</sup> 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.<sup>11</sup> 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.<sup>12</sup>
- 1.9. On January 6, 2022, the Acting Chief Administrative Law Judge designated Judge Andrea McBarnette as the Settlement Judge<sup>13</sup> to facilitate settlement discussions among the participants.<sup>14</sup> 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 conference was held on May 2, 2022. In-person settlement conferences were held

---

<sup>11</sup> *El Paso Elec. Co.*, 177 FERC ¶ 61,228 (2021) (“2021 Order”).

<sup>12</sup> *Id.* at P 41, ordering para. (H).

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

<sup>14</sup> 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, 2024 through December 31, 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 short-term 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 Agreement 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.<sup>15</sup>

**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

---

<sup>15</sup> 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 IV, Section 4.2.5; Article V, Section 5.5; and Article VI, Sections 6.1, 6.2, 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.<sup>16</sup> 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.<sup>17</sup> No provision of this Settlement may be waived except through a writing signed by an authorized representative of the waiving party.

---

<sup>16</sup> 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).

<sup>17</sup> 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.

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:   
Date: \_\_\_\_\_

James Schichtl  
Vice President – Regulatory and  
Governmental Affairs  
on behalf of El Paso Electric Company

By: \_\_\_\_\_  
Date: \_\_\_\_\_

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: \_\_\_\_\_  
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  
Transmission Association, Inc.

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Amy Welander  
General Counsel  
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: \_\_\_\_\_

Date:

James Schichtl  
Vice President – Regulatory and  
Governmental Affairs  
on behalf of El Paso Electric Company

By:  \_\_\_\_\_

Date: April 8, 2024

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: \_\_\_\_\_

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  
Transmission Association, Inc.

By: \_\_\_\_\_

Date:

Amy Welander  
General Counsel  
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: \_\_\_\_\_

Date:

James Schichtl  
Vice President – Regulatory and  
Governmental Affairs  
on behalf of El Paso Electric Company

By: \_\_\_\_\_

Date:

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  
Transmission Association, Inc.

By: \_\_\_\_\_

Date:

Amy Welander  
General Counsel  
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: \_\_\_\_\_

Date:

James Schichtl  
Vice President – Regulatory and  
Governmental Affairs  
on behalf of El Paso Electric Company

By: \_\_\_\_\_

Date:

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: Stacey Goodwin

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  
on behalf of Tri-State Generation and  
Transmission Association, Inc.

By: \_\_\_\_\_

Date:

Amy Welander  
General Counsel  
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: \_\_\_\_\_

Date:

James Schichtl  
Vice President – Regulatory and  
Governmental Affairs  
on behalf of El Paso Electric Company

By: \_\_\_\_\_

Date:

Benjamin Engelby  
General Counsel  
on behalf of Arizona Electric Power  
Cooperative, Inc.

By: \_\_\_\_\_

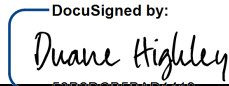
Date:

Darrin Francom  
Assistant General Manager  
on behalf of Central Arizona Water and  
Conservation District

By: \_\_\_\_\_

Date:

Stacey J. Goodwin  
Associate General Counsel  
on behalf of Public Service Company of  
New Mexico

By:  \_\_\_\_\_  
33B2DCB55AD7419...

Date:

Duane Highley  
Chief Executive Officer  
on behalf of Tri-State Generation and  
Transmission Association, Inc.

By: \_\_\_\_\_

Date:

Amy Welander  
General Counsel  
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: \_\_\_\_\_

Date:

James Schichtl  
Vice President – Regulatory and  
Governmental Affairs  
on behalf of El Paso Electric Company

By: \_\_\_\_\_

Date:

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: \_\_\_\_\_

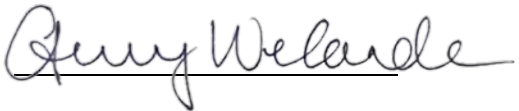
Date:

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  
Transmission Association, Inc.

By: 

Date: 4-9-2024

Amy Welander  
Vice President, General Counsel & Asst.  
Corporate Secretary  
on behalf of Tucson Electric Power  
Company/UNS Electric, Inc.



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”)<sup>3</sup> 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.<sup>4</sup>

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.<sup>5</sup> It accepted and suspended EPE’s proposed ADIT worksheets, subject to refund and subject to the outcome of the ER22-392 Compliance Filing proceeding.<sup>6</sup>

---

<sup>3</sup> 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).

<sup>4</sup> *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).

<sup>5</sup> *El Paso Elec. Co.*, 177 FERC ¶ 61,228 (2021) (“2021 Order”).

<sup>6</sup> *Id.* at P 41, ordering para. (H).

On January 6, 2022, the Acting Chief Administrative Law Judge designated Judge Andrea McBarnette as the Settlement Judge<sup>7</sup> to facilitate settlement discussions among the participants.<sup>8</sup> 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

---

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

<sup>8</sup> 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-0032<sup>9</sup> 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 Study<sup>10</sup>, 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,<sup>11</sup> and (2) Short-Term Firm Point-to-

---

<sup>9</sup> See Formula Rate Filing at Exhibit EPE-0032.

<sup>10</sup> *Id.* at Exhibit EPE-0031.

<sup>11</sup> 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.<sup>12</sup> 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 Date, and the Revised Protocols 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,

---

<sup>12</sup> 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.<sup>13</sup>

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

---

<sup>13</sup> 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 Parties), 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"<sup>14</sup> or "settled practice."<sup>15</sup>

Section 7.6 establishes the "public interest" standard of review, commonly referred to as the "*Mobile Sierra*" standard of review,<sup>16</sup> 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

---

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

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

<sup>16</sup> *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.<sup>17</sup>

#### **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.

---

<sup>17</sup> 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<br>[a]    | Description<br>[b]   | Actual / Projected<br>[c] | Year<br>[d] |
|----------|---------------------|--|---------------------------|-------------|
| <b>1</b> | <b>Attachment H</b> | <b>Formula Rate Template Attachment H</b>                                      | <b>Actual</b>             | <b>2020</b> |
| 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<br>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       | <b>Schedule 1</b>   | <b>Schedule 1 - Load Dispatch Revenue Requirement</b>                          | <b>Actual</b>             | <b>2020</b> |
| 26       | <b>Attachment H</b> | <b>Formula Rate Template Attachment H</b>                                      | <b>Projected</b>          | <b>2022</b> |
| 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<br>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 | <b>Schedule 1</b> | <b>Schedule 1 - Load Dispatch Revenue Requirement</b> | <b>Projected</b> | <b>2022</b> |

---

| Line No. | Description | Reference        | Total Company Amount | Network Allocator <sup>4</sup> |     | Network Transmission |
|----------|-------------|------------------|----------------------|--------------------------------|-----|----------------------|
|          |             |                  |                      | Code                           | %   |                      |
|          | [a]         | [b] <sup>5</sup> | [c]                  | [d]                            | [e] | [f] = [c] x [e]      |

**SECTION I: RATE SUMMARY**

|                        |   |  |  |  |  |  |
|------------------------|---|--|--|--|--|--|
| 1                      | Gross Revenue Requirement                     | Ln. 86                                 |  |  |  |  |
| <u>Revenue Credits</u> |   |  |  |  |  |  |
| 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                   |  |  |  |  |
| <u>Rates</u>           |   |  |  |  |  |  |
| 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 Service<sup>1</sup>

|    |                              |                              |       |    |       |
|----|------------------------------|------------------------------|-------|----|-------|
| 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 Depreciation<sup>1</sup>

|    |                                |                              |       |    |       |
|----|--------------------------------|------------------------------|-------|----|-------|
| 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)                       |       |  |       |

|                        |  |   |       |       |
|------------------------|--|---|-------|-------|
| 39                     | Land and Land Rights Held for Future Use | Worksheet A14, Ln. 2, Cols. [q] and [t] |       |       |
| <br>                   |  |   |       |       |
| <u>Working Capital</u> |  |   |       |       |
| 40                     | Cash Working Capital <sup>2</sup>        | 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)                | _____ | _____ |
| <br>                   |  |   |       |       |
| 45                     | Rate Base                                | Lns. (29 + 30 + 38 + 39 + 44)           | _____ | _____ |
| <br>                   |  |   |       |       |

**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

|      |  |   |       |       |
|------|--|---|-------|-------|
| 50   | A&G (Excluding Property Insurance and Regulatory 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 <sup>3</sup>               | _____ | WS    |
| 56   | Total Adjusted A&G   | Lns. (50 - 51 + 52 + 53 - 54 + 55)      | _____ | _____ |
| <br> |  |   |       |       |
| 57   | Hold Harmless Expense Adjustments                                    | Worksheet A13, Ln. 2, Cols. [d] and [g] | _____ | _____ |
| <br> |  |   |       |       |
| 58   | Total Operating Expenses   | Lns. (49 + 56 + 57)                     | _____ | _____ |

Depreciation and Amortization<sup>1</sup>

|    |  |   |    |
|----|--|---|----|
| 59 | Transmission                           | Worksheet A1, Lns. (65 - 66)            | TP |
| 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) |  |
|----|-----------------------------|----------------|--|

|    |   |                                       |       |       |
|----|---|---------------------------------------|-------|-------|
| 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 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.
- 3
- 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.
- 6 Throughout this Formula Rate Template yellow-shaded cells are sourced from Company manual inputs.

| 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                       |
| <u>Balance Sheet Inputs</u> |  |  |                         |                                |
| 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) | Page 112, Line 12, Columns (c) and (d) |                         |                                |
| 8                           | Accumulated Other Comprehensive Income (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) |                         |                                |
| <u>Interest Charges</u>     |  |  |                         |                                |
| 12                          | Interest on Long-Term Debt (427)                         | Page 117, Line 62, Column (c)          |                         |                                |
| 13                          | Amortization of Debt Discount and Expense (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)             | Page 117, Line 65, Column (c)          |                         |                                |
| 16                          | Amortization of Gain on Reaquired Debt-Credit (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 Page 200, Line 21, Column (c) (for respective yr)

End of Year Gross Plant in Service Balances

19 Total Intangible Plant Pages 204-205, Line 5, Columns (b) and (g)

20 Asset Retirement Costs (Steam Production Plant) Pages 204-205, Line 15, Columns (b) and (g)

21 Asset Retirement Costs (Nuclear Production Plant) Pages 204-205, Line 24, Columns (b) and (g)

22 Asset Retirement Costs (Hydraulic Production Plant) Pages 204-205, Line 34, Columns (b) and (g)

23 Asset Retirement Costs (Other Production Plant) Pages 204-205, Line 44, Columns (b) and (g)

24 Total Production Plant Pages 204-205, Line 46, Columns (b) and (g)

25 Asset Retirement Costs (Transmission Plant) Pages 206-207, Line 57, Columns (b) and (g)

26 Total Transmission Plant Pages 206-207, Line 58, Columns (b) and (g)

27 Asset Retirement Costs (Distribution Plant) Pages 206-207, Line 74, Columns (b) and (g)

28 Total Distribution Plant Pages 206-207, Line 75, Columns (b) and (g)

29 Asset Retirement Costs (General Plant) Pages 206-207, Line 98, Columns (b) and (g)

30 Total General Plant Pages 206-207, Line 99, Columns (b) and (g)

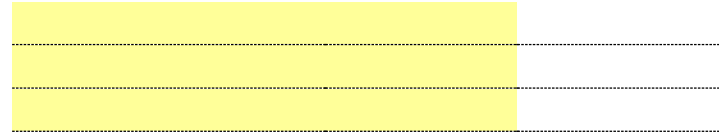
31 Land and Rights Held for Future Use Page 214, Lines 1 through 20, Column (d)

32 Construction Work in Progress Page 216, Line 43, Column (b)

End of Year Accumulated Depreciation Balances

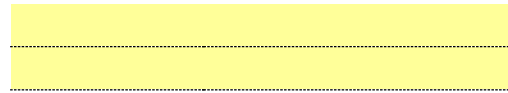
|    |                      | Adjustment per the Docket ER22-282 Settlement | Adjusted Amount |
|----|----------------------|---|-----------------|
| 33 | Steam Production     | Page 219, Line 20, Column (c)                 |                 |
| 34 | Nuclear Production   | Page 219, Line 21, Column (c)                 |                 |
| 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) |  |



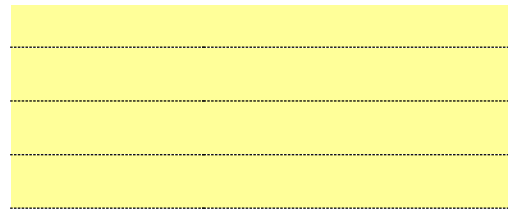
Materials and Supplies Balances

|    |                                      |  |  |
|----|--------------------------------------|--|--|
| 40 | Transmission Plant (Estimated) (154) | Page 227, Line 8, Columns (b) and (c)  |  |
| 41 | Stores Expense Undistributed) (163)  | Page 227, Line 16, Columns (b) and (c) |  |



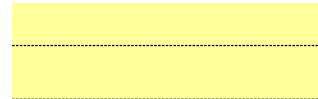
Accumulated Deferred Income Taxes and ITCs

|    |                 |  |  |
|----|-----------------|--|--|
| 42 | Account No. 190 | Page 234, Line 8, Columns (b) and (c)      |  |
| 43 | Account No. 255 | Pages 266-267, Line 8, Columns (b) and (h) |  |
| 44 | Account No. 282 | Pages 274-275, Line 2, Columns (b) and (k) |  |
| 45 | Account No. 283 | Pages 276-277, Line 9, Columns (b) and (k) |  |



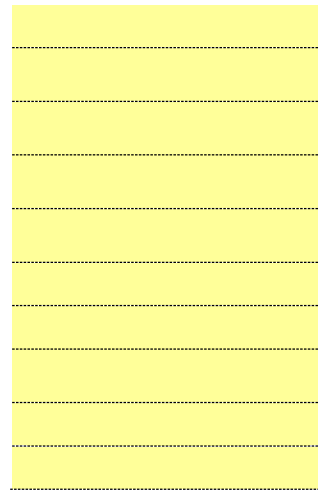
Other Revenues

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



Operating Expenses

|    |  |                                |  |
|----|--|--------------------------------|--|
| 48 | Load Dispatch-Reliability (561.1)                                | Page 321, Line 85, Column (b)  |  |
| 49 | Load Dispatch-Monitor and Operate Transmission System (561.2)    | Page 321, Line 86, Column (b)  |  |
| 50 | Load Dispatch-Transmission Service and Scheduling (561.3)        | Page 321, Line 87, Column (b)  |  |
| 51 | Scheduling, System Control and Dispatch Services (561.4)         | Page 321, Line 88, Column (b)  |  |
| 52 | Reliability, Planning and Standards Development (561.5)          | Page 321, Line 89, Column (b)  |  |
| 53 | Transmission Service Studies (561.6)                             | Page 321, Line 90, Column (b)  |  |
| 54 | Generation Interconnection Studies (561.7)                       | Page 321, Line 91, Column (b)  |  |
| 55 | Reliability, Planning and Standards Development Services (561.8) | Page 321, Line 92, Column (b)  |  |
| 56 | Transmission of Electricity by Others (565)                      | Page 321, Line 96, Column (b)  |  |
| 57 | Total Transmission Expenses                                      | Page 321, Line 112, Column (b) |  |



|    |   |                                |
|----|---|--------------------------------|
| 58 | Property Insurance (924)                          | Page 323, Line 185, Column (b) |
| 59 | Regulatory Commission Expenses (928) <sup>1</sup> | 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)           |

|  |
|--|
|  |
|  |
|  |
|  |
|  |

Adjustment per  
the Docket ER22-  
282 Settlement      Adjusted Amount

Depreciation and Amortization Charges

|    |  |                               |
|----|--|-------------------------------|
| 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) |

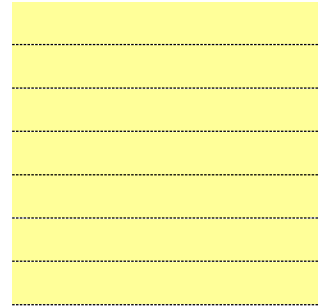
|  |
|--|
|  |
|  |
|  |
|  |
|  |
|  |

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) |



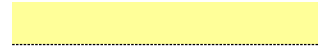
Long-Term Firm Point-to-point Reservations

|     |          |                               |
|-----|----------|-------------------------------|
| 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) |



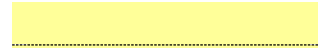


134 December Page 400, Line 15, Column (i)



Other Service

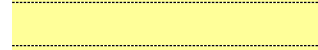
135 January Page 400, Line 1, Column (j)



136 February Page 400, Line 2, Column (j)



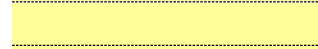
137 March Page 400, Line 3, Column (j)



138 April Page 400, Line 5, Column (j)



139 May Page 400, Line 6, Column (j)



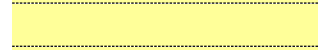
140 June Page 400, Line 7, Column (j)



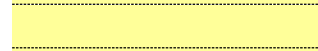
141 July Page 400, Line 9, Column (j)



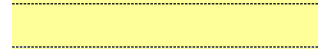
142 August Page 400, Line 10, Column (j)



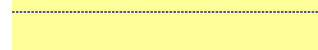
143 September Page 400, Line 11, Column (j)



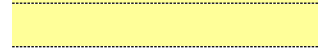
144 October Page 400, Line 13, Column (j)



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 now recorded in Account No. 928.

<sup>1</sup>

---

| Line No. | Month<br>[a]                              | Firm Network for Self<br>[b]              | Firm Network Service for Others<br>[c]    | Long-Term Firm Point to Point Reservations<br>[d] | Other Long-Term Firm Service<br>[e]         | Short Term Firm Point to Point Reservation<br>[f] | Other Service<br>[g]                        | Transmission System Peak Load<br>[h]=Sum([b]-[g]) | 12-Month Coincident Peak Average <sup>1</sup><br>[i]=[h]-[f] |
|----------|---|---|---|---|---|---|---|---|--|
| 1        | <i>Reference for Monthly Loads</i>        | <i>Worksheet A1, Lns. (75 through 86)</i> | <i>Worksheet A1, Lns. (87 through 98)</i> | <i>Worksheet A1, Lns. (99 through 110)</i>        | <i>Worksheet A1, Lns. (111 through 122)</i> | <i>Worksheet A1, Lns. (123 through 134)</i>       | <i>Worksheet A1, Lns. (135 through 146)</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 12-month CP average includes all load with the exception of Short-Term Firm Point-to-Point load.





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

**Notes and Sources:**

- <sup>1</sup> Unless otherwise stated, source of shaded cells is company input/records.
- <sup>2</sup> 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 Form No. 1.
- <sup>3</sup> 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.
- <sup>4</sup> 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. 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.
- <sup>5</sup> 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.

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

**Notes and Sources:**

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

<sup>1</sup>

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.

<sup>2</sup>

| Line No. | Month | Total Production | Total Distribution | Network Transmission | Excluded Transmission Plant | Total Transmission | Total General | Total Intangible | Total Plant             |
|----------|-------|------------------|--------------------|----------------------|-----------------------------|--------------------|---------------|------------------|-------------------------|
|          | [a]   | [b]              | [c]                | [d]                  | [e]                         | [f] = [d] + [e]    | [g]           | [h]              | [i]=[b]+[c]+[f]+[g]+[h] |

**Gross Plant in Service<sup>1</sup>**

|    |                                |                                     |                            |                     |                     |                            |                            |                      |  |
|----|--------------------------------|-------------------------------------|----------------------------|---------------------|---------------------|----------------------------|----------------------------|----------------------|--|
| 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)<sup>1, 2</sup>**

|    |                                |                                  |                      |                     |                         |                      |                      |           |  |
|----|--------------------------------|----------------------------------|----------------------|---------------------|-------------------------|----------------------|----------------------|-----------|--|
| 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                 |                                  |                      |                     |                         |                      |                      |           |  |

|    |                  |  |  |
|----|------------------|--|--|
| 18 | January          |  |  |
| 19 | February         |  |  |
| 20 | March            |  |  |
| 21 | April            |  |  |
| 22 | May              |  |  |
| 23 | June             |  |  |
| 24 | July             |  |  |
| 25 | August           |  |  |
| 26 | September        |  |  |
| 27 | October          |  |  |
| 28 | November         |  |  |
| 29 | December         |  |  |
| 30 | 13-Month Average |  |  |

**Accumulated Depreciation<sup>1,3</sup>**

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

**Accumulated Depreciation  
(AROs)<sup>1,2</sup>**

|    |                  |  |  |
|----|------------------|--|--|
| 45 | Prior December   |  |  |
| 46 | January          |  |  |
| 47 | February         |  |  |
| 48 | March            |  |  |
| 49 | April            |  |  |
| 50 | May              |  |  |
| 51 | June             |  |  |
| 52 | July             |  |  |
| 53 | August           |  |  |
| 54 | September        |  |  |
| 55 | October          |  |  |
| 56 | November         |  |  |
| 57 | December         |  |  |
| 58 | 13-Month Average |  |  |

**Notes and Sources:**

- <sup>1</sup> 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.
- <sup>2</sup> Monthly ARO balances for the intangible plant function are fixed at \$0.
- <sup>3</sup> 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 <sup>1</sup>                               | Reason for Exclusion from Network Transmission | <u>GROSS PLANT IN SERVICE BALANCES</u> |          |          |          |          |          | <u>GROSS PLANT IN SERVICE BALANCES</u> |          |          |          |          |          | 13-Month Average Balance |          |
|----------|--|--|--|----------|----------|----------|----------|----------|--|----------|----------|----------|----------|----------|--------------------------|----------|
|          |  |  | 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 |
|          | [a]  | [b]  | [c]                                    | [d]      | [e]      | [f]      | [g]      | [h]      | [i]                                    | [j]      | [k]      | [l]      | [m]      | [n]      | [o]                      | [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 <sup>2</sup>   | 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 <sup>2</sup>                                       | Agreed in Settlement, Docket No. ER22-282      |  |          |          |          |          |          |  |          |          |          |          |          |                          |          |
| ...      | ...  | ...  |  |          |          |          |          |          |  |          |          |          |          |          |                          |          |
| 1zz      | ...  | ...  |  |          |          |          |          |          |  |          |          |          |          |          |                          |          |
| <b>2</b> | <b>Total Excluded Transmission Plant (Sum Lns. (1a through 1zz))</b> |  |  |          |          |          |          |          |  |          |          |          |          |          |                          |          |

**Notes and Sources:**

<sup>1</sup> 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.

<sup>2</sup> 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.

| Line No. | Description <sup>2</sup>   | FERC Approval Docket | Recovery % Approved <sup>3</sup> | Construction Start Date | Estimated In-Service Date | BALANCES |          |          |          |          |          | BALANCES |          |          |          |          |          | Average CWIP | Network Allocator          |      | Network Transmission Balance | Network Allocator Justification <sup>4</sup> |     |     |
|----------|--|----------------------|----------------------------------|-------------------------|---------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------|----------------------------|------|------------------------------|--|-----|-----|
|          |  |                      |                                  |                         |                           | 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 |                              |  | %   |     |
|          | [a]  | [b]                  | [c]                              | [d]                     | [e]                       | [f]      | [g]      | [h]      | [i]      | [j]      | [k]      | [l]      | [m]      | [n]      | [o]      | [p]      | [q]      | [r]          | [s]=Avg. ([f] through [r]) | [t]  | [u]                          | [v]=[s]x[c]x[u]                              | [w] |     |
| 1a       | ...  | ...                  | ...                              | ...                     | ...                       |          |          |          |          |          |          |          |          |          |          |          |          |              |                            | ...  |                              |  | ... |     |
| 1b       | ...  | ...                  | ...                              | ...                     | ...                       |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      | ...                          |  |     | ... |
| 1c       | ...  | ...                  | ...                              | ...                     | ...                       |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      | ...                          |  |     | ... |
| ...      | ...  | ...                  | ...                              | ...                     | ...                       |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      | ...                          |  |     | ... |
| ...      | ...  | ...                  | ...                              | ...                     | ...                       |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      | ...                          |  |     | ... |
| ...      | ...  | ...                  | ...                              | ...                     | ...                       |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      | ...                          |  |     | ... |
| ...      | ...  | ...                  | ...                              | ...                     | ...                       |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      | ...                          |  |     | ... |
| 1zz      | ...  | ...                  | ...                              | ...                     | ...                       |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      | ...                          |  |     | ... |
| <b>2</b> | <b>Total Construction Work in Progress (Sum Lns. (1a through 1zz))</b> |                      |                                  |                         |                           |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      |                              |  |     |     |

**Notes and Sources:**

- <sup>1</sup> 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.
- <sup>2</sup> 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.
- <sup>3</sup> 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.
- <sup>4</sup> Only network allocator codes listed on Worksheet A22 may be inputted.

| Line No.   | Description / Month                      | Days in Period <sup>1</sup> |               |                         | Proration Percentage | Prorated Projected Monthly Activity <sup>2</sup> | Actual Monthly Activity <sup>3</sup> | Difference Between Actual and Projected Activity <sup>4</sup> | Calculation of Actual Monthly Balances                                  |   |  |  |
|--|--|-----------------------------|---------------|-------------------------|----------------------|--|--------------------------------------|---|---|---|--|--|
|  |  | Days in Month               | Days Prorated | Days in Trued-Up Period |                      |  |                                      |   | Monthly Actual Activity Above Projection (No Prorationing) <sup>5</sup> | Monthly Actual Activity Below Projection (Prorate) <sup>6</sup> | Monthly Actual Activity that Decreases Absolute Balance (No Prorationing) <sup>7</sup> | Partially-Prorated Actual ADIT Balances <sup>8</sup> |
|  | [a]                                      | [b]                         | [c]           | [d]                     | [e]=[c]/[d]          | [f]  | [g]                                  | [h] = [g] - [f]   | [i]   | [j]   | [k]  | [l]  |
| <b>Accumulated Deferred Income Taxes (Account No. 190)</b> |  |                             |               |                         |                      |  |                                      |   |   |   |  |  |
| 1  | Dec-2019 (Worksheet A8, Ln. 3, Col. [q]) |                             |               | 1/1/2020                |                      |  |                                      |   |   |   |  |  |
| 2  | 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                   |  |                                      |   |   |   |  |  |
| <b>14</b>  | <b>Total (Sum Lns. (1 through 13))</b>   |                             |               |                         |                      |  |                                      |   |   |   |  |  |

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. [I])

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

---

**Accumulated Deferred Income Taxes - Other Property (Account No. 282)**

---

|    |  |            |    |
|----|--|------------|----|
| 20 | Dec-2019 (Worksheet A8, Ln. 7, Col. [q]) | 1/1/2020   | 31 |
| 21 | 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. [I])

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

---

---

**Accumulated Deferred Income Taxes - Other 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 Prorating

|    |  |
|----|--|
| 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. [I])

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, Col. [q]) | 1/1/2020  |
| 60 | Jan-2020                                 | 1/31/2020 |



|    |          |            |
|----|----------|------------|
| 61 | Feb-2020 | 2/29/2020  |
| 62 | Mar-2020 | 3/31/2020  |
| 63 | Apr-2020 | 4/30/2020  |
| 64 | May-2020 | 5/31/2020  |
| 65 | Jun-2020 | 6/30/2020  |
| 66 | Jul-2020 | 7/31/2020  |
| 67 | Aug-2020 | 8/31/2020  |
| 68 | Sep-2020 | 9/30/2020  |
| 69 | Oct-2020 | 10/31/2020 |
| 70 | Nov-2020 | 11/30/2020 |
| 71 | Dec-2020 | 12/31/2020 |




---

**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 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))                       |

---

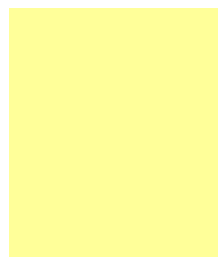
**Deficient Deferred Income Taxes (Account No. 182.3)**

---

|    |  |           |
|----|--|-----------|
| 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 |



|    |          |            |
|----|----------|------------|
| 85 | Jul-2020 | 7/31/2020  |
| 86 | Aug-2020 | 8/31/2020  |
| 87 | Sep-2020 | 9/30/2020  |
| 88 | Oct-2020 | 10/31/2020 |
| 89 | Nov-2020 | 11/30/2020 |
| 90 | Dec-2020 | 12/31/2020 |




---

**91 Total (Sum Lns. (78 through 90))**

---

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

|    |  |
|----|--|
| 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:**

- <sup>1</sup> Columns [b] through [e] are automatically populated based on the year inputted on Worksheet A1, line 1.
- <sup>2</sup> 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.
- <sup>3</sup> 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.
- <sup>4</sup> 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 did not actually occur) and a positive difference represents an under-projection of monthly activity (a portion of projected activity was in excess of what actually occurred). If projected and actual monthly activity (Columns [f] and [g], respectively) are both negative, a positive difference represents an over-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).
- <sup>5</sup> 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 prorating.

<sup>6</sup> 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.

<sup>7</sup> 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 actual activity. This activity is not subject to prorationing.

<sup>8</sup> 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.



|     |                                     |     |  |
|-----|-------------------------------------|-----|--|
| 1l  | Depreciation Differences            | Yes | Not related to jurisdictional cost-of-service  |
| 1m  | Excess Deferred Taxes Fed           | No  | Tax gross-up for excess deferred income tax regulatory liability excluded from rate base         |
| 1n  | ITC                                 | No  | Not related to jurisdictional cost-of-service  |
| 1o  | NOL Carryforward - AZ               | Yes | ADIT for NOL includable in rate base. <i>Kern River Gas Transmission Co.</i> , 117 FERC ¶ 61,077 |
| 1p  | NOL Carryforward - Federal          | Yes | ADIT for NOL includable in rate base. <i>Kern River Gas Transmission Co.</i> , 117 FERC ¶ 61,077 |
| 1q  | NOL Carryforward - NM               | Yes | ADIT for NOL includable in rate base. <i>Kern River Gas Transmission Co.</i> , 117 FERC ¶ 61,077 |
| 1r  | Other                               | No  | Not related to jurisdictional cost-of-service  |
| 1s  | Other Employee Benefits             | No  | Related to A&G expenses  |
| 1t  | R & D Credit                        | Yes | Not related to jurisdictional cost-of-service  |
| 1u  | Retirement Plans                    | No  | Related to A&G expenses  |
| 1v  | SFAS 143 ARO                        | Yes | AROs not included in network transmission rates  |
| 1w  | Strategic Costs                     | No  | 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 | ...                                 | ... | ...  |

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

---

|   |   |
|---|---|
| 3 | Total Account No. 190 - Balances Subject to Prorating |
|---|---|

---

|   |   |
|---|---|
| 4 | Total Account No. 190 - Balances Not Subject to Prorating |
|---|---|

---

---

**Accumulated Deferred Income Taxes - Other Property (Account No. 282)<sup>1,3</sup>**

|     |                          |     |  |
|-----|--------------------------|-----|--|
| 5a  | ABFUDC - CWIP            | No  | No CWIP included in rate base  |
| 5b  | AEFUDC                   | No  | Corresponding Account 182.3 regulatory asset excluded from rate base                   |
| 5c  | AEFUDC - CWIP            | No  | No CWIP included in rate base  |
| 5d  | Decommissioning Costs    | Yes | Portion of decommissioning costs related to transmission                               |
| 5e  | Depreciation Differences | Yes | Accelerated/straight-line depreciation differences                                     |
| 5f  | Nuclear Fuel             | No  | Production-related   |
| 5g  | Repair Allowance         | Yes | Tax deduction (expense) for repairs in the year in which the expenditures are incurred |
| 5h  | Section 174 R&D          | Yes | Tax deduction (expense) for R&D in the year in which the expenditures are incurred     |
| ... | ...                      | ... | ...  |
| 5zz | ...                      | ... | ...  |

---

|          |  |
|----------|--|
| <b>6</b> | <b>Total Account No. 282 (Sum Lns. 5a through 5zz)</b> |
|----------|--|

---

|   |   |
|---|---|
| 7 | Total Account No. 282 - Balances Subject to Prorating |
|---|---|

---

|   |   |
|---|---|
| 8 | Total Account No. 282 - Balances Not Subject to Prorating |
|---|---|

---

---

**Accumulated Deferred Income Taxes - Other (Account No. 283)<sup>1,4</sup>**

|    |                            |     |  |
|----|----------------------------|-----|--|
| 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 Costs | Yes | Amortization of debt costs included in network transmission rates    |



|     |                                     |  |     |  |
|-----|-------------------------------------|--|-----|--|
| 9d  | Decommissioning Costs               |  | No  | Related to 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 regulatory assets not included in network transmission rates               |
| 9h  | Excess Deferred Taxes Fed           |  | No  | Tax gross-up for excess deferred income tax regulatory liability excluded from rate base |
| 9i  | Excess Deferred Taxes State         |  | No  | Tax gross-up for excess deferred income tax regulatory liability excluded from rate base |
| 9j  | Other                               |  | No  | Not related to jurisdictional cost-of-service  |
| 9k  | Taxes Other Than Federal Income Tax |  | No  | Not related to jurisdictional cost-of-service  |
| ... | ...                                 |  | ... | ...  |
| 9zz | ...                                 |  | ... | ...  |

**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

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

**Notes and Sources:**

<sup>1</sup> 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.

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

<sup>3</sup> Total company Account No. 282 balances shown on line 6 must match the balances shown on Worksheet A1, line 44, which are taken from the Company's FERC Form No. 1.

<sup>4</sup> Total company Account No. 283 balances shown on line 10 must match the balances shown on Worksheet A1, line 45, which are taken from the Company's FERC Form No. 1.

<sup>5</sup> 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.

<sup>6</sup> Only network allocator codes listed on Worksheet A22 may be inputted. 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.





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

11

---

**Notes and Sources:**

- <sup>1</sup> 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.
  - <sup>2</sup> 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].
  - <sup>3</sup> Only network allocator codes listed on Worksheet A22 may be inputted. 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.
  - <sup>4</sup> Excess and deficient deferred income tax balances exclude income tax gross-ups recorded to accounts 182.3 and 254.
- 
-

| Line No. | Type <sup>2</sup>  | Description | FERC Account No. | FERC Approval Docket | Amount <sup>3</sup> | Recovery Period (Months) | Monthly Amortization Expense | Amortization Months in Current Year        | Current Year Amortization Expense | % Approved for Rate Recovery <sup>4</sup> | Network Allocation |     | UNAMORTIZED BALANCES |          |          |          |          |          | UNAMORTIZED BALANCES |          |          |          |          |          | 13-Month Avg. Unamortized Balance | % Approved for Rate Base Treatment <sup>5</sup> | Network Transmission Unamortized Balance | Network Allocator Justification <sup>6</sup> |                    |      |     |
|----------|--|-------------|------------------|----------------------|---------------------|--------------------------|------------------------------|--|-----------------------------------|---|--------------------|-----|----------------------|----------|----------|----------|----------|----------|----------------------|----------|----------|----------|----------|----------|-----------------------------------|---|--|--|--------------------|------|-----|
|          |  |             |                  |                      |                     |                          |                              |  |                                   |   | Code               | %   | 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           |      |     |
|          | [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[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  | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   | ...                |     |                      |          |          |          |          |          |                      |          |          |          |          |          |                                   |   |  |  |                    |      | ... |
| 1b       | Liability  | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   | ...                |     |                      |          |          |          |          |          |                      |          |          |          |          |          |                                   |   |  |  |                    |      | ... |
| 1c       | Asset  | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   | ...                |     |                      |          |          |          |          |          |                      |          |          |          |          |          |                                   |   |  |  |                    |      | ... |
| ...      | ...  | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   | ...                |     |                      |          |          |          |          |          |                      |          |          |          |          |          |                                   |   |  |  |                    |      | ... |
| ...      | ...  | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   | ...                |     |                      |          |          |          |          |          |                      |          |          |          |          |          |                                   |   |  |  |                    |      | ... |
| ...      | ...  | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   | ...                |     |                      |          |          |          |          |          |                      |          |          |          |          |          |                                   |   |  |  |                    |      | ... |
| 1zz      | ...  | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   | ...                |     |                      |          |          |          |          |          |                      |          |          |          |          |          |                                   |   |  |  |                    |      | ... |
| <b>2</b> | <b>Total Regulatory Assets and Liabilities (Sum Lns. (1a through 1zz))</b> |             |                  |                      |                     |                          |                              |  |                                   |   |                    |     |                      |          |          |          |          |          |                      |          |          |          |          |          |                                   |   |  |  |                    |      |     |
| 3        | Total Regulatory Assets  |             |                  |                      |                     |                          |                              |  |                                   |   |                    |     |                      |          |          |          |          |          |                      |          |          |          |          |          |                                   |   |  |  |                    |      |     |
| 4        | Total Regulatory Liabilities   |             |                  |                      |                     |                          |                              |  |                                   |   |                    |     |                      |          |          |          |          |          |                      |          |          |          |          |          |                                   |   |  |  |                    |      |     |

**Notes and Sources:**  
<sup>1</sup> 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.

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

<sup>3</sup> Total amount of regulatory asset/liability should be listed.

<sup>4</sup> 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].

<sup>5</sup> 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].

<sup>6</sup> Only network allocator codes listed on Worksheet A22 may be inputted.

---

**El Paso Electric Company**  
**Formula Rate Template (Actuals)**  
**Abandoned Plant**  
**12 Months Ended December 31, 2020**

Worksheet A11

Worksheet A11

Worksheet A11      Worksheet A11

| Line No. | Description  | FERC Account No. | FERC Approval Docket | Amount <sup>2</sup> | Recovery Period (Months) | Monthly Amortization Expense                | Amortization Months in Current Year | Current Year Amortization Expense | % Approved for Rate Recovery <sup>3</sup> | Network Allocator |                 | Network Transmission Amortization Expense | UNAMORTIZED BALANCES |          |          |          |          |          |          |          |          |          |          |          | 13-Month Avg. Unamortized Balance | % Approved for Rate Base Treatment <sup>4</sup> | Network Transmission Unamortized Balance | Network Allocator Justification <sup>5</sup> |          |  |  |  |     |
|----------|--|------------------|----------------------|---------------------|--------------------------|---|-------------------------------------|-----------------------------------|---|-------------------|-----------------|---|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------------------------|---|--|--|----------|--|--|--|-----|
|          |  |                  |                      |                     |                          |   |                                     |                                   |   | Code              | %               |   | 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 |  |  |  |     |
| [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       | ...  | ...              | ...                  |                     |                          |   |                                     |                                   | ...                                       |                   |                 |   |                      |          |          |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |  |  |  | ... |
| 1b       | ...  | ...              | ...                  |                     |                          |   |                                     |                                   | ...                                       |                   |                 |   |                      |          |          |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |  |  |  | ... |
| 1c       | ...  | ...              | ...                  |                     |                          |   |                                     |                                   | ...                                       |                   |                 |   |                      |          |          |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |  |  |  | ... |
| ...      | ...  | ...              | ...                  |                     |                          |   |                                     |                                   | ...                                       |                   |                 |   |                      |          |          |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |  |  |  | ... |
| ...      | ...  | ...              | ...                  |                     |                          |   |                                     |                                   | ...                                       |                   |                 |   |                      |          |          |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |  |  |  | ... |
| ...      | ...  | ...              | ...                  |                     |                          |   |                                     |                                   | ...                                       |                   |                 |   |                      |          |          |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |  |  |  | ... |
| 1zz      | ...  | ...              | ...                  |                     |                          |   |                                     |                                   | ...                                       |                   |                 |   |                      |          |          |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |  |  |  | ... |
| <b>2</b> | <b>Total Abandoned Plant (Sum Lns. (1a through 1zz))</b> |                  |                      |                     |                          |   |                                     |                                   |   |                   |                 |   |                      |          |          |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |  |  |  |     |

**Notes and Sources:**

<sup>1</sup> 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.

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

<sup>3</sup> 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].

<sup>4</sup> 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].

<sup>5</sup> Only network allocator codes listed on Worksheet A22 may be inputed.

---

---

| Line No. | Description <sup>2</sup>             | Subaccount No. | % Customer Funded | % Non-Restricted | <u>BALANCES</u> |          |          |          |          |          |          |          |          |          |          |          | Average Unfunded Reserves<br>[r]=Avg. ([e] through [q]) | <u>Network Allocator</u> |      | Network Transmission Balance | Network Allocator Justification <sup>3</sup> |     |
|----------|--------------------------------------|----------------|-------------------|------------------|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---|--------------------------|------|------------------------------|--|-----|
|          |                                      |                |                   |                  | 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 |                              |  | %   |
|          | [a]                                  | [b]            | [c]               | [d]              | [e]             | [f]      | [g]      | [h]      | [i]      | [j]      | [k]      | [l]      | [m]      | [n]      | [o]      | [p]      | [q]   | [r]                      | [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   |                              |  |     |
| 1f       | AP764 - SERP                         |                |                   |                  |                 |          |          |          |          |          |          |          |          |          |          |          |   |                          | WS   |                              |  |     |
| 1g       | AP765 - EXCESS BENEFIT PLAN          |                |                   |                  |                 |          |          |          |          |          |          |          |          |          |          |          |   |                          | WS   |                              |  |     |
| 1h       | AP710 - A/P ACCRUALS                 |                |                   |                  |                 |          |          |          |          |          |          |          |          |          |          |          |   |                          | WS   |                              |  |     |
| 1i       | AP762 - 401K                         |                |                   |                  |                 |          |          |          |          |          |          |          |          |          |          |          |   |                          | WS   |                              |  |     |
| 1j       | AP766 - MEDICAL INSURANCE            |                |                   |                  |                 |          |          |          |          |          |          |          |          |          |          |          |   |                          | WS   |                              |  |     |
| 1k       | AP767 - LIFE INSURANCE               |                |                   |                  |                 |          |          |          |          |          |          |          |          |          |          |          |   |                          | WS   |                              |  |     |
| 1l       | AP768 - DENTAL INSURANCE             |                |                   |                  |                 |          |          |          |          |          |          |          |          |          |          |          |   |                          | WS   |                              |  |     |
| 1m       | AP769 - LT & ST DISABILITY INSURANCE |                |                   |                  |                 |          |          |          |          |          |          |          |          |          |          |          |   |                          | WS   |                              |  |     |
| 1n       | AP753 - PAYRL CORP BONUS BLANKET     |                |                   |                  |                 |          |          |          |          |          |          |          |          |          |          |          |   |                          | WS   |                              |  |     |

|                                     |                                 |     |     |
|-------------------------------------|---------------------------------|-----|-----|
| 1o                                  | AP751 - PAYRL<br>DEDUCT CLEAR   | WS  |     |
| 1p                                  | AP751 - PAYRL<br>DEDUCT CLEAR   | WS  |     |
| 1q                                  | AP764 - SERP                    | WS  |     |
| 1r                                  | AP765 - EXCESS<br>BENEFIT PLAN  | WS  |     |
| 1s                                  | AP766 - MEDICAL<br>INSURANCE    | WS  |     |
| 1t                                  | AP780 - OTHER<br>EMPLY BENEFITS | WS  |     |
| 1u                                  | AP790 - WORKERS<br>COMP         | WS  |     |
| ...                                 | ...                             | ... | ... |
| 1zz                                 | ...                             | ... | ... |
| <b>Total Unfunded Reserves (Sum</b> |                                 |     |     |
| <b>2</b>                            | <b>Ln. (1a through 1zz))</b>    |     |     |

**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.

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

---

| Line No. | Description  | FERC Account No. | FERC Merger / Acquisition Docket | Annual Expense Adjustment | Network Allocator |     | Network Transmission Expense Adjustment | MONTHLY RATE BASE BALANCE ADJUSTMENT |          |          |          |          | MONTHLY RATE BASE BALANCE ADJUSTMENT |          |          |          |          | 13-Month Avg. Balance<br>[u]=Avg. ([h] through [t]) | Network Transmission Balance<br>[v] = [f] x [u] | Network Allocator Justification<br>[w] |          |          |          |
|----------|--|------------------|----------------------------------|---------------------------|-------------------|-----|---|--------------------------------------|----------|----------|----------|----------|--------------------------------------|----------|----------|----------|----------|---|---|--|----------|----------|----------|
|          |  |                  |                                  |                           | Code              | %   |   | 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 |
|          | [a]  | [b]              | [c]                              | [d]                       | [e]               | [f] | [g] = [d] x [f]                         | [h]                                  | [i]      | [j]      | [k]      | [l]      | [m]                                  | [n]      | [o]      | [p]      | [q]      | [r]   | [s]   | [t]                                    |          |          |          |
| 1a       | ...  | ...              | ...                              |                           | ...               |     |   |                                      |          |          |          |          |                                      |          |          |          |          |   |   |  |          |          | ...      |
| 1b       | ...  | ...              | ...                              |                           | ...               |     |   |                                      |          |          |          |          |                                      |          |          |          |          |   |   |  |          |          | ...      |
| 1c       | ...  | ...              | ...                              |                           | ...               |     |   |                                      |          |          |          |          |                                      |          |          |          |          |   |   |  |          |          | ...      |
| ...      | ...  | ...              | ...                              |                           | ...               |     |   |                                      |          |          |          |          |                                      |          |          |          |          |   |   |  |          |          | ...      |
| ...      | ...  | ...              | ...                              |                           | ...               |     |   |                                      |          |          |          |          |                                      |          |          |          |          |   |   |  |          |          | ...      |
| ...      | ...  | ...              | ...                              |                           | ...               |     |   |                                      |          |          |          |          |                                      |          |          |          |          |   |   |  |          |          | ...      |
| 1zz      | ...  | ...              | ...                              |                           | ...               |     |   |                                      |          |          |          |          |                                      |          |          |          |          |   |   |  |          |          | ...      |
| <b>2</b> | <b>Total Hold Harmless Adjustments (Sum Lns. 1a through 1zz)</b> |                  |                                  |                           |                   |     |   |                                      |          |          |          |          |                                      |          |          |          |          |   |   |  |          |          |          |

**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 hold harmless adjustments.
- 2 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.

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

---

| Line No. | Description <sup>2</sup>  | Definite Plan for Future Use <sup>2</sup> | Estimated In-Service Date <sup>2</sup> | <u>BALANCES</u> |          |          |          |          |          |          | <u>BALANCES</u> |          |          |          |          |          |      | Average Land Held for Future Use<br>[q]=Avg. ([d] through [p]) | <u>Network Allocator</u> |     | Network Transmission Balance | Network Allocator Justification <sup>3</sup> |
|----------|---|---|--|-----------------|----------|----------|----------|----------|----------|----------|-----------------|----------|----------|----------|----------|----------|------|--|--------------------------|-----|------------------------------|--|
|          |   |   |  | 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 |  | %                        |     |                              |  |
|          | [a]   | [b]                                       | [c]                                    | [d]             | [e]      | [f]      | [g]      | [h]      | [i]      | [j]      | [k]             | [l]      | [m]      | [n]      | [o]      | [p]      | [r]  | [s]  | [t]=[q]x[s]              | [u] |                              |  |
| 1a       | ...   | ...                                       | ...                                    |                 |          |          |          |          |          |          |                 |          |          |          |          |          |      |  |                          |     |                              |  |
| 1b       | ...   | ...                                       | ...                                    |                 |          |          |          |          |          |          |                 |          |          |          |          |          |      |  |                          |     |                              |  |
| 1c       | ...   | ...                                       | ...                                    |                 |          |          |          |          |          |          |                 |          |          |          |          |          |      |  |                          |     |                              |  |
| ...      | ...   | ...                                       | ...                                    |                 |          |          |          |          |          |          |                 |          |          |          |          |          |      |  |                          |     |                              |  |
| ...      | ...   | ...                                       | ...                                    |                 |          |          |          |          |          |          |                 |          |          |          |          |          |      |  |                          |     |                              |  |
| ...      | ...   | ...                                       | ...                                    |                 |          |          |          |          |          |          |                 |          |          |          |          |          |      |  |                          |     |                              |  |
| ...      | ...   | ...                                       | ...                                    |                 |          |          |          |          |          |          |                 |          |          |          |          |          |      |  |                          |     |                              |  |
| 1zz      | ...   | ...                                       | ...                                    |                 |          |          |          |          |          |          |                 |          |          |          |          |          |      |  |                          |     |                              |  |
| <b>2</b> | <b>Total Land and Land Rights Held for Future Use (Sum Lns. (1a through 1zz))</b> |   |  |                 |          |          |          |          |          |          |                 |          |          |          |          |          |      |  |                          |     |                              |  |

**Notes and Sources:**

<sup>1</sup> 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.

<sup>2</sup> As required by the general instruction for Account No. 105 (Electric plant held for future use). See 18 C.F.R. Part 101.

<sup>3</sup> Only network allocator codes listed on Worksheet A22 may be inputted.





| Line No. | Month<br>[a]                              | Materials & Supplies:<br>Transmission<br>[b] | Materials & Supplies:<br>Stores Expense<br>[c] | Total Materials<br>and Supplies<br>[d] = [b] + [c] | Prepayments<br>[e]         |
|----------|---|--|--|--|----------------------------|
|          | <b><u>Working Capital</u><sup>1</sup></b> |  |  |  |                            |
| 1        | <i>Reference for BOY/EOY Balances</i>     | <i>Worksheet A1, Ln. 40</i>                  | <i>Worksheet A1, Ln. 41</i>                    |  | <i>Worksheet A1, Ln. 3</i> |
| 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                          |  |  |  |                            |

**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.



| Line No.  | Description   | Reference                      | Total Company Amount | Network Allocator |     | Network Transmission |
|---|---|--------------------------------|----------------------|-------------------|-----|----------------------|
|   |   |                                |                      | Code              | %   |                      |
|   | [a]   | [b]                            | [c]                  | [d]               | [e] | [f]                  |
| <u>Development of Non-Recoverable A&amp;G Expenses</u>                    |   |                                |                      |                   |     |                      |
| 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 <sup>1</sup>             | Company Input/Records          |                      |                   |     |                      |
| 5   | Total Non-Recoverable A&G Expenses                        | Lns. (1 + 2 + 3 - 4)           |                      |                   |     |                      |
| 6   | OPEB Net Periodic Benefit Cost <sup>2</sup>               | Company Input/Records          |                      |                   |     |                      |
| <u>Development of Network Transmission Regulatory Commission Expenses</u> |   |                                |                      |                   |     |                      |
| 7   | Regulatory Commission Expenses                            | Worksheet A1, Ln. 59           |                      |                   |     |                      |
| <u>Transmission-Related Regulatory Commission Expenses<sup>3</sup></u>    |   |                                |                      |                   |     |                      |
| 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)      |                      |                   | TP  |                      |

**Notes and Sources:**

<sup>1</sup> Includes line safety-related advertising expenses booked to Account No.

930.1.

<sup>2</sup> 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).

<sup>3</sup> 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] |
|----------------------------------|---|------------------|------------------------|-------------------|
| <b>Payroll Taxes</b>             |   |                  |                        |                   |
| 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)             |                  |                        |                   |
| <b>Highway and Vehicle Taxes</b> |   |                  |                        |                   |
| 3a                               | ...   |                  |                        |                   |
| ...                              | ...   |                  |                        |                   |
| 3zz                              | ...   |                  |                        |                   |
| 4                                | Total Highway and Vehicle Taxes (Sum Lns. 3a through 3zz) |                  |                        |                   |
| <b>Property Taxes</b>            |   |                  |                        |                   |
| 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 5zz)            |                  |                        |                   |
| <b>Gross Receipts Taxes</b>      |   |                  |                        |                   |
| 7a                               | Gross Receipts  | Texas            | Ln. 10                 |                   |
| ...                              | ...   |                  |                        |                   |
| 7zz                              | ...   |                  |                        |                   |
| 8                                | Total Gross Receipts Taxes (Sum Lns. 7a through 7zz)      |                  |                        |                   |
| <b>Other Taxes</b>               |   |                  |                        |                   |
| 9a                               | Use Tax   | Texas            | Ln. 13                 |                   |
| 9b                               | Compensating  | New Mexico       | Ln. 22                 |                   |
| 9c                               | Other Taxes   | New Mexico       | Ln. 30                 |                   |
| ...                              | ...   |                  |                        |                   |
| 9zz                              | ...   |                  |                        |                   |

---

10 Total Other Taxes (Sum Lns. 9a through 9zz)

---

---

11 Total Taxes Other than Income Taxes

---

---

**Notes and Sources:**

- <sup>1</sup> 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.
- 
-

| 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       | <b>13-Month Average (Avg. Lns. 2 through 14)</b> |                                  |  |  |                               |  |  |                                  |
| 16       | Capitalization Ratio <sup>2</sup>                |                                  |  |  |                               |  |  |                                  |
| 17       | Cost of Capital <sup>3</sup>                     |                                  |  |  |                               |  |  |                                  |
| 18       | <b>Weighted Cost of Capital (Lns. 16 x 17)</b>   |                                  |  |  |                               |  |  |                                  |

---

**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.
- 2 Capitalization ratios derived by dividing 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)                      | <i>Worksheet A1, Ln. 12</i>                    |
| Amortization of Debt Discount and Expense (428)       | <i>Worksheet A1, Ln. 13</i>                    |
| Amortization of Loss on Reaquired Debt (428.1)        | <i>Worksheet A1, Ln. 14</i>                    |
| Amortization of Premium on Debt-Credit (429)          | <i>Worksheet A1, Ln. 15</i>                    |
| Amortization of Gain on Reaquired Debt-Credit (429.1) | <i>Worksheet A1, Ln. 16</i>                    |
| Interest on Debt to Associated Companies (430)        | <i>Worksheet A1, Ln. 17</i>                    |
| Annual Interest Expense                               | <i>(427 + 428 + 428.1 - 429 - 429.1 + 430)</i> |

---

---



| Line No. | Description [a]   | Source [b]  | Federal [c] | New Mexico [d] | Arizona [e] | Texas [f] | Total [g] |
|----------|---|---|-------------|----------------|-------------|-----------|-----------|
| 1        | Corporate Income Tax Rate                                       | <a href="https://taxfoundation.org/state-corporate-income-tax-rates-brackets-2020/">https://taxfoundation.org/state-corporate-income-tax-rates-brackets-2020/</a> |             |                |             |           |           |
| 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 <sup>1</sup>                                    | 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)                                   | $(Ln. 6 \times (1.0 - Ln. 5) + Ln. 5 \times (1.0 - Ln. 6 \times Ln. 7)) / (1.0 - Lns. (5 \times 6 \times 7))$   |             |                |             |           |           |

**Notes and Sources:**

<sup>1</sup> 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].

| Line No.  | Description<br>[a]  | Total Company Amount<br>[b] | Network Allocator |          | Network Transmission<br>[e] | Network Allocator Justification <sup>3</sup><br>[f]   |
|---|---|-----------------------------|-------------------|----------|-----------------------------|---|
|   |   |                             | Code<br>[c]       | %<br>[d] |                             |   |
| <b>Permanent Book-Tax Differences<sup>2</sup></b> |   |                             |                   |          |                             |   |
| 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   | ...   |                             |                   |          |                             |   |
| <b>2</b>  | <b>Total Permanent Book-Tax Differences (Sum Lns. 1a through 1zz)</b> |                             |                   |          |                             |   |
| 3   | AFUDC Equity  |                             | NP                |          |                             | AFUDC Equity includable as a permanent difference. <i>MISO, Inc.</i> , 163 FERC ¶ 61,163 (2018) |
| 4   | Total Permanent Differences (Lns. (2 + 3))                            |                             |                   |          |                             |   |
| 5   | Federal Income Tax Rate (FIT) <sup>4</sup>                            |                             |                   |          |                             |   |
| 6   | Permanent Differences Grossed-Up (Lns. (4 / 5))                       |                             |                   |          |                             |   |

7 Tax Credits<sup>5</sup>

NP

Plant-related

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

---

**Notes and Sources:**

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Only network allocator codes listed on Worksheet A22 may be inputted.

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

<sup>5</sup> 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.

---

---



| Line No.  | Description<br>[a]                   | Reference<br>[b]                         | Code<br>[c] | Amount / %<br>[d] |
|---|--------------------------------------|--|-------------|-------------------|
| 1   | 100% Network Transmission            | Fixed Percentage <sup>1</sup>            | DA          | =                 |
| 2   | 0% Network Transmission              | Fixed Percentage <sup>1</sup>            | NA          | =                 |
| <b><u>Gross Plant in Service</u></b>              |                                      |  |             |                   |
| 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          | =                 |
| <b><u>Net Plant in Service</u></b>                |                                      |  |             |                   |
| 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          | =                 |
| <b><u>Gross Transmission Plant in Service</u></b> |                                      |  |             |                   |
| 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          | =                 |
| <b><u>Wages and Salaries</u></b>                  |                                      |  |             |                   |
| 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:**

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

**El Paso Electric Company**

Formula Rate Template (Actuals)

Schedule 1 - Load Dispatch Revenue Requirement

12 Months Ended December 31, 2020

Schedule 1 (Actual)

| Line No.                      | FERC Account | Description  | Reference                          | Amount |
|-------------------------------|--------------|--|------------------------------------|--------|
|                               | [a]          | [b]  | [c]                                | [d]    |
| <b>DIRECT EXPENSE AMOUNTS</b> |              |  |                                    |        |
| 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               |        |
| <u>Rates</u>                  |              |  |                                    |        |
| 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                |        |



| Line No. | Description | Reference        | Total Company Amount | Network Allocator <sup>4</sup> |     | Network Transmission |
|----------|-------------|------------------|----------------------|--------------------------------|-----|----------------------|
|          |             |                  |                      | Code                           | %   |                      |
|          | [a]         | [b] <sup>5</sup> | [c]                  | [d]                            | [e] | [f] = [c] x [e]      |

**SECTION I: RATE SUMMARY**

|    |   |                               |  |  |  |  |
|----|---|-------------------------------|--|--|--|--|
| 1  | Gross Revenue Requirement                     | Ln. 87                        |  |  |  |  |
|    | <u>Revenue Credits</u>                        |                               |  |  |  |  |
| 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          |  |  |  |  |
|    | <u>Rates</u>                                  |                               |  |  |  |  |
| 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 Service<sup>1</sup>

|    |                              |                                |    |
|----|------------------------------|--------------------------------|----|
| 16 | Production                   | Attachment H (Actuals), Ln. 15 | NA |
| 17 | Transmission                 | Worksheet P2, Ln. 27, Col. [e] | TP |
| 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 Depreciation<sup>1</sup>

|    |                                |                                |    |
|----|--------------------------------|--------------------------------|----|
| 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 | Unamortized Regulatory Assets            | Worksheet P7, Ln. 3, Cols. [aa] and [cc] |       |       |
| 35 | Unamortized Regulatory Liabilities       | Worksheet P7, Ln. 4, Cols. [aa] and [cc] |       |       |
| 36 | Unamortized Abandoned Plant              | Worksheet P8, Ln. 2, Cols. [z] and [bb]  |       |       |
| 37 | Unfunded Reserves                        | Attachment H (Actuals), Ln. 36           |       |       |
| 38 | Hold Harmless Adjustments                | Attachment H (Actuals), Ln. 37           | _____ | _____ |
| 39 | Total Rate Base Adjustments              | 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 <sup>2</sup>      | 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                              | Lns. (30 + 31 + 39 + 40 + 45)  | ===== | ===== |

**SECTION III: COST OF SERVICE**

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)                | Worksheet P9, Ln. 3, Col. [e] |       | TP |
| 49 | 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

|    |  |                               |  |    |
|----|--|-------------------------------|--|----|
| 51 | A&G (Excluding Property Insurance and Regulatory Commission Expense) | Worksheet P9, Ln. 5, Col. [e] |  | WS |
|----|--|-------------------------------|--|----|

|    |   |  |    |             |
|----|---|--|----|-------------|
| 52 | Less: Non-Recoverable A&G                         | Worksheet P9, Ln. 6, Col. [e]          | WS |             |
| 53 | Plus: Property Insurance                          | Worksheet P9, Ln. 7, Col. [e]          | GP |             |
| 54 | Plus: Regulatory Commission Expense               | Worksheet P9, Lns. (8 + 9), Col. [e]   |    |             |
| 55 | Less: Actual OPEB Expense                         | Worksheet P9, Ln. 10, Col. [e]         | WS |             |
| 56 | Plus: Fixed OPEB Expense                          | Fixed Amount <sup>3</sup>              | WS |             |
| 57 | Total Adjusted A&G                                | Lns. (51 - 52 + 53 + 54 - 55 + 56)     |    | <hr/>       |
| 58 | Hold Harmless Expense Adjustments                 | Attachment H (Actuals), Ln. 57         |    |             |
| 59 | Total Operating Expenses                          | Lns. (50 + 57 + 58)                    |    | <hr/> <hr/> |
|    | <u>Depreciation and Amortization</u> <sup>1</sup> |  |    |             |
| 60 | Transmission                                      | Worksheet P2, Ln. 26                   | TP |             |
| 61 | General & Intangible                              | Attachment H (Actuals), Ln. 60         | WS |             |
| 62 | Amortization of Abandoned Plant                   | Worksheet P8, Ln. 2, Cols. [h] and [l] |    |             |
| 63 | Amortization of Regulatory Assets                 | Worksheet P7, Ln. 3, Cols. [i] and [m] |    |             |
| 64 | Amortization of Regulatory Liabilities            | Worksheet P7, Ln. 4, Cols. [i] and [m] |    |             |
| 65 | Total Depreciation and Amortization               | Sum Lns. (60 through 64)               |    | <hr/>       |
|    | <u>Taxes Other than Income Taxes</u>              |  |    |             |
| 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)               |    | <hr/>       |
|    | <u>Return on Rate Base</u>                        |  |    |             |
| 72 | Weighted Cost of Long-Term Debt                   | Attachment H (Actuals), Ln. 71         |    |             |

|                                    |  |  |       |       |
|------------------------------------|--|--|-------|-------|
| 73                                 | Weighted Cost of Common Equity                         | Attachment H (Actuals), Ln. 72         | _____ | _____ |
| 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)                         |       |       |
| <br><u>Income Tax Computations</u> |  |  |       |       |
| 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         |       |       |
| <br><u>Income Taxes</u>            |  |  |       |       |
| 82                                 | Income Tax on Equity Return                            | Lns. (75 x 79)                         |       |       |
|                                    | Tax Adjustment-Excess/Deficient Deferred               |  |       |       |
| 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       | _____ | _____ |
| 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)  | _____ | _____ |

---

**Notes and Sources:**

- <sup>1</sup> Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.
- <sup>2</sup> 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 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 Worksheet P12.

Throughout this Formula Rate Template yellow-shaded cells are sourced from Company manual inputs.

---

---

**El Paso Electric Company**

Formula Rate Template (Projected)

Network Transmission Load (MW)

12 Months Ended December 31, 2022

| Line No. | Month<br>[a]                              | Historic Network<br>Transmission<br>System Peak Load<br>[b] | Percentage of<br>Maximum Network<br>Transmission Load <sup>1</sup><br>[c] | Projected Network<br>Transmission<br>Load <sup>2</sup><br>[d] |
|----------|---|---|---|---|
| 1        | <i>Reference for Monthly Loads</i>        | <i>Worksheet A2,<br/>Col. [i]</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:**

<sup>1</sup> 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].

<sup>2</sup> 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):*



|    |           |      |  |  |
|----|-----------|------|--|--|
| 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))

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

**Notes and Sources:**

- <sup>1</sup> 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].
- <sup>2</sup> 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].
- <sup>3</sup> 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:

| <u>Selection</u> | <u>Rate</u> | <u>Source</u>  |
|------------------|-------------|--|
| 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].

- <sup>4</sup> 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].



**El Paso Electric Company**  
 Formula Rate Template (Projected)  
 Construction Work in Progress (CWIP)  
 12 Months Ended December 31, 2022

Worksheet P3

Worksheet P3

Worksheet P3

| Line No. | Description <sup>2</sup>   | FERC Approval Docket | Recovery % Approved <sup>3</sup> | Construction Start Date | Estimated In-Service Date | <u>BALANCES</u> |          |          |          |          |          |          |          |          |          |          |          | Average CWIP | <u>Network Allocator</u>   |      | Network Transmission Balance | Network Allocator Justification <sup>4</sup> |     |
|----------|--|----------------------|----------------------------------|-------------------------|---------------------------|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------|----------------------------|------|------------------------------|--|-----|
|          |  |                      |                                  |                         |                           | Dec-2021        | Jan-2022 | Feb-2022 | Mar-2022 | Apr-2022 | May-2022 | Jun-2022 | Jul-2022 | Aug-2022 | Sep-2022 | Oct-2022 | Nov-2022 |              | Dec-2022                   | Code |                              |  | %   |
|          | [a]  | [b]                  | [c]                              | [d]                     | [e]                       | [f]             | [g]      | [h]      | [i]      | [j]      | [k]      | [l]      | [m]      | [n]      | [o]      | [p]      | [q]      | [r]          | [s]=Avg. ([f] through [r]) | [t]  | [u]                          | [v]=[s]x[c]x[u]                              | [w] |
| 1a       | ...  | ...                  | ...                              | ...                     | ...                       |                 |          |          |          |          |          |          |          |          |          |          |          |              |                            | ...  |                              |  | ... |
| 1b       | ...  | ...                  | ...                              | ...                     | ...                       |                 |          |          |          |          |          |          |          |          |          |          |          |              |                            | ...  |                              |  | ... |
| 1c       | ...  | ...                  | ...                              | ...                     | ...                       |                 |          |          |          |          |          |          |          |          |          |          |          |              |                            | ...  |                              |  | ... |
| ...      | ...  | ...                  | ...                              | ...                     | ...                       |                 |          |          |          |          |          |          |          |          |          |          |          |              |                            | ...  |                              |  | ... |
| ...      | ...  | ...                  | ...                              | ...                     | ...                       |                 |          |          |          |          |          |          |          |          |          |          |          |              |                            | ...  |                              |  | ... |
| ...      | ...  | ...                  | ...                              | ...                     | ...                       |                 |          |          |          |          |          |          |          |          |          |          |          |              |                            | ...  |                              |  | ... |
| 1zz      | ...  | ...                  | ...                              | ...                     | ...                       |                 |          |          |          |          |          |          |          |          |          |          |          |              |                            | ...  |                              |  | ... |
| <b>2</b> | <b>Total Construction Work in Progress (Sum Lns. (1a through 1zz))</b> |                      |                                  |                         |                           |                 |          |          |          |          |          |          |          |          |          |          |          |              |                            |      |                              |  |     |

**Notes and**

**Sources:**

- <sup>1</sup> 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.
- <sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Only network allocator codes listed on Worksheet P12 may be inputed.

---

| Line No. | Description / Month<br>[a] | <u>Days in Period<sup>1</sup></u> |                      |                                | Proration Percentage<br>[e]=[c]/[d] | Projected Monthly Activity <sup>2</sup><br>[f] | Prorated Projected Monthly Activity<br>[g] = [e] x [f] | Prorated Projected Balances<br>[h] = Cumulative([g]) |
|----------|----------------------------|-----------------------------------|----------------------|--------------------------------|-------------------------------------|--|--|--|
|          |                            | Days in Month<br>[b]              | Days Prorated<br>[c] | Days in Trued-Up Period<br>[d] |                                     |  |  |  |

**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 |  |  |  |  |  |
| <b>14</b> | <b>Total (Sum Lns. (1 through 13))</b>   |            |  |  |  |  |  |

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))

\_\_\_\_\_  
\_\_\_\_\_

**Accumulated Deferred Income Taxes - Other Property (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))**

Total Account No. 282 - Balances Not Subject to Prorationing

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))

\_\_\_\_\_  
\_\_\_\_\_

---

**Accumulated Deferred Income Taxes - Other Property (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 | ..... |

---

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

---

Total Account No. 283 - Balances Not Subject to Prorationing

|    |  |  |       |
|----|--|--|-------|
| 53 | Beginning of Year Balance (Worksheet P5, Ln. 12, Col. [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 |  |
|----|--|----------|--|

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

**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 |  |

|    |          |            |       |
|----|----------|------------|-------|
| 85 | Jul-2022 | 7/31/2022  | ..... |
| 86 | Aug-2022 | 8/31/2022  | ..... |
| 87 | Sep-2022 | 9/30/2022  | ..... |
| 88 | Oct-2022 | 10/31/2022 | ..... |
| 89 | Nov-2022 | 11/30/2022 | ..... |
| 90 | Dec-2022 | 12/31/2022 | ..... |

**91 Total (Sum Lns. (78 through 90))**

---

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:**

<sup>1</sup> 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.

<sup>2</sup>





|     |  |     |  |     |
|-----|--|-----|--|-----|
| 1u  | Retirement Plans                       | WS  |  |     |
| 1v  | SFAS 143 ARO                           | NA  |  |     |
| 1w  | Strategic Costs                        | NA  |  |     |
| 1x  | Taxes Other Than<br>Federal Income Tax | NA  |  |     |
| 1y  | Unbilled Revenue                       | NA  |  |     |
| ... | ...                                    | ... |  | ... |
| 1zz | ...                                    | ... |  | ... |

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

2

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

**Accumulated Deferred Income  
Taxes - Other Property  
(Account No. 282)<sup>1</sup>**

|     |                          |     |  |     |
|-----|--------------------------|-----|--|-----|
| 5a  | ABFUDC - CWIP            | NA  |  |     |
| 5b  | AEFUDC                   | NA  |  |     |
| 5c  | AEFUDC - CWIP            | NA  |  |     |
| 5d  | Decommissioning Costs    | NP  |  |     |
| 5e  | Depreciation Differences | NP  |  |     |
| 5f  | Nuclear Fuel             | NA  |  |     |
| 5g  | Repair Allowance         | NP  |  |     |
| 5h  | Section 174 R&D          | NP  |  |     |
| ... | ...                      | ... |  | ... |
| 5zz | ...                      | ... |  | ... |

**Total Account No. 282  
(Sum Lns. 5a through  
5zz)**

6

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

11 Total Account No. 283 - Balances Subject to Prorationing

12 Total Account No. 283 - Balances Not Subject to Prorationing

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

**Notes and Sources:**

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Only network allocator codes listed on Worksheet P12 may be inputted. 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.

---



7 Deficient Deferred  
Income Taxes  
Subject to  
Prorationing

8 Deficient Deferred  
Income Taxes Not  
Subject to  
Prorationing

---

**9 Total Excess and  
Deficient Deferred  
Income Taxes (Lns.  
2 + 6)**

---

10 Total Excess and  
Deficient Deferred  
Income Taxes  
Subject to  
Prorationing

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

---

**Notes and Sources:**

<sup>1</sup> 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.

<sup>2</sup> 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].

<sup>3</sup> Only network allocator codes listed on Worksheet P12 may be inputted. 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.

<sup>4</sup> Excess and deficient deferred income tax balances exclude income tax gross-ups recorded to accounts 182.3 and 254.

---

| Line No. | Type <sup>2</sup>   | Description | FERC Account No. | FERC Approval Docket | Amount <sup>3</sup> | Recovery Period (Months) | Monthly Amortization Expense | Amortization Months in Current Year        | Current Year Amortization Expense | % Approved for Rate Recovery <sup>4</sup> | Network Allocator |     | Network Transmission Amortization Expense | UNAMORTIZED BALANCES |          |          |          |          |          | 13-Month Avg. Unamortized Balance | % Approved for Rate Base Treatment <sup>5</sup> | Network Transmission Unamortized Balance | Network Allocator Justification <sup>6</sup> |          |          |          |                             |          |                    |          |
|----------|---|-------------|------------------|----------------------|---------------------|--------------------------|------------------------------|--|-----------------------------------|---|-------------------|-----|---|----------------------|----------|----------|----------|----------|----------|-----------------------------------|---|--|--|----------|----------|----------|-----------------------------|----------|--------------------|----------|
|          |   |             |                  |                      |                     |                          |                              |  |                                   |   | Code              | %   |   | Dec-2021             | Jan-2022 | Feb-2022 | Mar-2022 | Apr-2022 | May-2022 |                                   |   |  |  | Jun-2022 | Jul-2022 | Aug-2022 | Sep-2022                    | Oct-2022 | Nov-2022           | Dec-2022 |
|          | [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[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   | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   |                   |     |   |                      |          |          |          |          |          |                                   |   |  |  |          |          |          |                             |          |                    |          |
| 1b       | Liability   | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   |                   |     |   |                      |          |          |          |          |          |                                   |   |  |  |          |          |          |                             |          |                    |          |
| 1c       | Asset   | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   |                   |     |   |                      |          |          |          |          |          |                                   |   |  |  |          |          |          |                             |          |                    |          |
| ...      | ...   | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   |                   |     |   |                      |          |          |          |          |          |                                   |   |  |  |          |          |          |                             |          |                    |          |
| ...      | ...   | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   |                   |     |   |                      |          |          |          |          |          |                                   |   |  |  |          |          |          |                             |          |                    |          |
| ...      | ...   | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   |                   |     |   |                      |          |          |          |          |          |                                   |   |  |  |          |          |          |                             |          |                    |          |
| 1zz      | ...   | ...         | ...              | ...                  |                     |                          |                              |  |                                   |   |                   |     |   |                      |          |          |          |          |          |                                   |   |  |  |          |          |          |                             |          |                    |          |
| 2        | Total Regulatory Assets and Liabilities (Sum Lns. (1a through 1zz)) |             |                  |                      |                     |                          |                              |  |                                   |   |                   |     |   |                      |          |          |          |          |          |                                   |   |  |  |          |          |          |                             |          |                    |          |
| 3        | Total Regulatory Assets   |             |                  |                      |                     |                          |                              |  |                                   |   |                   |     |   |                      |          |          |          |          |          |                                   |   |  |  |          |          |          |                             |          |                    |          |
| 4        | Total Regulatory Liabilities  |             |                  |                      |                     |                          |                              |  |                                   |   |                   |     |   |                      |          |          |          |          |          |                                   |   |  |  |          |          |          |                             |          |                    |          |

**Notes and Sources:**

<sup>1</sup> 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.

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

<sup>3</sup> Total amount of regulatory asset/liability should be listed.

<sup>4</sup> 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].

<sup>5</sup> 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].

<sup>6</sup> Only network allocator codes listed on Worksheet P12 may be inputted.



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

Worksheet P9

| Line No.                                    | Description  | Reference  | Actual Costs | Charge Factor <sup>1</sup> | Projected Costs |
|---|--|--|--------------|----------------------------|-----------------|
|   | [a]  | [b]  | [c]          | [d]                        | [e]             |
| 1   | Net Plant in Service   | Attachment H (Actuals), Ln. 29, Col. [c]                     |              |                            |                 |
| <b><u>O&amp;M</u></b>                       |  |  |              |                            |                 |
| 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]                     |              |                            |                 |
| <b><u>A&amp;G</u></b>                       |  |  |              |                            |                 |
| 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<br>Amortized Over 3 Years |              |                            |                 |
| 10  | Actual OPEB Expense  | Attachment H (Actuals), Ln. 54, Col. [c]                     |              |                            |                 |
| <b><u>Taxes Other than Income Taxes</u></b> |  |  |              |                            |                 |
| 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]                     |              |                            |                 |
| <b><u>Load Dispatch Expenses</u></b>        |  |  |              |                            |                 |



|    |   |   |  |
|----|---|---|--|
| 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<br>less Ln. 14 |  |

**Property Taxes**

|    |                |  |
|----|----------------|--|
| 19 | Property Taxes | Attachment H (Actuals), Ln. 67, Col. [c] |
|----|----------------|--|

**Notes and Sources:**

<sup>1</sup> 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 | <i>Ln. 1, Cols. ([e] - [c]) / Col. [c]</i>                              |      |
| Maximum Percentage Change                      | <i>Fixed 2.5%</i>   | 2.5% |
| Minimum Percentage Change                      | <i>Fixed 0%</i>   | 0.0% |
| Use Calculated Charge Factors?                 | <i>"Yes" if % change is between 0% and 2.5%,<br/>otherwise "No"</i>     |      |
| Use Maximum or Minimum Percentage Change?      | <i>"Max" if % change is &gt; 2.5%, "Min" if %<br/>change is &lt; 0%</i> |      |

<sup>2</sup> 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

| Line No. | Description [a]   | Source [b]  | Federal [c] | New Mexico [d] | Arizona [e] | Texas [f] | Total [g] |
|----------|---|---|-------------|----------------|-------------|-----------|-----------|
| 1        | Corporate Income Tax Rate                                       | <a href="https://taxfoundation.org/state-corporate-income-tax-rates-brackets-2020/">https://taxfoundation.org/state-corporate-income-tax-rates-brackets-2020/</a> |             |                |             |           |           |
| 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 <sup>1</sup>                                    | 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)                                   | $(\text{Ln. 6} \times (1.0 - \text{Ln. 5}) + \text{Ln. 5} \times (1.0 - \text{Ln. 6} \times \text{Ln. 7})) / (1.0 - \text{Lns. (5} \times 6 \times 7))$           |             |                |             |           |           |

**Notes and Sources:**

<sup>1</sup> 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].



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

| Line No.  | Description<br>[a]                   | Reference<br>[b]                           | Code<br>[c] | Amount / %<br>[d] |
|---|--------------------------------------|--|-------------|-------------------|
| 1   | 100% Network Transmission            | Fixed Percentage <sup>1</sup>              | DA =        | 100.00%           |
| 2   | 0% Network Transmission              | Fixed Percentage <sup>1</sup>              | NA =        | 0.00%             |
| <b><u>Gross Plant in Service</u></b>              |                                      |  |             |                   |
| 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 =        |                   |
| <b><u>Net Plant in Service</u></b>                |                                      |  |             |                   |
| 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 =        |                   |
| <b><u>Gross Transmission Plant in Service</u></b> |                                      |  |             |                   |
| 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 =        |                   |
| <b><u>Wages and Salaries</u></b>                  |                                      |  |             |                   |

|    |                                      |                                   |       |
|----|--------------------------------------|-----------------------------------|-------|
| 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)          | <hr/> |
| 17 | Network Transmission                 | Lns. (11 x 13)                    |       |
| 18 | Wages and Salaries Allocation Factor | Lns. (17 / 16)                    | WS =  |

---

**Notes and Sources:**

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

---



---

**El Paso Electric Company**  
 Formula Rate Template (Projected)  
 Depreciation and Amortization Rates  
 12 Months Ended December 31, 2022

| Line No.                             | Account No. | Account Description                  | Blended Rates FF1 | Rate per Depreciation Rate Study | Rates As Settled Docket No. ER22-282 <sup>2</sup> |
|--------------------------------------|-------------|--------------------------------------|-------------------|----------------------------------|---|
|                                      | [a]         | [b]                                  | [c]               | [d]                              | [e]   |
| <b><u>Steam Production Plant</u></b> |             |                                      |                   |                                  |   |
| 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  |                   |                                  |   |
| <b><u>Gas Turbine Plant</u></b>      |             |                                      |                   |                                  |   |
| 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  |                   |                                  |   |
| <b><u>Transmission Plant</u></b>     |             |                                      |                   |                                  |   |
| 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**

|    |        |  |
|----|--------|--|
| 33 | 390.00 | Structures and Improvements-Systems Operations Building                  |
| 34 | 390.00 | Structures and Improvements-Stanton Tower                                |
| 35 | 390.00 | Structures and Improvements-Eastside Operations Center                   |
| 36 | 390.00 | Structures and Improvements-Other Structures                             |
| 37 | 390.00 | Structures and Improvements-Other Structures Vanderbilt                  |
| 38 | 390.00 | Structures and Improvements-Other Structures Emergency Management System |
| 39 | 390.00 | Structures and Improvements-Other Structures Misc Buildings              |
| 40 | 391.00 | Office Furniture and Equipment   |
| 41 | 393.00 | Stores 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 Plant**<sup>1</sup>

|    |        |                     |
|----|--------|---------------------|
| 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:**

<sup>1</sup> 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.

<sup>2</sup> 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]                | [e] = [c] x [d]                    |
|                           |   |                              |                  |                    | <i>Worksheet P13,<br/>Col. [e]</i> |
| <b>Transmission Plant</b> |   |                              |                  |                    |                                    |
| 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                         |   | <b>Transmission Total</b>    |                  |                    | -                                  |
| 10                        | <b>Monthly Composite Depreciation Rate (Ln. 9, Col. [e] / Col. [c])</b> |                              |                  |                    |                                    |

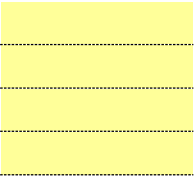
**El Paso Electric Company**  
 Formula Rate Template (Actuals)  
 True-Up Adjustment  
 12 Months Ended December 31, 2020

| Line No. | Month | Year | Refunds / (Surcharges) <sup>1</sup> | Cumulative Refunds / (Surcharges) (Beginning of Month) | Base for Quarterly Compound Interest <sup>2</sup> | Base for Monthly Interest | Monthly FERC Interest Rate <sup>3</sup> | Calculated Interest | Amortization of Refunds / (Surcharges) <sup>4</sup> | Cumulative Refunds and Interest (End of Month) |
|----------|-------|------|-------------------------------------|--|---|---------------------------|---|---------------------|---|--|
|          | [a]   | [b]  | [c]                                 | [d]=Cumulative( [c])                                   | [e]   | [f] = [d] + [e]           | [g]                                     | [h] = [f] x [g]     | [i]   | [j]=Cumulative ([c],[h],[i] )                  |

**NETWORK TRANSMISSION (ATTACHMENT H)**

| <b><u>True-Up Year</u></b>      |           |      |
|---------------------------------|-----------|------|
| 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 |
| <b><u>Intermediate Year</u></b> |           |      |
| 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 |
| 36 | December  | 2022 |

---

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

38 Less: True-Up Adjustment<sup>1</sup>

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

---



---

**LOAD DISPATCH (SCHEDULE 1)**

**True-Up Year**

|    |           |      |
|----|-----------|------|
| 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 |

**Rate Year**

|    |          |      |
|----|----------|------|
| 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 Adjustment<sup>1</sup>

78 Total Interest for Load Dispatch (Schedule 1) (Lns. (76 - 77))

**Notes and Sources:**

|   | <u>Network Transmission</u> | <u>Load Dispatch</u> |
|---|-----------------------------|----------------------|
| <sup>1</sup> Refunds/surcharges calculated as follows:          |                             |                      |
| (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) - (A)):                             |                             |                      |
| (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.

<sup>2</sup> Equals the quarterly compound interest base at the end of the prior quarter plus interest calculated for the prior quarter.

<sup>3</sup> 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.

<sup>4</sup> 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

Schedule 1  
 (Projected)

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

## **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~~

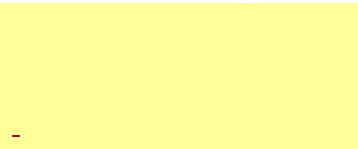
~~Table of Contents~~

**Overview**

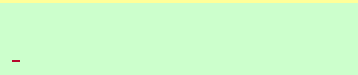
The formula is calculated in two steps. The first step is to fill out the A tabs, and the Actual Attachment H tab with data from the previous year's Form 1 information. This information is used to update the formulas in the Actual Net Rev Req tab to calculate the Actual Revenue Requirement (Actual ATRR)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

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

|                                  |                                   |  |
|----------------------------------|-----------------------------------|--|
| <del>A3-1 ADIT</del>             | <del>Worksheet A3-1</del>         | <del>Actual Accumulated Deferred Income Tax Calculation</del>                          |
| <del>A3-2 ADIT ITC Details</del> | <del>Worksheet A3-2</del>         | <del>Actual Accumulated Deferred Income Tax &amp; Investment Tax Credits data</del>    |
| <del>A4 Rate Base</del>          | <del>Worksheet A4</del>           | <del>Actual Rate Base data</del>   |
| <del>A5 Depr</del>               | <del>Worksheet A5</del>           | <del>Depreciation Rates</del>  |
| <del>A6 Divisor</del>            | <del>Worksheet A6</del>           | <del>Actual Transmission Load Data for Calculating Rate Divisors</del>                 |
| <del>A7 IncentPlant</del>        | <del>Worksheet A7</del>           | <del>Actual Incentive Plant</del>  |
| <del>A8-1 EDIT</del>             | <del>Worksheet A8-1</del>         | <del>Actual Excess / Deficient Deferred Income Tax calculation</del>                   |
| <del>A8-2 EDIT Details</del>     | <del>Worksheet A8-2</del>         | <del>Actual Excess / Deficient Deferred Income Tax data</del>                          |
| <del>A9 Cost of Capital</del>    | <del>Worksheet A9</del>           | <del>Actual Cost of Capital Calculations</del>   |
| <del>TU TrueUp</del>             | <del>Worksheet TU</del>           | <del>True-up Adjustment and Interest Calculation</del>                                 |
| <del>Proj Att H</del>            | <del>Projected Attachment H</del> | <del>Projected Annual Transmission Revenue Requirements for next calendar year</del>   |
| <del>P1 Trans Plant</del>        | <del>Worksheet P1</del>           | <del>Projected transmission plant for next calendar year</del>                         |
| <del>P2 O&amp;M</del>            | <del>Worksheet P2</del>           | <del>Projected O&amp;M expenses for next calendar year</del>                           |
| <del>P3 Divisor</del>            | <del>Worksheet P3</del>           | <del>Projected transmission load for next calendar year</del>                          |
| <del>P4 IncentPlant</del>        | <del>Worksheet P4</del>           | <del>Projected Incentive Plant</del>   |
| <del>P5-1 ADIT</del>             | <del>Worksheet P5-1</del>         | <del>Projected Accumulated Deferred Income Tax Calculation</del>                       |
| <del>P5-2 ADIT ITC Details</del> | <del>Worksheet P5-2</del>         | <del>Projected Accumulated Deferred Income Tax &amp; Investment Tax Credits data</del> |
| <del>P6-1 EDIT</del>             | <del>Worksheet P6-1</del>         | <del>Projected Excess / Deficient Deferred Income Tax calculation</del>                |
| <del>P6-2 EDIT Details</del>     | <del>Worksheet P6-2</del>         | <del>Projected Excess / Deficient Deferred Income Tax data</del>                       |
| <del>P7 Adj to Rate Base</del>   | <del>Worksheet P7</del>           | <del>Projected Adjustments to Rate Base</del>  |

~~Schedule 1~~

~~Schedule 1~~

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

**El Paso Electric Company  
Rate Formula Template**

Formula Rate—Non-Levelized

Utilizing FERC Form 1 Data

|   |   |   |   |
|---|---|---|---|
| Actuals—For<br>the 12 months<br>ended<br>12/31/yyyy |   |   |   |
| -   | - | - | - |

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

|    |                  |              |          |             |
|----|------------------|--------------|----------|-------------|
| 15 | —Daily Off Peak  | 7 days/week  | \$ _____ | /kW-<br>day |
| 16 | —Hourly On Peak  | 16 hours/day | \$ _____ | /MW hour    |
| 17 | —Hourly Off Peak | 24 hours/day | \$ _____ | /MW hour    |

**El Paso Electric Company**  
—Rate Formula Template

**Actual Attachment H**  
Page 2 of 5

Actuals For  
the 12 months  
ended  
12/31/yyyy

Formula Rate—Non Levelized Utilizing FERC Form 1 Data

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

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

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

**El Paso Electric Company**

—Rate Formula Template  
Utilizing FERC Form 1  
Data

Formula Rate—Non Levelized

(1)

(2)

(3)

(4)

(5)

**Form No. 1**

**Transmission**

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



|     |   |  |        |     |         |  |
|-----|---|--|--------|-----|---------|--|
| 9   | <del>General &amp; Intangible</del>   | 336.10.f & 336.1.f-                        |        | W/S | 0.00000 |  |
| 10  | <del>Common</del>   | 336.10.e & 336.1.e                         |        | CE  | 0.00000 |  |
| 11a | <del>Amortization of Regulatory Asset</del>   | Company Records (Note P)                   |        | DA  | 1.0000  |  |
| 11b | <del>Amortization of Abandoned Plant</del>  | Company Records (Note N)                   |        | DA  | 1.0000  |  |
| 12  | TOTAL DEPRECIATION & AMORTIZATION   | (Sum of Lines 8 through 11)                |        |     |         |  |
|     | TAXES OTHER THAN INCOME TAXES (Note D)  |  |        |     |         |  |
|     | <del>LABOR RELATED</del>  |  |        |     |         |  |
| 13  | <del>Payroll</del>  | 263.i                                      |        | W/S | 0.00000 |  |
| 14  | <del>Highway and vehicle</del>  | 263.i                                      |        | W/S | 0.00000 |  |
| 15  | <del>PLANT RELATED</del>  |  |        |     |         |  |
| 16  | <del>Property</del>   | 263.i                                      |        | NP  | 0.00000 |  |
| 17  | <del>Gross Receipts</del>   | 263.i                                      |        | NA  | 0.00000 |  |
| 18  | <del>Other</del>  | 263.i                                      |        | GP  | 0.00000 |  |
| 19  | <del>reserved</del>   |  |        |     |         |  |
| 20  | TOTAL OTHER TAXES   | (Sum of Lines 13 through 19)               |        |     |         |  |
|     | INCOME TAXES  | (Note K)                                   |        |     |         |  |
| 21  | <del><math>T = 1 - \frac{\{(1 - SIT) * (1 - FIT)\}}{(1 - SIT * FIT * p)}</math></del> |  | 0.000% |     |         |  |
| 22  | <del><math>CIT = (T / 1 - T) * (1 - (WCLTD/R))</math></del>                           |  | 0.000% |     |         |  |
|     | <del>and FIT, SIT &amp; p are as given in Note K.</del>                               |  |        |     |         |  |
| 23  | <del>Income Tax Gross Up Rate: <math>1 / (1 - T)</math></del>                         |  |        |     |         |  |
| 24  | <del>Excess / Deficient Deferred Income Taxes Amortization</del>                      | Worksheet A8.2, Line 62, Col. (e) (Note W) |        |     |         |  |
| 24a | <del>Income Tax Adjustment</del>  | (Line 23 times Line 24)                    |        | DA  | 1.00000 |  |
| 25  | <del>Permanent Differences</del>  | Company Records (Note X)                   |        |     |         |  |
| 25a | <del>Permanent Differences Tax Adjustment</del>                                       | (Line 21 times 23 times Line 25)           |        | NP  | -       |  |
| 26  | <del>Income Tax on Equity and Incentive Return</del>                                  | (Line 22 times Line 28)                    |        |     |         |  |

|    |   |  |  |  |
|----|---|--|--|--|
| 27 | Total Income Taxes RETURN                         | (Sum of Lines 24a, 25a, 25c, 26)   |  |  |
| 28 | -Rate Base * Rate of Return plus Incentive Return | (Page 2, Line 32, Col. (3)) x Page 4, Line 31, Col. (5)) + Page 4, Line 32 |  |  |
| 29 | REV. REQUIREMENT                                  | (Sum of Lines 7, 12, 20, 27, 28)   |  |  |

El Paso Electric Company  
 —Rate Formula Template  
 Utilizing FERC Form 1 Data  
 Formula Rate—Non Levelized

Actual Attachment H  
 Page 4 of 5  
 Actuals—For the 12 months ended 12/31/yyyy

(1) (2) (3) (4) (5)

**SUPPORTING  
 CALCULATIONS AND  
 NOTES**

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

|   |  |  |    |       |                                |         |                            |
|---|--|--|----|-------|--------------------------------|---------|----------------------------|
| 11  | % of transmission expenses included in wholesale Rates | (Line 9 times Line 10)                             |    |       | TE=                            | 0.00000 |                            |
| <b>WAGES &amp; SALARY ALLOCATOR (W&amp;S)</b> |  |  |    |       |                                |         |                            |
|   |  | Form 1 Reference                                   | \$ | TP    | Allocation                     |         |                            |
| 12  | -Production  | 354.20.b   |    | 0.00  | 0                              |         |                            |
| 13  | -Transmission  | 354.21.b   |    | 0.00  | 0                              |         |                            |
| 14  | -Distribution  | 354.23.b   |    | 0.00  | 0                              |         | W&S Allocator              |
| 15  | -Other   | 354.24, 25, 26.b                                   |    | 0.00  | 0                              |         | (\$ / Allocation)          |
| 16  | -Total   | (Sum of Lies 12-15)                                |    |       | 0                              | =       | 0.00000 = WS               |
| <b>COMMON PLANT ALLOCATOR (CE)</b>            |  |  |    |       |                                |         |                            |
|   |  |  | \$ |       | % Electric (line 17 / line 20) |         | W&S Allocator (line 16) CE |
| 17  | -Electric  | 200.3.e  |    |       |                                |         |                            |
| 18  | -Gas   | 201.3.d  |    |       | 0.00000                        | *       | 0.00000 = 0.00000          |
| 19  | -Other   | 201.3.e  |    |       |                                |         |                            |
| 20  | -Total   | (Sum of Lines 17-19)                               |    |       |                                |         |                            |
| <b>RETURN (R)</b>                             |  |  |    |       |                                |         |                            |
|   |  |  |    |       |                                |         | \$                         |
| 21  | Long Term Interest                                     | 117, Col. c, Lines 62+63+64-65-66+67               |    |       |                                |         |                            |
| 22  | Preferred Dividends                                    | 118.29.c (positive number)                         |    |       |                                |         |                            |
| <b>Development of Common Stock:</b>           |  |  |    |       |                                |         |                            |
| 23  | Proprietary Capital                                    | Worksheet A9 Line 14, Col. (e)                     |    |       |                                |         |                            |
| 24  | Less Preferred Stock                                   | Worksheet A9 Line 14, Col. (b)<br>(enter negative) |    |       |                                |         |                            |
| 25  | Less Other Comprehensive Income                        | Worksheet A9 Line 14, Col. (d)<br>(enter negative) |    |       |                                |         |                            |
| 26  | Less Account 216.1                                     | Worksheet A9 Line 14, Col. (e)<br>(enter negative) |    |       |                                |         |                            |
| 27  | Common Stock   | (Sum of Lines 23-26)                               |    |       |                                |         |                            |
|   |  |  | \$ | %     | Cost (Notes C & O)             |         | Weighted                   |
| 28  | -Long Term Debt  | Worksheet A9 Line 28, Col. (k)                     |    | 0.00% | -                              |         | =WCLTD                     |

|    |                  |                        |  |       |        |      |
|----|------------------|------------------------|--|-------|--------|------|
| 29 | -Preferred Stock | 112.3.e                |  | 0.00% | -      |      |
| 30 | -Common Stock    | Line 27                |  | 0.00% | 0.1038 |      |
| 31 | Total            | (Sum of Lines 28-30)   |  |       |        | =R   |
| 32 | Incentive Return | Worksheet A7, Col. (e) |  |       |        | \$ - |

~~El Paso Electric Company  
— Rate Formula Template~~

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

~~Formula Rate Non Levelized Utilizing FERC Form 1 Data~~

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

~~References to data from FERC Form 1 are indicated as: #.y.x  
(page, line, column)~~

Note  
Letter

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

|                               |                  |                   |   |
|-------------------------------|------------------|-------------------|---|
| <del>— Inputs Required:</del> | <del>FIT =</del> | <del>0.000%</del> | <del>-(Federal Income Tax Rate)</del>                                     |
|                               | <del>SIT =</del> | <del>0.000%</del> | <del>-(Composite State Income Tax Rate)</del>                             |
|                               |                  | <del>0.000%</del> | <del>-(Percent of federal income tax deductible for state purposes)</del> |
|                               | <del>p =</del>   |                   |   |
- ~~L Removes transmission plant determined by Commission order to be state jurisdictional according to the seven factor test (until Form 1 balances are adjusted to reflect application of seven factor test).~~

- ~~M Removes dollar amount of generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.~~
- ~~N Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Utility must submit a Section 205 filing to recover the cost of abandoned plant.~~
- ~~O No change in ROE may be made absent a filing with FERC.~~
- ~~P Recovery of any regulatory assets requires authorization from the Commission.~~
- ~~Q AFUDC ceases when CWIP is included in rate base. No CWIP will be included in rate base on line 19 absent FERC authorization.~~
- ~~R The Formula Rate shall include a credit to rate base for all unfunded reserves within accounts 228.2, 242, and 253 (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Reserves can be created by capital contributions from customers, by debiting the reserve and crediting a liability, or a combination of customer capital contribution and offsetting liability. Only the portion of a reserve that was created by customer contributions should be a reduction to rate base. Amounts will be calculated on 13-month average balances. See Worksheet A4, Note G.~~
- ~~S The revenues credited shall include only the amounts received directly for service under this tariff reflecting EPE's integrated transmission facilities provided that revenue credits shall not include revenues associated with transmission service for which loads are included in the rate divisor on Actual Attachment H, page 1, line 8. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) that are not recovered under this Rate Formula Template.~~
- ~~T Page 2 Line 24 includes any unamortized balances related to the recovery of abandoned plant costs approved by FERC under a separate docket. Page 3, Line 11b includes the Amortization expense of abandonment costs. These are shown in the workpapers required pursuant to the Annual Rate Calculation and True-up Procedures.~~
- ~~U Calculate using 13-month average balance, reconciling to FERC Form No. 1 by Page, Line, and Column as shown in Worksheet A4 for inputs on page 2 of 5 above.~~
- ~~V If applicable, a separate workpaper will be provided and posted with other supporting documentation.~~
- ~~W Includes the amortization of any excess/deficient deferred income taxes resulting from changes to income tax laws, income tax rates (including changes in apportionment) and other actions taken by a taxing authority. Excess and deficient deferred income taxes will reduce or increase tax expense by the amount of the excess or deficiency multiplied by (1/1-T).~~
- ~~X Includes the annual income tax cost or benefits due to permanent differences between expenses or revenues recognized for ratemaking purposes and for income tax purposes and depreciation of amounts capitalized to plant for book purposes related to the accrual of the Allowance for Other Funds Used During Construction. T multiplied by the amount of permanent differences and depreciation expense associated with Allowance for Other Funds Used During Construction will increase or decrease tax expense by the amount of the expense or benefit included on line 25 multiplied by (1/1-T).~~

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

**ACCOUNT 454 (RENT FROM  
ELECTRIC PROPERTY)**

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

**ACCOUNT 456.1  
(OTHER ELECTRIC  
REVENUES) (Note B)**

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



Notes

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

~~A~~

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

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

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

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

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

~~B~~

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

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

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

Notes

- A ~~For FERC account no. 930.1, the Company reviews all entries and identifies those that are safety related advertising.~~
- B ~~Limited to Transmission related regulatory expenses itemized from total amounts on FERC Form No. 1 page 350-351.~~
- C ~~Limited to amounts in O&M accounts that are included in the formula rate.~~

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

**Proration Used for Projected Revenue Requirement Calculation**

**Proration Used for True-up Revenue Requirement Calculation**

—1 **Account 190**

**Account 190**

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

—4

December 31st balance Prorated Items (Worksheet P5-1.5.h)

-

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

-

—5

—6 January

91.78

|     |  |     |     |     |        |   |   |   |   |   |   |   |   |   |
|-----|--|-----|-----|-----|--------|---|---|---|---|---|---|---|---|---|
|     |  | 31  | 335 | 365 | %      | - | - | - | - | - | - | - | - | - |
| —7  | February                                   | 28  | 307 | 365 | 84.11% | - | - | - | - | - | - | - | - | - |
| —8  | March                                      | 31  | 276 | 365 | 75.62% | - | - | - | - | - | - | - | - | - |
| —9  | April                                      | 30  | 246 | 365 | 67.40% | - | - | - | - | - | - | - | - | - |
| —10 | May  | 31  | 215 | 365 | 58.90% | - | - | - | - | - | - | - | - | - |
| —11 | June                                       | 30  | 185 | 365 | 50.68% | - | - | - | - | - | - | - | - | - |
| —12 | July                                       | 31  | 154 | 365 | 42.19% | - | - | - | - | - | - | - | - | - |
| —13 | August                                     | 31  | 123 | 365 | 33.70% | - | - | - | - | - | - | - | - | - |
| —14 | September                                  | 30  | 93  | 365 | 25.48% | - | - | - | - | - | - | - | - | - |
| —15 | October                                    | 31  | 62  | 365 | 16.99% | - | - | - | - | - | - | - | - | - |
| —16 | November                                   | 30  | 32  | 365 | 8.77%  | - | - | - | - | - | - | - | - | - |
| —17 | December                                   | 31  | 1   | 365 | 0.27%  | - | - | - | - | - | - | - | - | - |
| —18 | Total (sum of Lines 6-17)                  | 365 | -   | -   | -      | - | - | - | - | - | - | - | - | - |
| —19 | Beginning Balance Total                    |     |     |     |        |   |   |   |   |   |   |   |   |   |
| —20 | Beginning Balance Not Subject to Proration |     |     |     |        |   |   |   |   |   |   |   |   |   |
| —21 | Beginning Balance Subject to Proration     |     |     |     |        |   |   |   |   |   |   |   |   |   |
| —22 | Ending Balance Total                       |     |     |     |        |   |   |   |   |   |   |   |   |   |
| —23 | Ending Balance Not Subject to Proration    |     |     |     |        |   |   |   |   |   |   |   |   |   |
| —24 | Ending Balance Subject to                  |     |     |     |        |   |   |   |   |   |   |   |   |   |

Worksheet P5-1.19.h

-

Beginning Balance Total

Worksheet A3-2.58.f

-

Worksheet P5-1.20.h

-

Beginning Balance Not Subject to Proration

Worksheet A3-2.64.f

-

(Line 5, Col H)

-

Beginning Balance Subject to Proration

(Line 5, Col N)

-

Worksheet p5-1.22h

-

Ending Balance Total

Worksheet A3-2.58.g

-

Worksheet P5-1.23.h

-

Ending Balance Not Subject to Proration

Worksheet A3-2.64.g

-

Worksheet P5-1.24.h

-

Ending Balance

Worksheet

-

|     |                               |  |   |                               |  |   |
|-----|-------------------------------|--|---|-------------------------------|--|---|
|     | Proration                     |  | - | Subject to Proration          | A3-2.61.g                              | - |
| —25 | Average Balance (See Note 6.) | Line 17 Col N+ (Lines 20 + 23 Col N)/2 | - | Average Balance (See Note 6.) | Line 17 Col N+ (Lines 20 + 23 Col N)/2 | - |
| —26 | Reserved                      |  | - | Reserved                      |  | - |
| —27 | Amount for Attachment H       | (Line 25 less line 26)                 | - | Amount for Attachment H       | (Line 25 less line 26)                 | - |

28 **Account 282**

29

| Days in Period |                   |  |  |   |
|----------------|-------------------|--|--|---|
| (a)            | (b)               | (c)  | (d)  | (e)   |
| Month          | Days in the Month | Number of Days Remaining in Year After Month's Accrual of Deferred Taxes | Total Days in Future Portion of Test Period (Line 18, Col B) | Proration Amount (Lines 6 to 17, Col e / Col d) |

| Projection—Proration of Deferred Tax Activity                               |  |   |
|---|--|---|
| (f)   | (g)  | (h)   |
| Projected Monthly Activity ((Line 24 Col h—Line 21 Col h)/12) (See Note 7.) | Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f) | Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g) |

**Account 282**

| True-up Adjustment—Proration of Projected Deferred Tax Activity and Averaging of Other Deferred Tax Activity |  |   |   |  |   |
|--|--|---|---|--|---|
| (i)  | (j)  | (k)   | (l)   | (m)  | (n)   |
| Actual Monthly Activity ((Line 24 Col n—Line 21 Col n)/12) (See Note 7.)                                     | Difference between projected and actual monthly activity (See Note 1.) | Preserve proration when actual monthly and projected monthly activity are either both increases or decreases. (See Note 2.) | Difference between projected and actual activity when actual and projected activity are either both increases or decreases. (See Note 3.) | Actual activity (Col l) when projected activity is an increase while actual activity is a decrease OR projected activity is a decrease while actual activity is an increase. (See Note 4.) | Balance reflecting proration or averaging (See Note 5.) |

|    |  |       |   |  |  |   |
|----|--|-------|---|--|--|---|
| 31 | December 31st balance Prorated Items (Worksheet P5-1.32.h) |       | - | December 31st balance Prorated Items (Worksheet A3-2.79.f) |  | - |
| 32 | Janua  | 91.78 |   |  |  |   |



|    |                                     |  |   |   |  |   |
|----|-------------------------------------|--|---|---|--|---|
| 51 | Ending Balance Subject to Proration | Worksheet P5-1.51.h<br>Line 44 Col H + | - | Proration Ending Balance Subject to Proration | Worksheet A3-2.79.g                      | - |
| 52 | Average Balance (See Note 6-)       | (Lines 47 + 50 Col H)/2                | - | Average Balance (See Note 6.)                 | Lines 44 Col N + (Lines 47 + 50 Col N)/2 | - |
| 53 | Reserved                            | -                                      | - | Reserved                                      |  | - |
| 54 | Amount for Attachment H             | (Line 52 less line 53)                 | - | Amount for Attachment H                       | (Line 52 less line 53)                   | - |



55 Account 283

Account  
283

56

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

57

58

59

60

61

|    |  |     |     |     |   |   |   |   |  |   |   |   |   |   |
|----|--|-----|-----|-----|---|---|---|---|--|---|---|---|---|---|
| 62 |  | 31  | 276 | 365 | %                                       | - | - | - | -  | -                                       | - | - | - | - |
| 63 | April                                      | 30  | 246 | 365 | 67.40%                                  | - | - | - | -  | -                                       | - | - | - | - |
| 64 | May  | 31  | 215 | 365 | 58.90%                                  | - | - | - | -  | -                                       | - | - | - | - |
| 65 | June                                       | 30  | 185 | 365 | 50.68%                                  | - | - | - | -  | -                                       | - | - | - | - |
| 66 | July                                       | 31  | 154 | 365 | 42.19%                                  | - | - | - | -  | -                                       | - | - | - | - |
| 67 | August                                     | 31  | 123 | 365 | 33.70%                                  | - | - | - | -  | -                                       | - | - | - | - |
| 68 | September                                  | 30  | 93  | 365 | 25.48%                                  | - | - | - | -  | -                                       | - | - | - | - |
| 69 | October                                    | 31  | 62  | 365 | 16.99%                                  | - | - | - | -  | -                                       | - | - | - | - |
| 70 | November                                   | 30  | 32  | 365 | 8.77%                                   | - | - | - | -  | -                                       | - | - | - | - |
| 71 | December                                   | 31  | 1   | 365 | 0.27%                                   | - | - | - | -  | -                                       | - | - | - | - |
| 72 | Total (sum of Lines 60-71)                 | 365 | -   | -   | -                                       | - | - | - | -  | -                                       | - | - | - | - |
| 73 | Beginning Balance Total                    |     |     |     | Worksheet P5-1.73.h                     | - |   |   | Beginning Balance Total                    | Worksheet A3-2.123.f                    |   |   |   | - |
| 74 | Beginning Balance Not Subject to Proration |     |     |     | Worksheet P5-1.74.h                     | - |   |   | Beginning Balance Not Subject to Proration | Worksheet A3-2.129.f                    |   |   |   | - |
| 75 | Beginning Balance Subject to Proration     |     |     |     | (Line 59, Col H)                        | - |   |   | Beginning Balance Subject to Proration     | (Line 59, Col N)                        |   |   |   | - |
| 76 | Ending Balance Total                       |     |     |     | Worksheet P5-1.76.h                     | - |   |   | Ending Balance Total                       | Worksheet A3-2.123.g                    |   |   |   | - |
| 77 | Ending Balance Not Subject to Proration    |     |     |     | Worksheet P5-1.77.h                     | - |   |   | Ending Balance Not Subject to Proration    | Worksheet A3-2.129.g                    |   |   |   | - |
| 78 | Ending Balance Subject to Proration        |     |     |     | Worksheet P5-1.78.h                     | - |   |   | Ending Balance Subject to Proration        | Worksheet A3-2.126.g                    |   |   |   | - |
| 79 | Average Balance (See Note 6.)              |     |     |     | Line 71 Col H + (Lines 74 + 77 Col H)/2 | - |   |   | Average Balance (See Note 6.)              | Line 71 Col N + (Lines 74 + 77 Col N)/2 |   |   |   | - |
| 80 | Reserve                                    |     |     |     |   | - |   |   | Reserved                                   |   |   |   |   | - |

|    |                                      |                        |   |                         |                        |   |
|----|--------------------------------------|------------------------|---|-------------------------|------------------------|---|
| 81 | Amount for Attachment H              | (Line 79 less line 80) | - | Amount for Attachment H | (Line 79 less line 80) | - |
| 82 | <b>Total Amount for Attachment H</b> |                        | - |                         | (Lines 27+54+81)       | - |

**NOTES**

- 1) ~~Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over projection (amount of projected activity that did not occur) and a positive in Column J represents under projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under projection (excess of actual activity over projected activity) and a positive in Column J represents over projection (amount of projected activity that did not occur).~~
- 2) ~~Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over projected, enter  $\text{Column G} \times [\text{Column I} / \text{Column F}]$ . If Column J is under projected, enter the amount from Column G and complete Column L. In other situations, enter zero.~~
- 3) ~~Column L applies when (1) Column J is under projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.~~
- 4) ~~Column M applies when (1) projected monthly activity is an increase while actual monthly activity is a decrease OR (2) projected monthly activity is a decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.~~
- 5) ~~Column N is computed by adding the prorated monthly activity, if any, from Column K to 50 percent of the portion of monthly activity, if any, from Column L or M to the balance at the end of the prior month. The activity in columns L and M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly activity.~~
- 6) ~~For the non property related component of the balance, the Average Balance is computed using the average of beginning of year and end of year balance. For the property related component of the balance, the Average Balance is computed as described in Note 5.~~
- 7) ~~Projected and Actual monthly activity is computed based on the annual activity for the period, divided by 12 months.~~

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

| No.  | (a)       | mmm-yyyyy            | mmm-yyyy             | (e)       | (e)                  | mmm-yyyyy            | mmm-yyyy                   | (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) |     |
| <b>ACCOUNT 190 ACCUMULATED DEFERRED INCOME TAXES</b> |           |                      |                      |           |                      |                      |                            |                      |     |
| 1  | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 2  | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 3  | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 4  | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 5  | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 6  | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 7  | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 8  | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 9  | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 10   | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 11   | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 12   | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |
| 13   | -Reserved | -                    | -                    | 0.000%    | -                    | -                    | -                          | -                    |     |

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



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

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



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

63 Tax Reg Asset / Liab Adjustments  
~~Non-Prorated Account 190 Balances After~~  
64 ~~Adjustments~~

- -  

---

- -

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

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

|    |  |   |   |
|----|--|---|---|
| 78 | Tax Reg Asset / Liab Adjustments                           | - | - |
| 79 | <b>Prorated Account 282 Balances After Adjustments</b>     | - | - |
| 80 | Non-Prorated Balances                                      | - | - |
| 81 | Tax Reg Asset / Liab Adjustments                           | - | - |
| 82 | <b>Non-Prorated Account 282 Balances After Adjustments</b> | - | - |

**ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES – OTHER (Enter Negative)**

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

|     |          |   |   |        |   |   |
|-----|----------|---|---|--------|---|---|
|     |          |   |   | -      | - |   |
| 97  | Reserved | - | - | 0.000% | - | - |
| 98  | Reserved | - | - | 0.000% | - | - |
| 99  | Reserved | - | - | 0.000% | - | - |
| 100 | Reserved | - | - | 0.000% | - | - |

**Worksheet A3-2**  
**Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits—Details**  
**Actuals—For the 12 months ended 12/31/yyyy**

| No. | (a)      | mm-yyyy |                 | (e)    | mm-yyyy |                 | (h) | (i) |
|-----|----------|---------|-----------------|--------|---------|-----------------|-----|-----|
|     |          | (b)     | Dec-2020<br>(c) |        | (f)     | Dec-2020<br>(g) |     |     |
| 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   | <b>Total Account 283 (276.9.b &amp; 277.9.k)</b>           | - | - |        | -        | - |   |   |
|   | <b>Tax Reg Asset / Liab Adjustments (Note C)</b>           |   |   |        |          |   |   |   |
| 121   | Reserved   | - | - | 0.000% | -        | - |   | - |
| 122   | Reserved   | - | - | 0.000% | -        | - |   | - |
| 123   | <b>Total Account 283 After Adjustments</b>                 |   |   |        | -        | - |   |   |
| 124   | Prorated Balances Tax Reg Asset / Liab                     |   |   |        | -        | - |   |   |
| 125   | Adjustments  |   |   |        | -        | - |   |   |
| 126   | <b>Prorated Account 283 Balances After Adjustments</b>     |   |   |        | -        | - |   |   |
| 127   | Non-Prorated Balances Tax Reg Asset / Liab                 |   |   |        | -        | - |   |   |
| 128   | Adjustments  |   |   |        | -        | - |   |   |
| 129   | <b>Non-Prorated Account 283 Balances After Adjustments</b> |   |   |        | -        | - |   |   |
| <b>ACCOUNT 255: ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Enter Negative) (Note F)</b> |  |   |   |        |          |   |   |   |
| 130   | -Intangible  | - | - | W/S    | 0.000%   | - | - | - |
| 131   | -Production  | - | - | NA     | 0.000%   | - | - | - |
| 132   | -Transmission  | - | - | DA     | 100.000% | - | - | - |
| 133   | -Distribution  | - | - | NA     | 0.000%   | - | - | - |
| 134   | -General Plant   | - | - | W/S    | 0.000%   | - | - | - |

|     |  |   |   |   |   |  |  |  |
|-----|--|---|---|---|---|--|--|--|
|     |  |   |   |   |   |  |  |  |
| 135 | <b>Total Account 255 (266.8.b &amp; 267.8.h)</b> | - | - | - | - |  |  |  |
| 136 | Unrealized ITC Adjustment                        |   |   | - | - |  |  |  |
| 137 | Account 255 balance after Unrealized Adjustment  |   |   | - | - |  |  |  |
| 138 | <b>Average ITC Balance for Attachment H</b>      |   |   |   |   |  |  |  |

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

Notes:

- A Beginning of Year ("BOY") balance is end of previous year balance per FERC Form No. 1.
- B End of Year ("EOY") balance is end of current year balance per FERC Form No. 1.
- C The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax related regulatory assets and liabilities other than excess/deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules A8-1 and A8-2 and presented in Att H separately from ADIT.
- D Each ADIT item is categorized into 1 of 7 categories. The selected category will determine the Allocator applied to the ADIT balance.
  - 1) Prod: The ADIT balance is 100% related to production of electricity and the NA Allocator is applied.
  - 2) Retail: The ADIT balance is 100% related to retail operations and the NA Allocator is applied.
  - 3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related ADIT for which the NA Allocator is applied. Such items shall include:
    - ADIT related to the Income Tax Regulatory 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.





|    |                                       |   |   |   |   |   |   |   |
|----|---------------------------------------|---|---|---|---|---|---|---|
| 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<br>Monthly Balances | - | - | - | - | - | - | - |



|    |           |   |   |   |   |   |   |   |
|----|-----------|---|---|---|---|---|---|---|
| 16 | January   | - | - | - | - | - | - | - |
| 17 | February  | - | - | - | - | - | - | - |
| 18 | March     | - | - | - | - | - | - | - |
| 19 | April     | - | - | - | - | - | - | - |
| 20 | May       | - | - | - | - | - | - | - |
| 21 | June      | - | - | - | - | - | - | - |
| 22 | July      | - | - | - | - | - | - | - |
| 23 | August    | - | - | - | - | - | - | - |
| 24 | September | - | - | - | - | - | - | - |
| 25 | October   | - | - | - | - | - | - | - |
| 26 | November  | - | - | - | - | - | - | - |
| 27 | December  | - | - | - | - | - | - | - |

28      *Average of the 13 Monthly Balances*      -      -      -      -      -      -      -

**Accumulated Depreciation Account 108/111— Asset Retirement Cost Accumulated Depreciation**

|    | <b>Month</b>                 | <b>Production</b> | <b>Transmission</b> | <b>Distribution</b> | <b>General</b> | <b>Intangible</b> | <b>Total Plant</b> | <b>Common</b> |
|----|------------------------------|-------------------|---------------------|---------------------|----------------|-------------------|--------------------|---------------|
|    | <b>(a)</b>                   | <b>(b)</b>        | <b>(c)</b>          | <b>(d)</b>          | <b>(e)</b>     | <b>(f)</b>        | <b>(g)</b>         | <b>on</b>     |
|    | <b>FNI Reference for Dec</b> |                   |                     |                     |                |                   |                    | <b>(h)</b>    |
| 29 | Year                         | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 30 | January                      | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 31 | February                     | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 32 | March                        | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 33 | April                        | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 34 | May                          | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 35 | June                         | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 36 | July                         | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 37 | August                       | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 38 | September                    | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 39 | October                      | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 40 | November                     | -                 | -                   | -                   | -              | -                 | -                  | -             |
| 41 | December                     | -                 | -                   | -                   | -              | -                 | -                  | -             |

42      *Average of the 13 Monthly Balances*      -      -      -      -      -      -      -



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

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

Monthly Balances— - - - -

**Working Capital**

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

|    |                                       |   |   |   |   |   |
|----|---------------------------------------|---|---|---|---|---|
| 28 | Average of the 13<br>Monthly Balances | - | - | - | - | - |
|----|---------------------------------------|---|---|---|---|---|



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

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

Notes:

- A ~~Recovery of any regulatory asset is limited to such regulatory assets authorized by FERC.~~
- B ~~Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC and will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.~~
- C ~~Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project specific~~

CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1. The demonstration in (iii) above will show that monthly debts and credits do not contain entries for AFUDC for each CWIP project in rate base.

~~D Transmission related only.~~

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

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

**El Paso Electric Company**  
**Worksheet A5**  
**Depreciation Rates**

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

30

—398.00 Miscellaneous Equipment

6.65%



NOTES

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

**El Paso Electric Company**  
**Worksheet A7**  
**Incentive Plant Worksheet**  
**Actuals—For the 12 months ended 12/31/yyyy**

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





~~B Incentive ROE requires authorization by the Commission~~



|    |           |    |     |     |        |   |   |   |   |   |   |   |   |
|----|-----------|----|-----|-----|--------|---|---|---|---|---|---|---|---|
| 7  | February  | 28 | 307 | 365 | 84.11% | - | - | - | - | - | - | - | - |
| 8  | March     | 31 | 276 | 365 | 75.62% | - | - | - | - | - | - | - | - |
| 9  | April     | 30 | 246 | 365 | 67.40% | - | - | - | - | - | - | - | - |
| 10 | May       | 31 | 215 | 365 | 58.90% | - | - | - | - | - | - | - | - |
| 11 | June      | 30 | 185 | 365 | 50.68% | - | - | - | - | - | - | - | - |
| 12 | July      | 31 | 154 | 365 | 42.19% | - | - | - | - | - | - | - | - |
| 13 | August    | 31 | 123 | 365 | 33.70% | - | - | - | - | - | - | - | - |
| 14 | September | 30 | 93  | 365 | 25.48% | - | - | - | - | - | - | - | - |
| 15 | October   | 31 | 62  | 365 | 16.99% | - | - | - | - | - | - | - | - |
| 16 | November  | 30 | 32  | 365 | 8.77%  | - | - | - | - | - | - | - | - |
| 17 | December  | 31 | 1   | 365 | 0.27%  | - | - | - | - | - | - | - | - |

|    |                           |     |   |   |   |   |   |   |   |   |   |   |   |
|----|---------------------------|-----|---|---|---|---|---|---|---|---|---|---|---|
| 18 | Total (sum of Lines 6-17) | 365 | - | - | - | - | - | - | - | - | - | - | - |
|----|---------------------------|-----|---|---|---|---|---|---|---|---|---|---|---|

|    |  |  |  |  |  |  |  |  |  |  |  |  |                     |   |  |  |                     |   |
|----|--|--|--|--|--|--|--|--|--|--|--|--|---------------------|---|--|--|---------------------|---|
| 19 | Beginning Balance-Total                    |  |  |  |  |  |  |  |  |  |  |  | Worksheet P6-1.19.h | - | Beginning Balance-Total                    |  | Worksheet A8-2.62.g | - |
| 20 | Beginning Balance-Not Subject to Proration |  |  |  |  |  |  |  |  |  |  |  | Worksheet P6-1.20.h | - | Beginning Balance-Not Subject to Proration |  | Worksheet A8-2.55.g | - |

|        |   |   |   |   |   |   |
|--------|---|---|---|---|---|---|
| 2<br>1 | Beginning Balance Subject to Proration      | (Line 5, Col H)                         | - | Beginning Balance Subject to Proration  | (Line 5, Col H)                         | - |
| 2<br>2 | Ending Balance- Total                       | Worksheet P6 1.22.h                     | - | Ending Balance Total                    | Worksheet A8-2.62.i                     | - |
| 2<br>3 | Ending Balance Not Subject to Proration     | Worksheet P6 1.23.h                     | - | Ending Balance Not Subject to Proration | Worksheet A8-2.55.i                     | - |
| 2<br>4 | Ending Balance Subject to Proration Average | Worksheet P6 1.24.h                     | - | Ending Balance Subject to Proration     | Worksheet A8-2.61.i                     | - |
| 2<br>5 | 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<br>6 | Reserve                                     | Reserved                                | - | Reserved                                | Reserve (Line 25 less line 26)          | - |
| 2<br>7 | Amount for Attachment H                     | (Line 25 less line 26)                  | - | Amount for Attachment H                 | (Line 25 less line 26)                  | - |

NOTES

- 1 Column J is the difference between projected monthly and actual monthly activity (Column I minus Column F). Specifically, if projected and actual activity are both positive, a negative in Column J represents over projection (amount of projected activity that did not occur) and a positive in Column J represents under projection (excess of actual activity over projected activity). If projected and actual activity are both negative, a negative in Column J represents under projection (excess of actual activity over projected activity) and a positive in Column J represents over projection (amount of projected activity that did not occur).
- 2 Column K preserves proration when actual monthly and projected monthly activity are either both increases or decreases. Specifically, if Column J is over projected, enter Column G x [Column I/Column F]. If Column J is under projected, enter the amount from Column G and complete Column L). In other situations, enter zero.
- 3 Column L applies when (1) Column J is under projected AND (2) actual monthly and projected monthly activity are either both increases or decreases. Enter the amount from Column J. In other situations, enter zero.
- 4 Column M applies when (1) projected monthly activity is an increase while actual monthly activity is a decrease OR (2) projected monthly activity is a decrease while actual monthly activity is an increase. Enter actual monthly activity (Col I). In other situations, enter zero.
- 5 Column N is computed by adding the prorated monthly activity, if any, from Column K to 50 percent of the portion of monthly activity, if any, from Column L or M to the balance at the end of the prior month. The activity in columns L and M is multiplied by 50 percent to reflect averaging of rate base to the extent that the proration requirement has not been applied to a portion of the monthly activity.

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

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

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

| No. | (a) | Dec-2019<br>(b) | 2020<br>(c) | 2020<br>(d) | Dec-2020<br>(e) | (f) | Dec-2019<br>(g) | 2020<br>(h) | Dec-2020<br>(i) | (j) | (k) | (l) |
|-----|-----|-----------------|-------------|-------------|-----------------|-----|-----------------|-------------|-----------------|-----|-----|-----|
|-----|-----|-----------------|-------------|-------------|-----------------|-----|-----------------|-------------|-----------------|-----|-----|-----|

| Line No. | Item | BOY Balance<br>(Note D) | Current Period Amortization | Current Period Other Activity<br>(Note C) | EOY Balance<br>(Note D) | Alloca-<br>tor | BOY Allocat-<br>ed Amount | Amortiz-<br>ation Allocated | EOY Allocat-<br>ed Amount | Prora-<br>ted (Yes/<br>No)<br>(Note B) | Amo-<br>rt Perio-<br>d or Meth-<br>od | Expla-<br>nation<br>(Note A) |
|----------|------|-------------------------|-----------------------------|---|-------------------------|----------------|---------------------------|-----------------------------|---------------------------|--|---------------------------------------|------------------------------|
|----------|------|-------------------------|-----------------------------|---|-------------------------|----------------|---------------------------|-----------------------------|---------------------------|--|---------------------------------------|------------------------------|

**NON-PLANT UNPROTECTED EDIT INCLUDED WITHIN ACCOUNTS 182.3 & 254**

|    |          |   |   |   |   |       |   |   |   |   |   |   |
|----|----------|---|---|---|---|-------|---|---|---|---|---|---|
| 1  | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 2  | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 3  | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 4  | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 5  | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 6  | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 7  | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 8  | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 9  | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 10 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |

|    |          |   |   |   |   |       |   |   |   |   |   |   |
|----|----------|---|---|---|---|-------|---|---|---|---|---|---|
| 11 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 12 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 13 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 14 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 15 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 16 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 17 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 18 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 19 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 20 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 21 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 22 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 23 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 24 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 25 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 26 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 27 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 28 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 29 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 30 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |
| 31 | Reserved | - | - | - | - | 0.000 | % | - | - | - | - | - |

|    |          |   |   |   |   |       |   |   |   |   |   |
|----|----------|---|---|---|---|-------|---|---|---|---|---|
|    |          |   |   |   |   | %     | - | - | - |   |   |
|    |          |   |   |   |   | 0.000 |   |   |   |   |   |
| 32 | Reserved | - | - | - | - | %     | - | - | - | - | - |
|    |          |   |   |   |   | 0.000 |   |   |   |   |   |
| 33 | Reserved | - | - | - | - | %     | - | - | - | - | - |
|    |          |   |   |   |   | 0.000 |   |   |   |   |   |
| 34 | Reserved | - | - | - | - | %     | - | - | - | - | - |
|    |          |   |   |   |   | 0.000 |   |   |   |   |   |
| 35 | Reserved | - | - | - | - | %     | - | - | - | - | - |
|    |          |   |   |   |   | 0.000 |   |   |   |   |   |
| 36 | Reserved | - | - | - | - | %     | - | - | - | - | - |
|    |          |   |   |   |   | 0.000 |   |   |   |   |   |
| 37 | Reserved | - | - | - | - | %     | - | - | - | - | - |
|    |          |   |   |   |   | 0.000 |   |   |   |   |   |
| 38 | Reserved | - | - | - | - | %     | - | - | - | - | - |
|    |          |   |   |   |   | 0.000 |   |   |   |   |   |
| 39 | Reserved | - | - | - | - | %     | - | - | - | - | - |
|    |          |   |   |   |   | 0.000 |   |   |   |   |   |
| 40 | Reserved | - | - | - | - | %     | - | - | - | - | - |



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

| No.      | (a)   | Dec-2019<br>(b)            | 2020<br>(c)                       | 2020<br>(d)  | Dec-2020<br>(e)               | (f)       | Dec-2019<br>(g)            | 2020<br>(h)                       | Dec-2020<br>(i)                    | (j)   | (k)                          | (l)                            |
|----------|---|----------------------------|-----------------------------------|--|-------------------------------|-----------|----------------------------|-----------------------------------|------------------------------------|---|------------------------------|--------------------------------|
| Line No. | Item  | BOY<br>Balance<br>(Note D) | Current<br>Period<br>Amortization | Current<br>Period<br>Other<br>Activity<br>(Note C) | EOY<br>Balance<br>(Note<br>D) | Allocator | BOY<br>Allocated<br>Amount | Amorti<br>zation<br>Allocat<br>ed | EOY<br>Allocat<br>ed<br>Amoun<br>t | Prorat<br>ed<br>(Yes/N<br>o)<br>(Note<br>B) | Amort<br>Period or<br>Method | Expla<br>nation<br>(Note<br>A) |
| 41       | Reserved  | -                          | -                                 | -  | -                             | 0.000%    | -                          | -                                 | -                                  |   | -                            | -                              |
| 42       | Reserved  | -                          | -                                 | -  | -                             | 0.000%    | -                          | -                                 | -                                  |   | -                            | -                              |
| 43       | Reserved  | -                          | -                                 | -  | -                             | 0.000%    | -                          | -                                 | -                                  |   | -                            | -                              |
| 44       | Reserved  | -                          | -                                 | -  | -                             | 0.000%    | -                          | -                                 | -                                  |   | -                            | -                              |
| 45       | Reserved  | -                          | -                                 | -  | -                             | 0.000%    | -                          | -                                 | -                                  |   | -                            | -                              |
| 46       | Reserved  | -                          | -                                 | -  | -                             | 0.000%    | -                          | -                                 | -                                  |   | -                            | -                              |
| 47       | Reserved  | -                          | -                                 | -  | -                             | 0.000%    | -                          | -                                 | -                                  |   | -                            | -                              |
| 48       | Reserved  | -                          | -                                 | -  | -                             | 0.000%    | -                          | -                                 | -                                  |   | -                            | -                              |
| 53       | Reserved  | -                          | -                                 | -  | -                             | 0.000%    | -                          | -                                 | -                                  |   | -                            | -                              |
| 54       | Reserved  | -                          | -                                 | -  | -                             | 0.000%    | -                          | -                                 | -                                  |   | -                            | -                              |
| 55       | <b>Total Non<br/>Plant<br/>Unprotect<br/>ed</b> | -                          | -                                 | -  | -                             |           | -                          | -                                 | -                                  |   |                              |                                |

**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% | - | - | - | - | - | - |
|    | <b>Total</b>      |   |   |   |   |        |   |   |   |   |   |   |
| 61 | <b>Plant</b>      | - | - | - | - |        | - | - | - | - | - | - |
|    | <b>Total</b>      |   |   |   |   |        |   |   |   |   |   |   |
|    | <b>Excess/Def</b> |   |   |   |   |        |   |   |   |   |   |   |
|    | <b>icient</b>     |   |   |   |   |        |   |   |   |   |   |   |
|    | <b>Deferred</b>   |   |   |   |   |        |   |   |   |   |   |   |
|    | <b>Income</b>     |   |   |   |   |        |   |   |   |   |   |   |
| 62 | <b>Taxes</b>      | - | - | - | - |        | - | - | - | - | - | - |

Notes:

- A Each EDIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the EDIT balance.
- 1) Prod: The EDIT balance is 100% related to production of electricity and the NA Allocator is applied.
  - 2) Retail: The EDIT balance is 100% related to retail operations and the NA Allocator is applied.
  - 3) ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related EDIT for which the NA Allocator is applied. Such items shall include:
    - EDIT related to Pension and PBOP
    - Any other EDIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
  - 4) Trans: The EDIT balance is 100% related to transmission operations and the DA Allocator is applied.
  - 5) Plant: The EDIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
  - 6) NPO: EDIT balances other than PP&E where the NP Allocator is applied.
  - 7) Labor: The EDIT balance is labor related and the W/S Allocator is applied.
- B Each EDIT Item must be categorized into balances that require proration and those that do not. EDIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".
- C Includes the impact of tax rate changes enacted during the period.

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

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

**PROPRIETARY CAPITAL**

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

**LONG TERM DEBT**

| Line No | Month (f)             | Total Long Term Debt (221—222+223+224+225—226) (g) | Unamortized Debt Expenses (181) (h) | Unamortized Loss on Reacquired Debt (189) (i) | Unamortized Gain on Reacquired Debt (257) (j) | Total (g—h—i+j) (k) |
|---------|-----------------------|--|-------------------------------------|---|---|---------------------|
|         | FN1 Reference for Dec | 112.24.e   | 111.69.e                            | 111.81e                                       | 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 # | Timeline                                 | Step | Year   | Action  |                     |
|--------|--|------|--------|---|---------------------|
| 1      |  |      |        |   |                     |
| 2      |  | 1    | Year 0 | EPE populates the formula rate using projected costs for Year 1                                   |                     |
| 3      |  | 2    | Year 0 | Post results of Step 1  |                     |
| 4      |  | 3    | Year 1 | Results of Step 2 go into effect.   |                     |
| 5      |  | 4    | Year 1 | EPE populates the formula rate using projected costs for Year 2                                   |                     |
| 6      |  | 5    | Year 1 | Post results of Step 4  |                     |
| 7      |  | 6    | Year 2 | Results of Step 5 go into effect.   |                     |
| 8      |  | 7    | Year 2 | EPE populates the formula rate using actual costs for Year 1                                      |                     |
| 9      |  | 8    | Year 2 | EPE compiles actual formula rate revenues booked for Year 1                                       |                     |
| 10     |  | 9    | Year 2 | Calculate the difference between the formula rate calculated in Step 7 and Step 8                 |                     |
| 11     |  | 10   | Year 2 | Post results from Step 8 and Step 9   |                     |
| 12     |  | 11   | Year 2 | EPE populates the formula rate using projected costs for Year 3, including True Up Adj for Year 1 |                     |
| 13     |  | 12   | Year 2 | Post results of Step 11   |                     |
| 14     |  |      |        |   |                     |
| 15     | <b>Revenue Amount Comparison</b>         |      |        |   |                     |
| 16     |  |      |        |   | <b>Total Amount</b> |
| 17     | —Actual Revenue Requirements from Step 7 |      |        | Notes A and E   | -\$                 |
| 18     | —Actual Revenues booked from Step 8      |      |        | Notes B and   | -                   |
|        |  |      |        |   | -\$                 |



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

Line #  
 27  
 28

**Interest Calculation**

**FERC  
 Qtr Int.  
 Rate**

Note D

**Rate**

29  
 30  
 31  
 32  
 33  
 34  
 35  
 36

Qtr (3 Prior to Most Recent)  
 Qtr (2 Prior to Most Recent)  
 Qtr (Prior to Most Recent)  
 Qtr (Most Recent)  
 Average of the last 4 quarters  
 Average Monthly Rate

Annual Rate  
 Annual Rate  
 Annual Rate  
 Annual Rate  
 (Sum Lines 30-33 / 4)  
 Line 34 / 12

|         |
|---------|
| 0.00%   |
| 0.00%   |
| 0.00%   |
| 0.00%   |
| 0.00%   |
| 0.00%   |
| 0.0000% |

An over or under collection will be recovered pro-rata over year collected, held for one year, and returned prorata over next year:

37  
 38

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



|    |      |           |    |       |    |   |   |    |
|----|------|-----------|----|-------|----|---|---|----|
| 44 | yyyy | May       | -  | 0.00% | 8  | - | - | \$ |
| 45 | yyyy | June      | -  | 0.00% | 7  | - | - | \$ |
| 46 | yyyy | July      | -  | 0.00% | 6  | - | - | \$ |
| 47 | yyyy | August    | -  | 0.00% | 5  | - | - | \$ |
| 48 | yyyy | September | -  | 0.00% | 4  | - | - | \$ |
| 49 | yyyy | October   | -  | 0.00% | 3  | - | - | \$ |
| 50 | yyyy | November  | -  | 0.00% | 2  | - | - | \$ |
| 51 | yyyy | December  | -  | 0.00% | 1  | - | - | \$ |
| 52 |      |           | -  |       |    | - | - | \$ |
| 53 |      |           | \$ |       |    | - | - | \$ |
| 54 | yyyy | Jan-Dec   | -  | 0.00% | 12 | - | - | \$ |

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

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

Notes

- A ~~Actual Net Revenue Requirement for rate year subject to True Up from Actual Attachment H, line 7.~~
- B ~~Actual Revenues for transmission service as booked, including amounts noted on FERC Form No. 1, pages 328-330, and other amounts included in supporting documentation.~~
- C ~~Prior Period Adjustment, if any, is calculated to the same timing basis as balance of true up (i.e. before interest applied on line for the Prior Period Adjustment calculation will be included in supporting documentation.~~
- D ~~Interest rates posted by FERC; this section to be completed each year for most recent four quarters~~
- E ~~If Rate Year 1 is a partial rate year, the Actual Revenue Requirement, Actual Revenues, Prior Period Adjustment (if any), and Levelized True Up before Interest will reflect only those months for which the rate was in effect. Otherwise, these amounts will all reflect a full 12 month period.~~

**El Paso Electric  
Company**

Formula Rate—  
Non-Levelized

Rate Formula  
Template

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

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

Requirement  
without True-Up  
Adjustment

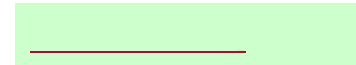
6a)

DIVISOR

8 —Divisor (kW)      Worksheet P3,  
9                              Line 15 x 1000

10 RATES

|    |                  |                |    |           |
|----|------------------|----------------|----|-----------|
| 11 | —Annual          |                | \$ | /kW year  |
| 12 | —Monthly         | 12 months/year | \$ | /kW month |
| 13 | —Weekly          | 52 weeks/year  | \$ | /kW week  |
| 14 | —Daily On Peak   | 6 days/week    | \$ | /kW day   |
| 15 | —Daily Off Peak  | 7 days/week    | \$ | /kW day   |
| 16 | —Hourly On Peak  | 16 hours/day   | \$ | /MW hour  |
| 17 | —Hourly Off Peak | 24 hours/day   | \$ | /MW hour  |



Estimated For  
the 12 months  
ended 12/31/yyyy

**El Paso Electric  
Company**

Formula Rate—  
Non-Levelized

Rate Formula  
Template

(1)

(2)

(3)

(4)

(5)

Reference

Company  
Total

Allocator

Transmission

(Col 3 times Col 4)

Page, Line, Col.

Line  
No.

**RATE-BASE:  
GROSS PLANT  
IN SERVICE**

1 —Transmission  
2 —General &  
Intangible  
3 TOTAL GROSS  
PLANT

Worksheet P1, Line  
30, Col. (e)  
Act Att H, Page 2,  
Line 4, Col. (3)  
(Sum Lines 1 and  
2)

-  
-  
-

TP 0.00000  
W/S 0.00000

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ACCUMULATED  
DEPRECIATION**

4 —Transmission  
5 —General &  
Intangible  
6 TOTAL ACCUM.  
DEPRECIATION

Worksheet P1, Line  
30, Col. (f)  
Act Att H, Page 2,  
Line 10, Col. (3)  
(Sum Lines 4 and  
5)

-  
-  
-

TP 0.00000  
W/S 0.00000

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**NET PLANT IN  
SERVICE**

7 —Transmission  
8 —General &  
Intangible  
9 TOTAL NET  
PLANT

(Line 1—Line 4)  
(Line 2—Line 5)  
(Sum Lines 7 and  
8)

-  
-  
-

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

|    |                            |                                      |   |    |         |       |
|----|----------------------------|--------------------------------------|---|----|---------|-------|
| 21 | -Materials & Supplies      | Act Att H, Page 2, Line 29, Col. (3) | - | TP | 0.00000 | _____ |
| 22 | -Prepayments (Account 165) | Act Att H, Page 2, Line 30, Col. (3) | - | GP | 0.00000 | _____ |
| 23 | TOTAL WORKING CAPITAL      | (Sum of Lines 20-22)                 | - |    |         | _____ |
| 24 | RATE BASE                  | (Sum Lines 9, 10, 18, 19, & 23)      | - |    |         | _____ |

Projected Attachment H

Page 3 of 5

**El Paso Electric Company**

Formula Rate—  
Non-Levelized

Rate Formula  
Template

Estimated For  
the 12 months  
ended 12/31/yyyy

| Line No. | (1)<br>O&M                 | (2)<br>Reference<br>Page, Line, Col.      | (3)<br>Company<br>Total | (4)<br>Allocator | (5)<br>Transmission<br>(Col 3 times Col 4) |       |
|----------|----------------------------|---|-------------------------|------------------|--|-------|
| 1        | -Transmission              | Worksheet P2,<br>Page 1, Line 3, Col. (e) | -                       | TE               | 0.00000                                    | _____ |
| 2        | — Less Account 561.1—561.8 | Worksheet P2,<br>Page 1, Line 4, Col. (e) | -                       | TE               | 0.00000                                    | _____ |
| 2a       | — Less Account 565         | Worksheet P2,<br>Page 1, Line 5, Col. (e) | -                       | TE               | 0.00000                                    | _____ |
| 3        | -A&G                       | Worksheet P2,<br>Page 1, Line 6, Col. (e) | -                       | W/S              | 0.00000                                    | _____ |
| 4        | — Less EPRI/Reg.           | Worksheet P2,                             | -                       | W/S              | 0.00000                                    | _____ |



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

|     |  |   |   |     |         |       |
|-----|--|---|---|-----|---------|-------|
| 11a | -Amortization of<br>Regulatory Asset                                     | Company Records                               | - | -DA | 1.00000 | _____ |
| 11b | -Amortization of<br>Abandoned Plant                                      | Company Records                               | - | -DA | 1.00000 | _____ |
| 12  | TOTAL<br>DEPRECIATION<br>&<br>AMORTIZATION                               | (Sum of Lines 8<br>through 11)                | - |     |         | _____ |
| 13  | TAXES OTHER<br>THAN INCOME<br>TAXES<br>-LABOR<br>RELATED<br>____ Payroll | Worksheet P2,<br>Page 1, Line 15,<br>Col. (e) | - | W/S | 0.00000 | _____ |
| 14  | ____ Highway<br>and vehicle  | Worksheet P2,<br>Page 1, Line 16,<br>Col. (e) | - | W/S | 0.00000 | _____ |
| 15  | -PLANT<br>RELATED  |   |   |     |         |       |
| 16  | ____ Property  | Worksheet P2,<br>Page 2, Line 3, Col.<br>(e)  | - | NP  | 0.00000 | _____ |
| 17  | ____ Gross<br>Receipts   | Worksheet P2,<br>Page 1, Line 18,<br>Col. (e) | - | DA  | 1.00000 | _____ |
| 18  | ____ Other   | Worksheet P2,<br>Page 1, Line 19,<br>Col. (e) | - | GP  | 0.00000 | _____ |
| 19  | ____ Payments in<br>lieu of taxes  | Worksheet P2,<br>Page 1, Line 20,<br>Col. (e) | - | GP  | 0.00000 | _____ |
| 20  | TOTAL OTHER<br>TAXES   | (Sum of Lines 13<br>through 19)               | - |     |         | _____ |
| 21  | INCOME TAXES<br>-T=1-(((1-<br>SIT) * (1 - FIT)) /<br>(1 - SIT * FIT) *   | (Note A)                                      |   |     | 0.000%  |       |

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



Formula Rate—  
Non-Levelized

El Paso Electric  
Company  
—Rate Formula  
Template

Estimated For the 12 months ended 12/31/yyyy

(1)

(2)

(3)

(4)

(5)

**SUPPORTING  
CALCULATIONS  
AND NOTES**

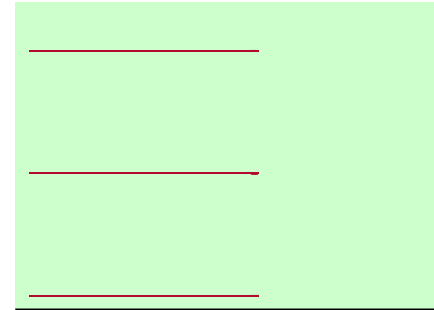
Line

TRANSMISSION  
PLANT  
INCLUDED IN  
RATES

No.

Total transmission  
plant

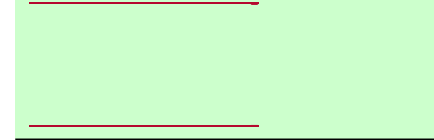
Actual Attachment  
H, Page 4, Line 1



1

Less transmission  
plant excluded  
from Wholesale  
Rates

Actual Attachment  
H, Page 4, Line 2



2

Less transmission  
plant included in  
OATT Ancillary  
Services

Actual Attachment  
H, Page 4, Line 3



3

Transmission plant  
included in  
Wholesale Rates

(Line 1 less Lines 2  
& 3)



4

Percentage of  
transmission plant  
included in  
Wholesale Rates

(Line 4 divided by  
Line 1)

TP=

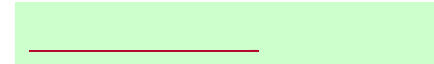
0.00000

5

TRANSMISSION  
EXPENSES

Total transmission  
expenses

(Page 3, Line 1,  
Col. 3)



6

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

WAGES & SALARY ALLOCATOR (W&S)

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

COMMON PLANT ALLOCATOR

\$

% Electric

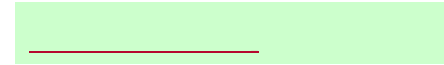
W&S Allocator

|    |   |   |    |         |                       |  |           |           |
|----|---|---|----|---------|-----------------------|--|-----------|-----------|
|    | (CE)                                    |   |    |         |                       |  |           |           |
| 17 | -Electric                               | Actual Attachment<br>H, Page 4, Line 17 | -  |         | (line 17/<br>line 20) |  | (line 16) | CE        |
| 18 | -Gas                                    | Actual Attachment<br>H, Page 4, Line 18 | -  | 0.00000 | *                     |  | 0.00000   | = 0.00000 |
| 19 | -Water                                  | Actual Attachment<br>H, Page 4, Line 19 | -  |         |                       |  |           |           |
| 20 | -Total                                  | (Sum of Lines 17-<br>19)                | -  |         |                       |  |           |           |
|    | RETURN (R)                              |   |    |         |                       |  | \$        |           |
| 21 | Long Term Interest                      | Actual Attachment<br>H, Page 4, Line 21 |    |         |                       |  |           |           |
| 22 | Preferred Dividends                     | Actual Attachment<br>H, Page 4, Line 22 |    |         |                       |  |           |           |
|    | <u>Development of<br/>Common Stock:</u> |   |    |         |                       |  |           |           |
| 23 | Proprietary Capital                     | Actual Attachment<br>H, Page 4, Line 23 |    |         |                       |  |           |           |
| 24 | Less Preferred Stock                    | Actual Attachment<br>H, Page 4, Line 24 |    |         |                       |  |           |           |
| 25 | Less Other Comprehensive Income         | Actual Attachment<br>H, Page 4, Line 25 |    |         |                       |  |           |           |
| 26 | 216.1                                   | Actual Attachment<br>H, Page 4, Line 26 |    |         |                       |  |           |           |
| 27 | Common Stock                            | (Sum of Lines 23-<br>26)                |    |         |                       |  | 0         |           |
|    |   |   | \$ | %       | Cost                  |  | Weighted  |           |
| 28 | -Long Term Debt                         | Actual Attachment<br>H, Page 4, Line 28 | -  | 0%      | -                     |  |           | =WCLTD    |
| 29 | -Preferred Stock                        | Actual Attachment<br>H, Page 4, Line 29 | -  | 0%      | -                     |  |           |           |
| 30 | -Common Stock                           | Actual Attachment<br>H, Page 4, Line 30 | -  | 0%      | 0.1038                |  |           |           |
| 31 | Total                                   | (Sum of Lines 28-<br>30)                | -  |         |                       |  |           | =R        |

32

Incentive Return

Worksheet P4, Line  
35, Col. (e)





**El Paso Electric  
Company**

Estimated  
For the  
12 months  
ended  
12/31/yyyy

Formula Rate—  
Non-Levelized

Rate Formula  
Template

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

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

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

Note  
Letter

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

|           |       |        |  |
|-----------|-------|--------|--|
| Inputs    |       | 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**

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

|    |                               |    |    |    |    |    |
|----|-------------------------------|----|----|----|----|----|
| 14 | -                             | -  | \$ | \$ | -  | \$ |
| 15 | -                             | -  | \$ | \$ | -  | \$ |
| 16 | -                             | -  | \$ | \$ | -  | \$ |
| 17 | -                             | -  | \$ | \$ | -  | \$ |
| 18 | -                             | -  | \$ | \$ | -  | \$ |
| 19 | -                             | -  | \$ | \$ | -  | \$ |
| 20 | -                             | -  | \$ | \$ | -  | \$ |
| 21 | -                             | -  | \$ | \$ | -  | \$ |
| 22 | -                             | -  | \$ | \$ | -  | \$ |
| 23 | -                             | -  | \$ | \$ | -  | \$ |
| 24 | -                             | -  | \$ | \$ | -  | \$ |
| 25 | -                             | -  | \$ | \$ | -  | \$ |
| 26 | 12 Mon                        |    |    | \$ |    |    |
|    | Total year 1                  |    |    | -  |    |    |
| 27 | 12 Mon                        |    |    | \$ |    |    |
|    | Total year 2                  |    |    | -  |    |    |
| 28 | 13 Mon Avg                    | \$ |    |    | \$ | \$ |
|    | year 1                        | -  |    |    | -  | -  |
| 29 | 13 Mon Avg                    | \$ |    |    | \$ | \$ |
|    | year 2                        | -  |    |    | -  | -  |
| 30 | Amount to Proj Att H (Note C) | \$ |    | \$ | \$ | \$ |

Notes:

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

In periods where the company has submitted new depreciation rates for FERC approval, enter "N". The new depreciation rate is calculated as follows:

~~The annual composite transmission depreciation rate developed within a new depreciation study, divided by 12 months.~~

Current Depreciation Rate (A) 0.0000%

New Depreciation Rate (N) 0.0000%

B The depreciation accrual is based on the average of the current and prior month Plant in Service, times the actual "A" or new "N" depreciation rate.

C In the initial year rates are set, use Lines 26 and 28, thereafter use Lines 27 and 29, calculated on line 30.

Yes

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

**El Paso Electric Company**

**Worksheet P2**

**Projected Expenses**

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

| (a)   | (b) | (c) | (d) | (e) |
|---|-----|-----|-----|-----|
| <b>O&amp;M / OTHER TAXES (Excluding Property Taxes)</b> |     |     |     |     |

| Line           | Item  | Reference                              | Actual Costs | Charge Factor (Note A) | Projected Costs (Note B) |
|----------------|---|--|--------------|------------------------|--------------------------|
| 1              | Net Plant in Service  | Actual Attachment H, Page 2 Line 18    | -            |                        |                          |
| 2              | Projected Net Plant in Service                                      | Projected Attachment H, Page 2, Line 9 |              |                        | -                        |
| <b>O&amp;M</b> |   |  |              |                        |                          |
| 3              | <del>Transmission</del>   | Actual Attachment H, Page 3, Line 1    | -            |                        | -                        |
| 4              | <del>Less Account 561.1-561.8</del>                                 | Actual Attachment H, Page 3, Line 2    | -            |                        | -                        |
| 5              | <del>Less Account 565</del>   | Actual Attachment H, Page 3, Line 2a   | -            |                        | -                        |
| 6              | <del>A&amp;G</del>  | Actual Attachment H, Page 3, Line 3    | -            |                        | -                        |
| 7              | <del>Ad-<br/>Less EPRI &amp; Reg. Comm. Exp. &amp; Non safety</del> | Actual Attachment H, Page 3, Line 4    | -            |                        | -                        |

|   |  |                                      |   |   |
|---|--|--------------------------------------|---|---|
| 8   | — Less Property Insurance Acct 924                   | Actual Attachment H, Page 3, Line 4a | - | - |
| 9   | — Plus Property Insurance Acct 924                   | Actual Attachment H, Page 3, Line 4b | - | - |
| 10  | — Plus Transmission Related Reg. Comm. Exp.          | Actual Attachment H, Page 3, Line 4e | - | - |
| 10a   | — Plus Transmission Related Rate Case Cost Amort Bal | Note D                               | - | - |
| 11  | — Plus: Fixed PBOP expense                           | Actual Attachment H, Page 3, Line 4d | - | - |
| 12  | — Less: Actual PBOP expense                          | Actual Attachment H, Page 3, Line 4e | - | - |
| 13  | — Common   | Actual Attachment H, Page 3, Line 5  | - | - |
| 14  | — Hold Harmless Expense Adjustment                   | Actual Attachment H, Page 3, Line 6  | - | - |
| <b>OTHER TAXES (Excluding Property Taxes)</b> |  |                                      |   |   |
| <b>— LABOR RELATED</b>                        |  |                                      |   |   |
| 15  | — Payroll  | Actual Attachment H, Page 3, Line 13 | - | - |
| 16  | — Highway and vehicle                                | Actual Attachment H, Page 3, Line 14 | - | - |
| <b>— PLANT RELATED</b>                        |  |                                      |   |   |
| 18  | — Gross Receipts                                     | Actual Attachment H, Page 3, Line 17 | - | - |
| 19  | — Other  | Actual Attachment H, Page 3, Line 18 | - | - |
| 20  | — Payment in Lieu of Taxes                           | Actual Attachment H, Page 3, Line 19 | - | - |

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

| (a)                   | (b) | (c) | (d) | (e) |
|-----------------------|-----|-----|-----|-----|
| <b>PROPERTY TAXES</b> |     |     |     |     |

|                       | Item  | Reference                            | Actual | Charge Factor | Projected |
|-----------------------|---|--------------------------------------|--------|---------------|-----------|
| <b>PROPERTY TAXES</b> |   |                                      |        |               |           |
| 1                     | Net Plant in Service for Actual (Note C)    | 200.15.b                             | -      |               |           |
| 2                     | Net Plant in Service for Projected (Note C) | 200.15.b                             |        |               | -         |
| 3                     | Property Taxes                              | Actual Attachment H, Page 3, Line 16 | -      | -             | -         |

**NOTES:**

- A Charge Factor: Actual O&M expenses & Other Taxes divided by total actual net plant from Actuals Attachment H. This is used as one of the basis to calculate projected O&M costs and projected Other Taxes.
- B
  - When the Net Plant Change % falls within a minimum or maximum threshold, Projected Costs = Row 2, Col. (f) times Col. (d)
  - When the Net Plant Change % is greater than the maximum threshold, Projected Costs = Col. (c) times Maximum Percentage
  - When the Net Plant Change % is less than the minimum threshold, Projected Costs = Col. (c) times Minimum Percentage

|                                   |      |                                    |
|-----------------------------------|------|------------------------------------|
| Net Plant Change %                | 0.0% | Use Calculated Factors in column 4 |
| Maximum percentage change applied | 0.0% | Use Maximum Percentage Change      |
| Minimum percentage change applied | 0.0% | Use Minimum Percentage Change      |

**Result:** Use Maximum Percentage Change

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

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

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



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

Line No.

1 Peak Network Load (MW) During: - = \_\_\_\_\_

|    | a         | b  | e  | d  |
|----|-----------|--|--|--|
|    | Month     | Actual Transmission<br>Network Load (Worksheet<br>A-6) | Percentage of<br>Maximum<br>Transmission Network<br>Load | Projected Transmission<br>Network Load (Col e x Line<br>1) |
| 2  | January   | _____  | 0.00%  | _____  |
| 3  | February  | _____  | 0.00%  | _____  |
| 4  | March     | _____  | 0.00%  | _____  |
| 5  | April     | _____  | 0.00%  | _____  |
| 6  | May       | _____  | 0.00%  | _____  |
| 7  | June      | _____  | 0.00%  | _____  |
| 8  | July      | _____  | 0.00%  | _____  |
| 9  | August    | _____  | 0.00%  | _____  |
| 10 | September | _____  | 0.00%  | _____  |
| 11 | October   | _____  | 0.00%  | _____  |
| 12 | November  | _____  | 0.00%  | _____  |
| 13 | December  | _____  | 0.00%  | _____  |
| 14 | Total     | _____  |  | _____  |
| 15 | 12-CP     | _____  |  | _____  |

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





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

Notes

- A Special depreciation rates may be utilized for specific incentive transmission projects if approved by the FERC.
- B Incentive ROE requires authorization by the Commission

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

1 **Account 190**

| 2 Days in Period |                   |                         |   |                        |
|------------------|-------------------|-------------------------|---|------------------------|
| 3 (a)            | (b)               | (c)                     | (d)   | (e)                    |
| Month            | Days in the Month | Number of Days Prorated | Total Days in Future Portion of Test Period | Proration Amount (c/d) |

| Averaging with Proration — Projected |   |  |
|--------------------------------------|---|--|
| (f)                                  | (g)   | (h)  |
| Projected Monthly Activity           | Prorated Projected Monthly Activity (e x f) | Prorated Projected Balance (Cumulative Sum of g) |

5 December 31st balance Prorated Items (P5-2.61.f)

|    |          |    |     |     |        |
|----|----------|----|-----|-----|--------|
| 6  | January  | 31 | 335 | 365 | 91.78% |
| 7  | February | 28 | 307 | 365 | 84.11% |
| 8  | March    | 31 | 276 | 365 | 75.62% |
| 9  | April    | 30 | 246 | 365 | 67.40% |
| 10 | May      | 31 | 215 | 365 | 58.90% |

-

-  
-  
-  
-  
-

|    |           |     |     |     |        |   |   |
|----|-----------|-----|-----|-----|--------|---|---|
|    |           |     |     |     |        | - | - |
| 11 | June      | 30  | 185 | 365 | 50.68% | - | - |
| 12 | July      | 31  | 154 | 365 | 42.19% | - | - |
| 13 | August    | 31  | 123 | 365 | 33.70% | - | - |
| 14 | September | 30  | 93  | 365 | 25.48% | - | - |
| 15 | October   | 31  | 62  | 365 | 16.99% | - | - |
| 16 | November  | 30  | 32  | 365 | 8.77%  | - | - |
| 17 | December  | 31  | 1   | 365 | 0.27%  | - | - |
| 18 | Total     | 365 | -   | -   | -      | - | - |

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



|    |  |     |   |   |   |   |   |
|----|--|-----|---|---|---|---|---|
| 45 | Total                                      | 365 | - | -                                       | - | - | - |
| 46 | Beginning Balance Total                    |     |   | Worksheet P5 2.76.f                     |   | - |   |
| 47 | Beginning Balance Not Subject to Proration |     |   | Worksheet P5 2.82.f                     |   | - |   |
| 48 | Beginning Balance Subject to Proration     |     |   | (Line 32, Col H)                        |   | - |   |
| 49 | Ending Balance Total                       |     |   | Worksheet P5 2.76.g                     |   | - |   |
| 50 | Ending Balance Not Subject to Proration    |     |   | Worksheet P5 2.82.g                     |   | - |   |
| 51 | Ending Balance Subject to Proration        |     |   | Worksheet P5 2.79.g                     |   | - |   |
| 52 | Average Balance                            |     |   | Line 44 Col H + (Lines 47 + 50 Col H)/2 |   | - |   |
| 53 | Reserved                                   |     |   | -                                       |   | - |   |
| 54 | Amount for Attachment H                    |     |   | (Line 52 less line 53)                  |   | - |   |

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

55 **Account 283**

56

| Days in Period |                   |                         |   |                        |
|----------------|-------------------|-------------------------|---|------------------------|
| (a)            | (b)               | (c)                     | (d)   | (e)                    |
| Month          | Days in the Month | Number of Days Prorated | Total Days in Future Portion of Test Period | Proration Amount (c/d) |

| Averaging with Proration—Projected |   |  |
|------------------------------------|---|--|
| (f)                                | (g)   | (h)  |
| Projected Monthly Activity         | Prorated Projected Monthly Activity (e x f) | Prorated Projected Balance (Cumulative Sum of g) |

57  
58

59 December 31st balance Prorated Items (P5-2.126.f)

-

|    |           |    |     |     |       |     |   |
|----|-----------|----|-----|-----|-------|-----|---|
| 60 | January   | 31 | 334 | 365 | 0.915 |     |   |
| 61 | February  | 28 | 306 | 365 | 0.838 | - - | - |
| 62 | March     | 31 | 275 | 365 | 0.753 | - - | - |
| 63 | April     | 30 | 245 | 365 | 0.671 | - - | - |
| 64 | May       | 31 | 214 | 365 | 0.586 | - - | - |
| 65 | June      | 30 | 184 | 365 | 0.504 | - - | - |
| 66 | July      | 31 | 153 | 365 | 0.419 | - - | - |
| 67 | August    | 31 | 122 | 365 | 0.334 | - - | - |
| 68 | September | 30 | 92  | 365 | 0.252 | - - | - |
| 69 | October   | 31 | 61  | 365 | 0.167 | - - | - |
| 70 | November  | 30 | 31  | 365 | 0.085 | - - | - |
| 71 | December  | 31 | 1   | 365 | 0.003 | - - | - |



---

|    |       |     |   |   |   |   |   |
|----|-------|-----|---|---|---|---|---|
| 72 | Total | 365 | - | - | - | - | - |
|----|-------|-----|---|---|---|---|---|

|    |                         |                      |   |   |   |   |   |
|----|-------------------------|----------------------|---|---|---|---|---|
| 73 | Beginning Balance Total | Worksheet P5-2.123.f | - | - | - | - | - |
|----|-------------------------|----------------------|---|---|---|---|---|

|    |  |                      |   |   |   |   |   |
|----|--|----------------------|---|---|---|---|---|
| 74 | Beginning Balance Not Subject to Proration | Worksheet P5-2.129.f | - | - | - | - | - |
|----|--|----------------------|---|---|---|---|---|

|    |  |                  |   |   |   |   |   |
|----|--|------------------|---|---|---|---|---|
| 75 | Beginning Balance Subject to Proration | (Line 59, Col H) | - | - | - | - | - |
|----|--|------------------|---|---|---|---|---|

|    |                      |                      |   |   |   |   |   |
|----|----------------------|----------------------|---|---|---|---|---|
| 76 | Ending Balance Total | Worksheet P5-2.123.g | - | - | - | - | - |
|----|----------------------|----------------------|---|---|---|---|---|

|    |   |                      |   |   |   |   |   |
|----|---|----------------------|---|---|---|---|---|
| 77 | Ending Balance Not Subject to Proration | Worksheet P5-2.129.g | - | - | - | - | - |
|----|---|----------------------|---|---|---|---|---|

|    |                                     |                      |   |   |   |   |   |
|----|-------------------------------------|----------------------|---|---|---|---|---|
| 78 | Ending Balance Subject to Proration | Worksheet P5-2.126.g | - | - | - | - | - |
|----|-------------------------------------|----------------------|---|---|---|---|---|

|    |                 |   |   |   |   |   |   |
|----|-----------------|---|---|---|---|---|---|
| 79 | Average Balance | Line 71 Col H + (Lines 74 + 77 Col H)/2 | - | - | - | - | - |
|----|-----------------|---|---|---|---|---|---|

|    |          |   |   |   |   |   |   |
|----|----------|---|---|---|---|---|---|
| 80 | Reserved | - | - | - | - | - | - |
|----|----------|---|---|---|---|---|---|

|    |                         |                        |   |   |   |   |   |
|----|-------------------------|------------------------|---|---|---|---|---|
| 81 | Amount for Attachment H | (Line 79 less line 80) | - | - | - | - | - |
|----|-------------------------|------------------------|---|---|---|---|---|

|    |  |                         |   |   |   |   |   |
|----|--|-------------------------|---|---|---|---|---|
| 82 | <b>Total Amount for Projected Attachment H</b> | <b>(Lines 27+54+81)</b> | - | - | - | - | - |
|----|--|-------------------------|---|---|---|---|---|

**El Paso Electric Company  
Worksheet P5-2**

**Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits—Details  
Estimated—For the 12 months ended 12/31/yyyy**

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

|    |          |   |   |        |   |   |   |   |
|----|----------|---|---|--------|---|---|---|---|
| 14 | Reserved | - | - | 0.000% | - | - | - | - |
| 15 | Reserved | - | - | 0.000% | - | - | - | - |
| 16 | Reserved | - | - | 0.000% | - | - | - | - |
| 17 | Reserved | - | - | 0.000% | - | - | - | - |
| 18 | Reserved | - | - | 0.000% | - | - | - | - |
| 19 | Reserved | - | - | 0.000% | - | - | - | - |
| 20 | Reserved | - | - | 0.000% | - | - | - | - |
| 21 | Reserved | - | - | 0.000% | - | - | - | - |
| 22 | Reserved | - | - | 0.000% | - | - | - | - |
| 23 | Reserved | - | - | 0.000% | - | - | - | - |
| 24 | Reserved | - | - | 0.000% | - | - | - | - |
| 25 | Reserved | - | - | 0.000% | - | - | - | - |
| 26 | Reserved | - | - | 0.000% | - | - | - | - |
| 27 | Reserved | - | - | 0.000% | - | - | - | - |
| 28 | Reserved | - | - | 0.000% | - | - | - | - |
| 29 | Reserved | - | - | 0.000% | - | - | - | - |
| 30 | Reserved | - | - | 0.000% | - | - | - | - |
| 31 | Reserved | - | - | 0.000% | - | - | - | - |
| 32 | Reserved | - | - | 0.000% | - | - | - | - |
| 33 | Reserved | - | - | 0.000% | - | - | - | - |
| 34 | Reserved | - | - | 0.000% | - | - | - | - |

|    |          |   |   |        |   |   |   |   |
|----|----------|---|---|--------|---|---|---|---|
|    |          | - | - |        | - | - |   |   |
| 35 | Reserved | - | - | 0.000% | - | - | - | - |
| 36 | Reserved | - | - | 0.000% | - | - | - | - |
| 37 | Reserved | - | - | 0.000% | - | - | - | - |
| 38 | Reserved | - | - | 0.000% | - | - | - | - |
| 39 | Reserved | - | - | 0.000% | - | - | - | - |
| 40 | Reserved | - | - | 0.000% | - | - | - | - |
| 41 | Reserved | - | - | 0.000% | - | - | - | - |
| 42 | Reserved | - | - | 0.000% | - | - | - | - |
| 43 | Reserved | - | - | 0.000% | - | - | - | - |
| 44 | Reserved | - | - | 0.000% | - | - | - | - |
| 45 | Reserved | - | - | 0.000% | - | - | - | - |

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

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

|    |  |   |   |
|----|--|---|---|
| 59 | Prorated Balances<br>Tax Reg Asset / Liab                      | - | - |
| 60 | Adjustments  | - | - |
| 61 | <b>Prorated Account 190 Balances<br/>After Adjustments</b>     | - | - |
| 62 | Non-Prorated Balances<br>Tax Reg Asset / Liab                  | - | - |
| 63 | Adjustments  | - | - |
| 64 | <b>Non-Prorated Account 190<br/>Balances After Adjustments</b> | - | - |

**ACCOUNT 282 ACCUMULATED DEFERRED INCOME TAXES – OTHER PROPERTY (Enter Negative)**

|    |  |   |   |        |   |   |   |   |
|----|--|---|---|--------|---|---|---|---|
| 65 | -Reserved  | - | - | 0.000% | - | - | - | - |
| 66 | -Reserved  | - | - | 0.000% | - | - | - | - |
| 67 | -Reserved  | - | - | 0.000% | - | - | - | - |
| 68 | -Reserved  | - | - | 0.000% | - | - | - | - |
| 69 | -Reserved  | - | - | 0.000% | - | - | - | - |
| 70 | -Reserved  | - | - | 0.000% | - | - | - | - |
| 71 | -Reserved  | - | - | 0.000% | - | - | - | - |
| 72 | -Reserved  | - | - | 0.000% | - | - | - | - |
| 73 | <b>Total Account 282<br/>Tax Reg Asset / Liab<br/>Adjustments (Note A)</b> | - | - | -      | - | - | - | - |
| 74 | Reserved   | - | - | 0.000% | - | - | - | - |
| 75 | Reserved   | - | - | 0.000% | - | - | - | - |
| 76 | <b>Total Account 282 After<br/>Adjustments</b>                             | - | - | -      | - | - | - | - |

|    |  |   |   |
|----|--|---|---|
| 77 | Prorated Balances<br>Tax Reg Asset / Liab                      | - | - |
| 78 | Adjustments  | - | - |
| 79 | <b>Prorated Account 282 Balances<br/>After Adjustments</b>     | - | - |
| 80 | Non-Prorated Balances<br>Tax Reg Asset / Liab                  | - | - |
| 81 | Adjustments  | - | - |
| 82 | <b>Non-Prorated Account 282<br/>Balances After Adjustments</b> | - | - |

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

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

| <b>ACCOUNT 283 ACCUMULATED DEFERRED INCOME TAXES—OTHER (Enter Negative)</b> |          |   |   |        |   |   |   |   |   |
|---|----------|---|---|--------|---|---|---|---|---|
| 83  | Reserved | - | - | 0.000% | - | - | - | - | - |
| 84  | Reserved | - | - | 0.000% | - | - | - | - | - |
| 85  | Reserved | - | - | 0.000% | - | - | - | - | - |
| 86  | Reserved | - | - | 0.000% | - | - | - | - | - |
| 87  | Reserved | - | - | 0.000% | - | - | - | - | - |
| 88  | Reserved | - | - | 0.000% | - | - | - | - | - |
| 89  | Reserved | - | - | 0.000% | - | - | - | - | - |

|     |          |   |   |        |   |   |   |   |
|-----|----------|---|---|--------|---|---|---|---|
|     |          | - | - |        | - | - |   |   |
| 90  | Reserved | - | - | 0.000% | - | - | - | - |
| 91  | Reserved | - | - | 0.000% | - | - | - | - |
| 92  | Reserved | - | - | 0.000% | - | - | - | - |
| 93  | Reserved | - | - | 0.000% | - | - | - | - |
| 94  | Reserved | - | - | 0.000% | - | - | - | - |
| 95  | Reserved | - | - | 0.000% | - | - | - | - |
| 96  | Reserved | - | - | 0.000% | - | - | - | - |
| 97  | Reserved | - | - | 0.000% | - | - | - | - |
| 98  | Reserved | - | - | 0.000% | - | - | - | - |
| 99  | Reserved | - | - | 0.000% | - | - | - | - |
| 100 | Reserved | - | - | 0.000% | - | - | - | - |
| 101 | Reserved | - | - | 0.000% | - | - | - | - |
| 102 | Reserved | - | - | 0.000% | - | - | - | - |
| 103 | Reserved | - | - | 0.000% | - | - | - | - |
| 104 | Reserved | - | - | 0.000% | - | - | - | - |
| 105 | Reserved | - | - | 0.000% | - | - | - | - |
| 106 | Reserved | - | - | 0.000% | - | - | - | - |
| 107 | Reserved | - | - | 0.000% | - | - | - | - |
| 108 | Reserved | - | - | 0.000% | - | - | - | - |
| 109 | Reserved | - | - | 0.000% | - | - | - | - |



|     |                          |   |   |        |   |   |   |   |
|-----|--------------------------|---|---|--------|---|---|---|---|
| 110 | Reserved                 | - | - | 0.000% | - | - | - | - |
| 111 | Reserved                 | - | - | 0.000% | - | - | - | - |
| 112 | Reserved                 | - | - | 0.000% | - | - | - | - |
| 113 | Reserved                 | - | - | 0.000% | - | - | - | - |
| 114 | Reserved                 | - | - | 0.000% | - | - | - | - |
| 115 | Reserved                 | - | - | 0.000% | - | - | - | - |
| 116 | Reserved                 | - | - | 0.000% | - | - | - | - |
| 117 | Reserved                 | - | - | 0.000% | - | - | - | - |
| 118 | Reserved                 | - | - | 0.000% | - | - | - | - |
| 119 | Reserved                 | - | - | 0.000% | - | - | - | - |
| 120 | <b>Total Account 283</b> | - | - | -      | - | - | - | - |

**El Paso Electric Company  
Worksheet P5-2**

**Projected Accumulated Deferred Income Taxes/Accumulated Deferred Investment Tax Credits—Details  
Estimated—For the 12 months ended 12/31/yyyy**

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

**Tax Reg Asset/  
Liab Adjustments  
(Note A)**

|     |          |   |   |  |        |  |  |   |   |
|-----|----------|---|---|--|--------|--|--|---|---|
| 121 | Reserved | - | - |  | 0.000% |  |  | - | - |
|-----|----------|---|---|--|--------|--|--|---|---|

|     |                           |   |   |        |   |   |   |
|-----|---------------------------|---|---|--------|---|---|---|
|     |                           |   |   | -      | - |   |   |
| 122 | Reserved                  | - | - | 0.000% | - | - | - |
|     | <b>Total Account 283</b>  |   |   |        |   |   |   |
| 123 | <b>After Adjustments</b>  |   |   |        | - | - |   |
| 124 | Prorated Balances         |   |   |        | - | - |   |
|     | Tax Reg Asset /           |   |   |        |   |   |   |
| 125 | Liab Adjustments          |   |   |        | - | - |   |
|     | <b>Prorated Account</b>   |   |   |        |   |   |   |
|     | <b>283 Balances After</b> |   |   |        |   |   |   |
| 126 | <b>Adjustments</b>        |   |   |        | - | - |   |
|     | Non-Prorated              |   |   |        |   |   |   |
| 127 | Balances                  |   |   |        | - | - |   |
|     | Tax Reg Asset /           |   |   |        |   |   |   |
| 128 | Liab Adjustments          |   |   |        | - | - |   |
|     | <b>Non-Prorated</b>       |   |   |        |   |   |   |
|     | <b>Account 283</b>        |   |   |        |   |   |   |
|     | <b>Balances After</b>     |   |   |        |   |   |   |
| 129 | <b>Adjustments</b>        |   |   |        | - | - |   |

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

|     |                                |   |   |    |          |   |   |   |   |
|-----|--------------------------------|---|---|----|----------|---|---|---|---|
| 130 | -Intangible                    | - | - | NP | 0.000%   | - | - | - | - |
| 131 | -Production                    | - | - | NA | 0.000%   | - | - | - | - |
| 132 | -Transmission                  | - | - | DA | 100.000% | - | - | - | - |
| 133 | -Distribution                  | - | - | NA | 0.000%   | - | - | - | - |
| 134 | -General Plant                 | - | - | NP | 0.000%   | - | - | - | - |
|     | <b>Total Account 255</b>       |   |   |    |          |   |   |   |   |
| 135 | <b>(266.8.b &amp; 267.8.h)</b> | - | - |    |          | - | - | - | - |
|     | Unrealized ITC                 |   |   |    |          |   |   |   |   |
| 136 | Adjustment                     |   |   |    |          | - | - | - | - |
|     | Account 255 balance            |   |   |    |          |   |   |   |   |
| 137 | after Unrealized               |   |   |    |          | - | - | - | - |

|     |                                 |   |
|-----|---------------------------------|---|
|     | Adjustment                      |   |
|     | <b>Average ITC</b>              |   |
| 138 | <b>Balance for Attachment H</b> | - |

Notes:

- A ~~The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts associated with tax related regulatory assets and liabilities other than excess / deficient deferred income taxes ("EDIT"). EDIT is calculated in schedules P6-1 and P6-2 and presented in Att H separately from ADIT.~~
- B ~~Each ADIT item is categorized into 1 of 7 categories. The selected category will will determine the Allocator applied to the ADIT balance.~~
  - 1) ~~Prod: The ADIT balance is 100% related to production of electricity and the NA Allocator is applied.~~
  - 2) ~~Retail: The ADIT balance is 100% related to retail operations and the NA Allocator is applied.~~
  - 3) ~~ONT: Other 100% Non-Transmission (Items other than Prod & Retail) related ADIT for which the NA Allocator is applied. Such items shall include:~~
    - ~~—ADIT related to the Income Tax Regaultory Assets and Liabilities~~
    - ~~—ADIT related to Pension and PBOP~~
    - ~~—Any other ADIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.~~
  - 4) ~~Trans: The ADIT balance is 100% related to transmission operations and the DA Allocator is applied.~~
  - 5) ~~Plant: The ADIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.~~
  - 6) ~~NPO: ADIT balances other than PP&E where the NP Allocator is applied.~~
  - 7) ~~Labor: The ADIT balance is labor related and the W/S Allocator is applied.~~
- C ~~Each ADIT Item must be categorized into balances that require proration and those that do not. ADIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".~~
- D ~~A=Actuals from most recent FERC Form 1 are used. P=A projection of the ADIT balance is calculated.~~
- E ~~The balance in Account 255 is directly allocated among types of depreciable plant based the amount of investment tax credit (ITC) allowed for each type of property. In accordance with the normalization requirements applicable to utilities, the Company has elected to reduce rate base by unamortized ITC rather than to reduce income tax expense by ITC amortization. Rate base is not reduced by unamortized ITC until the ITC has been utilized by the Company on its tax return.~~

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

**Proration Used for Projected Revenue Requirement Calculation**

| 1  | <b>EDIT included within Accounts 182.3 &amp; 254</b>       |                   |  |  |   | <b>Projection—Proration of Deferred Tax Activity</b>                            |  |   |
|----|--|-------------------|--|--|---|---|--|---|
| 2  | <b>Days in Period</b>                                      |                   |  |  |   |   |  |   |
|    | (a)  | (b)               | (c)  | (d)  | (e)   | (f)   | (g)  | (h)   |
|    | Month  | Days in the Month | Number of Days Remaining in Year After Month's Accrual of Deferred Taxes | Total Days in Future Portion of Test Period (Line 18, Col b) | Proration Amount (Lines 6 to 17, Col e / Col d) | Projected Monthly Activity ((Line 24 Col h - Line 21 Col h) / 12) (See Note 7.) | Prorated Projected Monthly Activity (Lines 6 to 17, Col e x Col f) | Prorated Projected Balance (Line 5, Col h plus Cumulative Sum of Col g) |
| 3  |  |                   |  |  |   |   |  |   |
| 4  |  |                   |  |  |   |   |  |   |
| 5  | December 31st balance Prorated Items (Worksheet P6 2.61.g) |                   |  |  |   |   |  | -   |
| 6  | January  | 31                | 335  | 365  | 91.78%  | -   | -  | -   |
| 7  | February   | 28                | 307  | 365  | 84.11%  | -   | -  | -   |
| 8  | March  | 31                | 276  | 365  | 75.62%  | -   | -  | -   |
| 9  | April  | 30                | 246  | 365  | 67.40%  | -   | -  | -   |
| 10 | May  | 31                | 215  | 365  | 58.90%  | -   | -  | -   |
| 11 | June   | 30                | 185  | 365  | 50.68%  | -   | -  | -   |
| 12 | July   | 31                | 154  | 365  | 42.19%  | -   | -  | -   |
| 13 | August   | 31                | 123  | 365  | 33.70%  | -   | -  | -   |
| 14 | September  | 30                | 93   | 365  | 25.48%  | -   | -  | -   |
| 15 | October  | 31                | 62   | 365  | 16.99%  | -   | -  | -   |
| 16 | November   |                   |  |  | 8.77%   |   |  |   |

|    |  |     |   |    |     |   |   |   |   |
|----|--|-----|---|----|-----|---|---|---|---|
|    |  | 30  |   | 32 | 365 |   | - | - | - |
| 17 | December                                   | 31  |   | 4  | 365 | 0.27%   | - | - | - |
| 18 | Total (sum of Lines 6-17)                  | 365 | - | -  | -   | -   | - | - | - |
| 19 | Beginning Balance Total                    |     |   |    |     | Worksheet P6 2.62.g   |   | - |   |
| 20 | Beginning Balance Not Subject to Proration |     |   |    |     | Worksheet P6 2.55.g<br>(Line 5, Col H)                            |   | - |   |
| 21 | Beginning Balance Subject to Proration     |     |   |    |     |   |   | - |   |
| 22 | Ending Balance Total                       |     |   |    |     | Worksheet P6 2.62.i   |   | - |   |
| 23 | Ending Balance Not Subject to Proration    |     |   |    |     | Worksheet P6 2.55.i   |   | - |   |
| 24 | Ending Balance Subject to Proration        |     |   |    |     | Worksheet P6 2.61.i<br>Line 17 Col N + (Lines 20 + 23<br>Col N)/2 |   | - |   |
| 25 | Average Balance                            |     |   |    |     |   |   | - |   |
| 26 | Reserved                                   |     |   |    |     | Reserved  |   | - |   |
| 27 | Amount for Attachment H                    |     |   |    |     | (Line 25 less line 26)  |   | - |   |

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

| No. | (a) | mmm-<br>yyyy<br>(b) | yyyy<br>(c) | yyyy<br>(d) | mmm-<br>yyyy<br>(e) | (f) | mmm-<br>yyyy<br>(g) | yyyy<br>(h) | mmm-<br>yyyy<br>(i) | (j) | (k) | (l) |
|-----|-----|---------------------|-------------|-------------|---------------------|-----|---------------------|-------------|---------------------|-----|-----|-----|
|-----|-----|---------------------|-------------|-------------|---------------------|-----|---------------------|-------------|---------------------|-----|-----|-----|

| Line No. | Item | BOY Balance (Note D) | Current Period Amortization | Current Period Other Activity (Note C) | EOY Balance (Note D) | Allocator | BOY Allocated Amount | Amortization Allocated | EOY Allocated Amount | Prorated (Yes/No) (Note B) | Amort Period or Method | Explanation (Note A) |
|----------|------|----------------------|-----------------------------|--|----------------------|-----------|----------------------|------------------------|----------------------|----------------------------|------------------------|----------------------|
|----------|------|----------------------|-----------------------------|--|----------------------|-----------|----------------------|------------------------|----------------------|----------------------------|------------------------|----------------------|

|  |
|--|
| <b>NON-PLANT UNPROTECTED EDIT INCLUDED WITHIN ACCOUNTS 182.3 &amp; 254</b> |
|--|

|    |          |   |   |   |   |    |        |   |   |   |    |   |       |
|----|----------|---|---|---|---|----|--------|---|---|---|----|---|-------|
| 1  | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |
| 2  | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |
| 3  | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |
| 4  | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |
| 5  | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |
| 6  | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |
| 7  | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |
| 8  | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |
| 9  | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |
| 10 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |
| 11 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - | _____ |

|    |          |   |   |   |   |    |        |   |   |   |   |    |   |       |
|----|----------|---|---|---|---|----|--------|---|---|---|---|----|---|-------|
| 12 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 13 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 14 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 15 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 16 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 17 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 18 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 19 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 20 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 21 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 22 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 23 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 24 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 25 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 26 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 27 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 28 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 29 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 30 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 31 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |
| 32 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | - | No | - | _____ |

|    |          |   |   |   |   |    |        |   |   |   |    |   |
|----|----------|---|---|---|---|----|--------|---|---|---|----|---|
|    |          | - | - | - | - | -  | -      | - | - | - | -  | - |
| 33 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - |
| 34 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - |
| 35 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - |
| 36 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - |
| 37 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - |
| 38 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - |
| 39 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - |
| 40 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - |
| 41 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - |
| 42 | Reserved | - | - | - | - | NA | 0.000% | - | - | - | No | - |



**El Paso Electric Company  
Worksheet P6-2**

**Accumulated Excess Deferred Income Taxes/Accumulated Deferred Investment Tax Credits—Details  
Estimated—For the 12 months ended 12/31/yyyy**

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

|    |   |   |   |   |   |        |   |   |   |   |   |
|----|---|---|---|---|---|--------|---|---|---|---|---|
| 58 | Reserved  | - | - | - | - | 0.000% | - | - | - | - | - |
| 59 | Reserved  | - | - | - | - | 0.000% | - | - | - | - | - |
| 60 | Reserved  | - | - | - | - | 0.000% | - | - | - | - | - |
| 61 | <b>Total Plant</b>                                  | - | - | - | - |        | - | - | - | - | - |
| 62 | <b>Total Excess/Deficient Deferred Income Taxes</b> | - | - | - | - |        | - | - | - | - | - |

Notes:

- A Each EDIT item is categorized into 1 of 7 categories. The selected category will determine the Allocator applied to the EDIT balance.
- 1) Prod: The EDIT balance is 100% related to production of electricity and the NA Allocator is applied.
  - 2) Retail: The EDIT balance is 100% related to retail operations and the NA Allocator is applied.
  - 3) ONT: Other 100% Non Transmission (Items other than Prod & Retail) related EDIT for which the NA Allocator is applied. Such items shall include:
    - EDIT related to Pension and PBOP
    - Any other EDIT if not separately removed in other categories that relates to regulatory assets and liabilities that are not included in rate base.
  - 4) Trans: The EDIT balance is 100% related to transmission operations and the DA Allocator is applied.
  - 5) Plant: The EDIT balance is related to Property, Plant, & Equipment "PP&E" and the NP Allocator is applied.
  - 6) NPO: EDIT balances other than PP&E where the NP Allocator is applied.
  - 7) Labor: The EDIT balance is labor related and the W/S Allocator is applied.
- B Each EDIT Item must be categorized into balances that require proration and those that do not. EDIT items with a "Plant" Explanation code will be designated "Yes" for proration treatment and all other Items will be designated "No".
- C Includes the impact of tax rate changes enacted during the period.
- D EDIT balances exclude income tax gross-ups recorded to accounts 182.3 and 254

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

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

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

| <u>Line No.</u> | <u>Description</u>   | <u>Reference</u>                                    | <u>Amount</u> |
|-----------------|--|---|---------------|
| 1               | <b>Revenue Requirement</b>   |   |               |
| 2               | Total Load Dispatch and Scheduling (Account 561)                             | 321.85-92.b   | \$ _____      |
| 3               | Less: Scheduling, System Control & Dispatch Services (Account 561.4)         | 321.88.b  | \$ _____      |
| 4               | Less: Reliability, Planning and Standards Development (Account 561.5)        | 321.89.b  | \$ _____      |
| 5               | Less: Transmission Service Studies (Account 561.6)                           | 321.90.b  | \$ _____      |
| 6               | Less: Generation Interconnection Studies (Account 561.7)                     | 321.91.b  | \$ _____      |
| 7               | Less: Reliability, Planning & Standards Development Services (Account 561.8) | 321.92.b  | \$ _____      |
| 8               | Total 561 Costs for Schedule 1 Annual Rev Req                                | Sum Lines 2 through 7                               | \$ _____      |
| 9               |  |   |               |
| 10              | Less: Schedule 1 Point to Point Revenues                                     | Company records                                     | \$ _____      |
| 11              |  |   |               |
| 12              | Actual Schedule 1 Annual Rev Req (before True Up)                            | Line 8—Line 10                                      | \$ _____      |
| 13              |  |   |               |
| 14              | <b>True Up Adjustment</b>  |   |               |
| 15              | Actual Revenue Requirement   | Line 8  | \$ _____      |
| 16              | Originally Projected Revenue Requirement without True Up Adjustment          | Previous Filing (Note B)                            | \$ _____      |
| 17              | True-up Amount (before interest)   | Line 15—Line 16                                     | \$ _____      |
| 18              | Interest Rate on True-up Amount  | (Worksheet TU, Line 33)<br>Line 17 * Line 18 * 24 / | 0.0000%       |
| 19              | Interest on True-up Amount   | 12  | _____         |
| 20              | True-up Adjustment   | Line 17 + Line 19                                   | \$ _____      |
| 21              |  |   |               |
| 22              | <b>Net Schedule 1 Annual Rev Req</b>   | Line 12 + Line 20 (Note A)                          | \$ _____      |
| 23              |  |   |               |
| 24              | <b>Divisor</b>   |   |               |
| 25              | —Divisor (kW)  | (Worksheet P3, Line 15)                             | _____         |

26

27

**Rates**

28

—Annual \$ \_\_\_\_\_ /kW-year

29

—Monthly 12 months/year \$ \_\_\_\_\_ /kW-month

30

—Weekly 52 weeks/year \$ \_\_\_\_\_ /kW-week

31

—Daily On Peak 6 days/week \$ \_\_\_\_\_ /kW-day

32

—Daily Off Peak 7 days/week \$ \_\_\_\_\_ /kW-day

33

—Hourly On Peak 16 hours/day \$ \_\_\_\_\_ /MW-hour

34

—Hourly Off Peak 24 hours/day \$ \_\_\_\_\_ /MW-hour

Notes

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

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

|   |   |   |   |
|---|---|---|---|
| - |   |   |   |
| - |   | - | - |
| - |   | - | - |
|   | - |   |   |

**El Paso Electric Company**  
Formula Rate Template  
Table of Contents

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

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

---

| <u>Line No.</u> | <u>Description</u> | <u>Reference</u>       | <u>Total Comp any Amount</u> | <u>Network Allocator<sup>4</sup></u> | <u>Network Transmission</u> |
|-----------------|--------------------|------------------------|------------------------------|--------------------------------------|-----------------------------|
|                 | <u>[a]</u>         | <u>[b]<sup>5</sup></u> | <u>[c]</u>                   | <u>Code</u> <u>%</u>                 | <u>[f] = [c] x [e]</u>      |

**SECTION I: RATE SUMMARY**

|           |  |   |          |  |          |
|-----------|--|---|----------|--|----------|
| <u>1</u>  | <u>Gross Revenue Requirement</u>                     | <u>Ln. 86</u>                                 |          |  |          |
|           | <u>Revenue Credits</u>                               |   |          |  |          |
| <u>2</u>  | <u>Rent from Electric Property (Account No. 454)</u> | <u>Worksheet A3, Ln. 9 Cols. [i] and [l]</u>  |          |  |          |
| <u>3</u>  | <u>Other Electric Revenues (Account No. 456.1)</u>   | <u>Worksheet A3, Ln. 26 Cols. [i] and [l]</u> |          |  |          |
| <u>4</u>  | <u>Incremental Palo Verde Revenue Credit</u>         | <u>Worksheet A3, Ln. 27 Cols. [i] and [l]</u> |          |  |          |
| <u>5</u>  | <u>Total Revenue Credits</u>                         | <u>Sum Lns. (2 through 4)</u>                 | <u>=</u> |  | <u>=</u> |
| <u>6</u>  | <u>Net Revenue Requirement</u>                       | <u>Lns. (1 - 5)</u>                           | <u>=</u> |  | <u>=</u> |
| <u>7</u>  | <u>Divisor (kW)</u>                                  | <u>Worksheet A2, Ln. 16</u>                   |          |  |          |
|           | <u>Rates</u>   |   |          |  |          |
| <u>8</u>  | <u>Annual (MW-year)</u>                              | <u>Lns. (6 / 7) x 1,000</u>                   |          |  |          |
| <u>9</u>  | <u>Monthly (MW-month)</u>                            | <u>Ln. 8 / 12.0 Months</u>                    |          |  |          |
| <u>10</u> | <u>Weekly (MW-week)</u>                              | <u>Ln. 8 / 52.0 Weeks</u>                     |          |  |          |
| <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> | <u>Hourly On-Peak (MW-hour)</u>                      | <u>Ln. 11 / 16.0 Hours</u>                    |          |  |          |
| <u>14</u> | <u>Hourly Off-Peak (MW-hour)</u>                     | <u>Ln. 12 / 24.0 Hours</u>                    |          |  |          |

**SECTION II: RATE BASE**





|  |  |  |          |           |
|--|--|--|----------|-----------|
| 39   | <u>Land and Land Rights Held for Future Use</u>                      | <u>Worksheet A14, Ln. 2, Cols. [q] and [t]</u> |          |           |
|  | <u>Working Capital</u>   |  |          |           |
| 40   | <u>Cash Working Capital<sup>2</sup></u>                              | <u>Ln. 58 x 1/8</u>                            |          |           |
| 41   | <u>Material and Supplies (Transmission)</u>                          | <u>Worksheet A15, Ln. 15</u>                   |          | <u>TP</u> |
| 42   | <u>Material and Supplies (Stores Expense)</u>                        | <u>Worksheet A15, Ln. 15</u>                   |          | <u>WS</u> |
| 43   | <u>Prepayments</u>   | <u>Worksheet A15, Ln. 15</u>                   |          | <u>GP</u> |
| 44   | <u>Total Working Capital</u>   | <u>Sum Lns. (40 through 43)</u>                | <u>=</u> | <u>=</u>  |
| 45   | <u>Rate Base</u>   | <u>Lns. (29 + 30 + 38 + 39 + 44)</u>           | <u>=</u> | <u>=</u>  |
| <br><b><u>SECTION III: COST OF SERVICE</u></b> |  |  |          |           |
|  | <u>Adjusted Transmission O&amp;M</u>                                 |  |          |           |
| 46   | <u>Transmission O&amp;M Expenses</u>                                 | <u>Worksheet A1, Ln. 57</u>                    |          | <u>TP</u> |
| 47   | <u>Less: Account Nos. 561.1-561.8 (Load Dispatch)</u>                | <u>Worksheet A1, Sum Lns. (48 through 55)</u>  |          | <u>TP</u> |
| 48   | <u>Less: Account No. 565 (Transmission of Electricity by Others)</u> | <u>Worksheet A1, Ln. 56</u>                    |          | <u>TP</u> |
| 49   | <u>Total Adjusted Transmission O&amp;M</u>                           | <u>Lns. (46 - 47 - 48)</u>                     | <u>=</u> | <u>=</u>  |
|  | <u>Adjusted A&amp;G</u>  |  |          |           |
|  | <u>A&amp;G (Excluding Property Insurance and Regulatory</u>          |  |          |           |
| 50   | <u>Commission Expense)</u>   | <u>Worksheet A1, Lns. (61 - 58 - 59)</u>       |          | <u>WS</u> |
| 51   | <u>Less: Non-Recoverable A&amp;G</u>                                 | <u>Worksheet A16, Ln. 5</u>                    |          | <u>WS</u> |
| 52   | <u>Plus: Property Insurance</u>                                      | <u>Worksheet A1, Ln. 58</u>                    |          | <u>GP</u> |
| 53   | <u>Plus: Regulatory Commission Expense</u>                           | <u>Worksheet A16, Lns. 7 and 9</u>             |          |           |
| 54   | <u>Less: Actual OPEB Expense</u>                                     | <u>Worksheet A16, Ln. 6</u>                    |          | <u>WS</u> |
| 55   | <u>Plus: Fixed OPEB Expense</u>                                      | <u>Fixed Amount<sup>3</sup></u>                |          | <u>WS</u> |
| 56   | <u>Total Adjusted A&amp;G</u>  | <u>Lns. (50 - 51 + 52 + 53 - 54 + 55)</u>      | <u>=</u> | <u>=</u>  |
| 57   | <u>Hold Harmless Expense Adjustments</u>                             | <u>Worksheet A13, Ln. 2, Cols. [d] and [g]</u> |          |           |
| 58   | <u>Total Operating Expenses</u>                                      | <u>Lns. (49 + 56 + 57)</u>                     | <u>=</u> | <u>=</u>  |

Depreciation and Amortization<sup>1</sup>

|           |   |  |           |
|-----------|---|--|-----------|
| <u>59</u> | <u>Transmission</u>                           | <u>Worksheet A1, Lns. (65 - 66)</u>            | <u>TP</u> |
| <u>60</u> | <u>General &amp; Intangible</u>               | <u>Worksheet A1, Lns. (63 - 64 + 67 - 68)</u>  | <u>WS</u> |
| <u>61</u> | <u>Amortization of Abandoned Plant</u>        | <u>Worksheet A11, Ln. 2, Cols. [h] and [l]</u> |           |
| <u>62</u> | <u>Amortization of Regulatory Assets</u>      | <u>Worksheet A10, Ln. 3, Cols. [i] and [m]</u> |           |
| <u>63</u> | <u>Amortization of Regulatory Liabilities</u> | <u>Worksheet A10, Ln. 4, Cols. [i] and [m]</u> |           |
| <u>64</u> | <u>Total Depreciation and Amortization</u>    | <u>Sum Lns. (59 through 63)</u>                | <u>=</u>  |

Taxes Other than Income Taxes

|           |  |                                 |           |
|-----------|--|---------------------------------|-----------|
| <u>65</u> | <u>Payroll</u>                             | <u>Worksheet A17, Ln. 2</u>     | <u>WS</u> |
| <u>66</u> | <u>Highway and Vehicle</u>                 | <u>Worksheet A17, Ln. 4</u>     | <u>WS</u> |
| <u>67</u> | <u>Property</u>                            | <u>Worksheet A17, Ln. 6</u>     | <u>NP</u> |
| <u>68</u> | <u>Gross Receipts</u>                      | <u>Worksheet A17, Ln. 8</u>     | <u>NA</u> |
| <u>69</u> | <u>Other</u>                               | <u>Worksheet A17, Ln. 10</u>    | <u>GP</u> |
| <u>70</u> | <u>Total Taxes Other than Income Taxes</u> | <u>Sum Lns. (65 through 69)</u> | <u>=</u>  |

Return on Rate Base

|           |   |  |          |
|-----------|---|--|----------|
| <u>71</u> | <u>Weighted Cost of Long-Term Debt</u>  | <u>Worksheet A18, Ln. 18, Col. [g]</u> |          |
| <u>72</u> | <u>Weighted Cost of Common Equity</u>   | <u>Worksheet A18, Ln. 18, Col. [f]</u> |          |
| <u>73</u> | <u>Weighted Average Cost of Capital</u> | <u>Lns. (71 + 72)</u>                  | <u>=</u> |
| <u>74</u> | <u>Return on Equity</u>                 | <u>Lns. (45 x 72)</u>                  |          |
| <u>75</u> | <u>Interest Expense</u>                 | <u>Lns. (45 x 71)</u>                  |          |
| <u>76</u> | <u>Total Return on Rate Base</u>        | <u>Lns. (74 + 75)</u>                  | <u>=</u> |

Income Tax Computations

|           |   |  |  |
|-----------|---|--|--|
| <u>77</u> | <u>Composite Income Tax Rate (T)</u>                          | <u>Worksheet A19, Ln. 8</u>                    |  |
| <u>78</u> | <u>Composite Income Tax Rate Gross-Up Rate</u>                | <u>Ln. 77 / (1.0 - Ln. 77)</u>                 |  |
| <u>79</u> | <u>Amortization of Excess/Deficient Deferred Income Taxes</u> | <u>Worksheet A9, Ln. 9, Col. [dd] x -1.0</u>   |  |
| <u>80</u> | <u>Permanent Differences</u>                                  | <u>Worksheet A20, Ln. 8, Cols. [b] and [e]</u> |  |

Income Taxes

|           |                                    |                       |  |
|-----------|------------------------------------|-----------------------|--|
| <u>81</u> | <u>Income Tax on Equity Return</u> | <u>Lns. (74 x 78)</u> |  |
|-----------|------------------------------------|-----------------------|--|

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

**Notes and Sources:**

- 1 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.
- 3 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.
- 4 Throughout this Formula Rate Template (Actuals), network allocators are sourced from Worksheet A22.
- 5 Throughout this Formula Rate Template yellow-shaded cells are sourced from Company manual inputs.

| Line No.                             | Description  | Reference  | Beginning of Year Input | Current Year/End of Year Input |
|--------------------------------------|--|--|-------------------------|--------------------------------|
| [a]                                  | [b]  | [c]  | [d]                     |                                |
| 1                                    | <a href="#">Year of FERC Form No. 1 Inputs (Historic True-Up Year)</a>   | <a href="#">Manual Input (Enter as "1/1/YYYY")</a>     |                         | <a href="#">1/1/2020</a>       |
| 2                                    | <a href="#">Year of Rate Projections (Rate Year)</a>                     | <a href="#">Manual Input (Enter as "1/1/YYYY")</a>     |                         | <a href="#">1/1/2022</a>       |
| <a href="#">Balance Sheet Inputs</a> |  |  |                         |                                |
| 3                                    | <a href="#">Prepayments</a>  | <a href="#">Page 111, Line 57, Columns (c) and (d)</a> |                         |                                |
| 4                                    | <a href="#">Unamortized Debt Expenses (181)</a>                          | <a href="#">Page 111, Line 69, Columns (c) and (d)</a> |                         |                                |
| 5                                    | <a href="#">Unamortized Loss on Reaquired Debt (189)</a>                 | <a href="#">Page 111, Line 81, Columns (c) and (d)</a> |                         |                                |
| 6                                    | <a href="#">Preferred Stock Issued (204)</a>                             | <a href="#">Page 112, Line 3, Columns (c) and (d)</a>  |                         |                                |
| 7                                    | <a href="#">Unappropriated Undistributed Subsidiary Earnings (216.1)</a> | <a href="#">Page 112, Line 12, Columns (c) and (d)</a> |                         |                                |
| 8                                    | <a href="#">Accumulated Other Comprehensive Income (219)</a>             | <a href="#">Page 112, Line 15, Columns (c) and (d)</a> |                         |                                |
| 9                                    | <a href="#">Total Proprietary Capital</a>                                | <a href="#">Page 112, Line 16, Columns (c) and (d)</a> |                         |                                |
| 10                                   | <a href="#">Total Long-Term Debt</a>                                     | <a href="#">Page 112, Line 24, Columns (c) and (d)</a> |                         |                                |
| 11                                   | <a href="#">Unamortized Gain on Reaquired Debt (257)</a>                 | <a href="#">Page 113, Line 61, Columns (c) and (d)</a> |                         |                                |
| <a href="#">Interest Charges</a>     |  |  |                         |                                |
| 12                                   | <a href="#">Interest on Long-Term Debt (427)</a>                         | <a href="#">Page 117, Line 62, Column (c)</a>          |                         |                                |
| 13                                   | <a href="#">Amortization of Debt Discount and Expense (428)</a>          | <a href="#">Page 117, Line 63, Column (c)</a>          |                         |                                |
| 14                                   | <a href="#">Amortization of Loss on Reaquired Debt (428.1)</a>           | <a href="#">Page 117, Line 64, Column (c)</a>          |                         |                                |
| 15                                   | <a href="#">Amortization of Premium on Debt-Credit (429)</a>             | <a href="#">Page 117, Line 65, Column (c)</a>          |                         |                                |
| 16                                   | <a href="#">Amortization of Gain on Reaquired Debt-Credit (429.1)</a>    | <a href="#">Page 117, Line 66, Column (c)</a>          |                         |                                |
| 17                                   | <a href="#">Interest on Debt to Associated Companies (430)</a>           | <a href="#">Page 117, Line 67, Column (c)</a>          |                         |                                |

|    |  |  |  |
|----|--|--|--|
| 18 | <u>Amortization of Other Utility Plant</u>                 | <u>Page 200, Line 21, Column (c) (for respective yr)</u> |  |
|    | <u>End of Year Gross Plant in Service Balances</u>         |  |  |
| 19 | <u>Total Intangible Plant</u>                              | <u>Pages 204-205, Line 5, Columns (b) and (g)</u>        |  |
| 20 | <u>Asset Retirement Costs (Steam Production Plant)</u>     | <u>Pages 204-205, Line 15, Columns (b) and (g)</u>       |  |
| 21 | <u>Asset Retirement Costs (Nuclear Production Plant)</u>   | <u>Pages 204-205, Line 24, Columns (b) and (g)</u>       |  |
| 22 | <u>Asset Retirement Costs (Hydraulic Production Plant)</u> | <u>Pages 204-205, Line 34, Columns (b) and (g)</u>       |  |
| 23 | <u>Asset Retirement Costs (Other Production Plant)</u>     | <u>Pages 204-205, Line 44, Columns (b) and (g)</u>       |  |
| 24 | <u>Total Production Plant</u>                              | <u>Pages 204-205, Line 46, Columns (b) and (g)</u>       |  |
| 25 | <u>Asset Retirement Costs (Transmission Plant)</u>         | <u>Pages 206-207, Line 57, Columns (b) and (g)</u>       |  |
| 26 | <u>Total Transmission Plant</u>                            | <u>Pages 206-207, Line 58, Columns (b) and (g)</u>       |  |
| 27 | <u>Asset Retirement Costs (Distribution Plant)</u>         | <u>Pages 206-207, Line 74, Columns (b) and (g)</u>       |  |
| 28 | <u>Total Distribution Plant</u>                            | <u>Pages 206-207, Line 75, Columns (b) and (g)</u>       |  |
| 29 | <u>Asset Retirement Costs (General Plant)</u>              | <u>Pages 206-207, Line 98, Columns (b) and (g)</u>       |  |
| 30 | <u>Total General Plant</u>                                 | <u>Pages 206-207, Line 99, Columns (b) and (g)</u>       |  |
| 31 | <u>Land and Rights Held for Future Use</u>                 | <u>Page 214, Lines 1 through 20, Column (d)</u>          |  |
| 32 | <u>Construction Work in Progress</u>                       | <u>Page 216, Line 43, Column (b)</u>                     |  |

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

|    |                     |                                      |  |
|----|---------------------|--------------------------------------|--|
| 37 | <u>Transmission</u> | <u>Page 219, Line 25, Column (c)</u> |  |
| 38 | <u>Distribution</u> | <u>Page 219, Line 26, Column (c)</u> |  |
| 39 | <u>General</u>      | <u>Page 219, Line 28, Column (c)</u> |  |

Materials and Supplies Balances

|    |   |   |  |
|----|---|---|--|
| 40 | <u>Transmission Plant (Estimated) (154)</u> | <u>Page 227, Line 8, Columns (b) and (c)</u>  |  |
| 41 | <u>Stores Expense Undistributed) (163)</u>  | <u>Page 227, Line 16, Columns (b) and (c)</u> |  |

Accumulated Deferred Income Taxes and ITCs

|    |                        |   |  |
|----|------------------------|---|--|
| 42 | <u>Account No. 190</u> | <u>Page 234, Line 8, Columns (b) and (c)</u>      |  |
| 43 | <u>Account No. 255</u> | <u>Pages 266-267, Line 8, Columns (b) and (h)</u> |  |
| 44 | <u>Account No. 282</u> | <u>Pages 274-275, Line 2, Columns (b) and (k)</u> |  |
| 45 | <u>Account No. 283</u> | <u>Pages 276-277, Line 9, Columns (b) and (k)</u> |  |

Other Revenues

|    |  |                                      |  |
|----|--|--------------------------------------|--|
| 46 | <u>Rent from Electric Property (454)</u>                           | <u>Page 300, Line 19, Column (b)</u> |  |
| 47 | <u>Revenues from Transmission of Electricity of Others (456.1)</u> | <u>Page 300, Line 22, Column (b)</u> |  |

Operating Expenses

|    |   |                                       |  |
|----|---|---------------------------------------|--|
| 48 | <u>Load Dispatch-Reliability (561.1)</u>                                | <u>Page 321, Line 85, Column (b)</u>  |  |
| 49 | <u>Load Dispatch-Monitor and Operate Transmission System (561.2)</u>    | <u>Page 321, Line 86, Column (b)</u>  |  |
| 50 | <u>Load Dispatch-Transmission Service and Scheduling (561.3)</u>        | <u>Page 321, Line 87, Column (b)</u>  |  |
| 51 | <u>Scheduling, System Control and Dispatch Services (561.4)</u>         | <u>Page 321, Line 88, Column (b)</u>  |  |
| 52 | <u>Reliability, Planning and Standards Development (561.5)</u>          | <u>Page 321, Line 89, Column (b)</u>  |  |
| 53 | <u>Transmission Service Studies (561.6)</u>                             | <u>Page 321, Line 90, Column (b)</u>  |  |
| 54 | <u>Generation Interconnection Studies (561.7)</u>                       | <u>Page 321, Line 91, Column (b)</u>  |  |
| 55 | <u>Reliability, Planning and Standards Development Services (561.8)</u> | <u>Page 321, Line 92, Column (b)</u>  |  |
| 56 | <u>Transmission of Electricity by Others (565)</u>                      | <u>Page 321, Line 96, Column (b)</u>  |  |
| 57 | <u>Total Transmission Expenses</u>                                      | <u>Page 321, Line 112, Column (b)</u> |  |

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

|  |
|--|
|  |
|  |
|  |
|  |
|  |
|  |

Adjustment per  
the Docket ER22-  
282 Settlement      Adjusted Amount

|    |  |   |
|----|--|---|
|    | <a href="#">Depreciation and Amortization Charges</a>              |   |
| 63 | <a href="#">Total (Intangible Plant)</a>                           | <a href="#">Page 336, Line 1, Column (f)</a>  |
| 64 | <a href="#">Depreciation Expense for AROs (Intangible Plant)</a>   | <a href="#">Page 336, Line 1, Column (c)</a>  |
| 65 | <a href="#">Total (Transmission Plant)</a>                         | <a href="#">Page 336, Line 7, Column (f)</a>  |
| 66 | <a href="#">Depreciation Expense for AROs (Transmission Plant)</a> | <a href="#">Page 336, Line 7, Column (c)</a>  |
| 67 | <a href="#">Total (General Plant)</a>                              | <a href="#">Page 336, Line 10, Column (f)</a> |
| 68 | <a href="#">Depreciation Expense for AROs (General Plant)</a>      | <a href="#">Page 336, Line 10, Column (c)</a> |

|  |  |  |
|--|--|--|
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

[Distribution of Salaries and Wages](#)

|    |  |   |
|----|--|---|
| 69 | <a href="#">Production</a>                         | <a href="#">Page 354, Line 20, Column (b)</a> |
| 70 | <a href="#">Transmission</a>                       | <a href="#">Page 354, Line 21, Column (b)</a> |
| 71 | <a href="#">Distribution</a>                       | <a href="#">Page 354, Line 23, Column (b)</a> |
| 72 | <a href="#">Customer Accounts</a>                  | <a href="#">Page 354, Line 24, Column (b)</a> |
| 73 | <a href="#">Customer Service and Informational</a> | <a href="#">Page 354, Line 25, Column (b)</a> |
| 74 | <a href="#">Sales</a>                              | <a href="#">Page 354, Line 26, Column (b)</a> |

|  |
|--|
|  |
|  |
|  |
|  |
|  |
|  |

[Firm Network Service for Self](#)

|    |                          |  |
|----|--------------------------|--|
| 75 | <a href="#">January</a>  | <a href="#">Page 400, Line 1, Column (e)</a> |
| 76 | <a href="#">February</a> | <a href="#">Page 400, Line 2, Column (e)</a> |
| 77 | <a href="#">March</a>    | <a href="#">Page 400, Line 3, Column (e)</a> |
| 78 | <a href="#">April</a>    | <a href="#">Page 400, Line 5, Column (e)</a> |
| 79 | <a href="#">May</a>      | <a href="#">Page 400, Line 6, Column (e)</a> |

|  |
|--|
|  |
|  |
|  |
|  |
|  |
|  |







134   December                      Page 400, Line 15, Column (i)

\_\_\_\_\_

Other Service

135   January                      Page 400, Line 1, Column (i)

\_\_\_\_\_

136   February                      Page 400, Line 2, Column (j)

\_\_\_\_\_

137   March                      Page 400, Line 3, Column (j)

\_\_\_\_\_

138   April                      Page 400, Line 5, Column (i)

\_\_\_\_\_

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:**

1   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.

=====

| Line No. | Month<br>[a]                              | Firm Network for Self<br>[b]              | Firm Network Service for Others<br>[c]    | Long-Term Firm Point to Point Reservations<br>[d] | Other Long-Term Firm Service<br>[e]         | Short Term Firm Point to Point Reservation<br>[f] | Other Service<br>[g]                        | Transmission System Peak Load<br>[h]=Sum([b]-[g]) | 12-Month Coincident Peak Average <sup>1</sup><br>[i]=[h]-[f] |
|----------|---|---|---|---|---|---|---|---|--|
| 1        | <i>Reference for Monthly Loads</i>        | <i>Worksheet A1, Lns. (75 through 86)</i> | <i>Worksheet A1, Lns. (87 through 98)</i> | <i>Worksheet A1, Lns. (99 through 110)</i>        | <i>Worksheet A1, Lns. (111 through 122)</i> | <i>Worksheet A1, Lns. (123 through 134)</i>       | <i>Worksheet A1, Lns. (135 through 146)</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 12-month CP average includes all load with the exception of Short-Term Firm Point-to-Point load.



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

**Notes and Sources:**

<sup>1</sup> Unless otherwise stated, source of shaded cells is company input/records.  
<sup>2</sup> 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 Form No. 1.  
<sup>3</sup> 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.  
<sup>4</sup> 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. 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.  
<sup>5</sup> 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>Line No.</u> | <u>Path</u>   | <u>Description</u>                               | <u>Reference</u>  | <u>Amount</u> <sup>1, 2</sup> |
|-----------------|---|--|-------------------|-------------------------------|
| [a]             | [b]   | [c]  | [d]               |                               |
| <b>1</b>        | <b><u>Long Term Firm PV-WW</u></b>                    |  |                   |                               |
| 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               |   |  |                   | =                             |
| <b>9</b>        | <b><u>Long Term Firm PV-JO-KY</u></b>                 |  |                   |                               |
| 10              |   | Revenue included in FF1 (\$)                     | Company Records   | =                             |
| 11              |   | Revenue Calculated at Formula Rate               |                   | =                             |
| 12              |   | Annual Demand (MW)                               | Company Records   | =                             |
| 13              |   | Applicable Firm Annual Formula Rate (\$/MW-year) | Company Records   | =                             |
| 14              |   | Revenue at Annual Formula Rate (\$)              | Line 12 x Line 13 | =                             |
| 15              |   | Incremental Revenue Credit (\$)                  | Line 10 - Line 14 | =                             |
| 16              |   |  |                   | =                             |
| <b>17</b>       | <b><u>Total Incremental PV LTF Revenue Credit</u></b> |  |                   | =                             |

**Notes and Sources:**

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

1

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. | Description <sup>2</sup>  | FERC Approval Docket | Recovery % Approved <sup>3</sup> | Construction Start Date | Estimated In-Service Date | BALANCES |          |          |          |          |          | BALANCES |          |          |          |          |          | Average CWIP | Network Allocator          |      | Network Transmission Balance | Network Allocator Justification <sup>4</sup> |     |
|----------|---|----------------------|----------------------------------|-------------------------|---------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------|----------------------------|------|------------------------------|--|-----|
|          |   |                      |                                  |                         |                           | 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 |                              |  | %   |
|          | [a]   | [b]                  | [c]                              | [d]                     | [e]                       | [f]      | [g]      | [h]      | [i]      | [j]      | [k]      | [l]      | [m]      | [n]      | [o]      | [p]      | [q]      | [r]          | [s]=Avg. ([f] through [r]) | [t]  | [u]                          | [v]=[s]x[c]x[u]                              | [w] |
| 1a       |   |                      |                                  |                         |                           |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      |                              |  |     |
| 1b       |   |                      |                                  |                         |                           |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      |                              |  |     |
| 1c       |   |                      |                                  |                         |                           |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      |                              |  |     |
|          |   |                      |                                  |                         |                           |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      |                              |  |     |
|          |   |                      |                                  |                         |                           |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      |                              |  |     |
|          |   |                      |                                  |                         |                           |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      |                              |  |     |
| 1zz      |   |                      |                                  |                         |                           |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      |                              |  |     |
| 2        | Total Construction Work in Progress (Sum Lns. (1a through 1zz)) |                      |                                  |                         |                           |          |          |          |          |          |          |          |          |          |          |          |          |              |                            |      |                              |  |     |

**Notes and Sources:**

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Only network allocator codes listed on Worksheet A22 may be inputted.



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

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

**Accumulated Deferred Income Taxes - Other Property (Account No. 282)**

20 Dec-2019 (Worksheet A8, Ln. 7, Col. [q]) 1/1/2020

21 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. [I])

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



























[Subject to Prorationing](#)  
[Total Excess and Deficient Deferred Income Taxes](#)  
[Not Subject to Prorationing](#)

11

**Notes and Sources:**

- <sup>1</sup> [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.](#)
- <sup>2</sup> [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 \[ee\].](#)
- <sup>3</sup> [Only network allocator codes listed on Worksheet A22 may be inputted. 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.](#)
- <sup>4</sup> [Excess and deficient deferred income tax balances exclude income tax gross-ups recorded to accounts 182.3 and 254.](#)

| Line No. | Type <sup>2</sup>   | Description | FERC Account No. | FERC Approval Docket | Amount <sup>3</sup> | Recovery Period (Months) | Monthly Amortization Expense                | Amortization in Current Year | Current Year Amortization Expense | % Approved for Rate Recovery <sup>4</sup> | Network Allocator |                 | UNAMORTIZED BALANCES |          |          |          |          |          |          |          |          |          | 13-Month Avg. Unamortized Balance | % Approved for Rate Base Treatment <sup>5</sup> | Network Transmission Unamortized Balance | Network Allocator Justification <sup>6</sup> |          |                    |          |  |
|----------|---|-------------|------------------|----------------------|---------------------|--------------------------|---|------------------------------|-----------------------------------|---|-------------------|-----------------|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------------------------|---|--|--|----------|--------------------|----------|--|
|          |   |             |                  |                      |                     |                          |   |                              |                                   |   | Code              | %               | 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 |  |
| [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[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   |             |                  |                      |                     |                          |   |                              |                                   |   |                   |                 |                      |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |                    |          |  |
| 1b       | Liability   |             |                  |                      |                     |                          |   |                              |                                   |   |                   |                 |                      |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |                    |          |  |
| 1c       | Asset   |             |                  |                      |                     |                          |   |                              |                                   |   |                   |                 |                      |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |                    |          |  |
|          |   |             |                  |                      |                     |                          |   |                              |                                   |   |                   |                 |                      |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |                    |          |  |
|          |   |             |                  |                      |                     |                          |   |                              |                                   |   |                   |                 |                      |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |                    |          |  |
|          |   |             |                  |                      |                     |                          |   |                              |                                   |   |                   |                 |                      |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |                    |          |  |
| 1zz      |   |             |                  |                      |                     |                          |   |                              |                                   |   |                   |                 |                      |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |                    |          |  |
| 2        | Total Regulatory Assets and Liabilities (Sum Lns. (1a through 1zz)) |             |                  |                      |                     |                          |   |                              |                                   |   |                   |                 |                      |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |                    |          |  |
| 3        | Total Regulatory Assets   |             |                  |                      |                     |                          |   |                              |                                   |   |                   |                 |                      |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |                    |          |  |
| 4        | Total Regulatory Liabilities  |             |                  |                      |                     |                          |   |                              |                                   |   |                   |                 |                      |          |          |          |          |          |          |          |          |          |                                   |   |  |  |          |                    |          |  |

Notes and Sources:  
<sup>1</sup> 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.](#)

---



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 A22 may be inputed.

---

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

Worksheet A12

Worksheet A12

Worksheet A12

| Line No. | Description <sup>2</sup>             | Subaccount No. | % Customer Funded | % Non-Restricted | BALANCES |          |          |          |          |          |          |          |          |          |          |          | Average Unfunded Reserves | Network Allocator          |      | Network Transmission Balance | Network Allocator Justification <sup>3</sup> |     |
|----------|--------------------------------------|----------------|-------------------|------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------------------------|----------------------------|------|------------------------------|--|-----|
|          |                                      |                |                   |                  | 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 |                              |  | %   |
|          | [a]                                  | [b]            | [c]               | [d]              | [e]      | [f]      | [g]      | [h]      | [i]      | [j]      | [k]      | [l]      | [m]      | [n]      | [o]      | [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   |                              |  |     |
| 1f       | AP764 - SERP                         |                |                   |                  |          |          |          |          |          |          |          |          |          |          |          |          |                           |                            | WS   |                              |  |     |
| 1g       | AP765 - EXCESS BENEFIT PLAN          |                |                   |                  |          |          |          |          |          |          |          |          |          |          |          |          |                           |                            | WS   |                              |  |     |
| 1h       | AP710 - A/P ACCRUALS                 |                |                   |                  |          |          |          |          |          |          |          |          |          |          |          |          |                           |                            | WS   |                              |  |     |
| 1i       | AP762 - 401K                         |                |                   |                  |          |          |          |          |          |          |          |          |          |          |          |          |                           |                            | WS   |                              |  |     |
| 1j       | AP766 - MEDICAL INSURANCE            |                |                   |                  |          |          |          |          |          |          |          |          |          |          |          |          |                           |                            | WS   |                              |  |     |
| 1k       | AP767 - LIFE INSURANCE               |                |                   |                  |          |          |          |          |          |          |          |          |          |          |          |          |                           |                            | WS   |                              |  |     |
| 1l       | AP768 - DENTAL INSURANCE             |                |                   |                  |          |          |          |          |          |          |          |          |          |          |          |          |                           |                            | WS   |                              |  |     |
| 1m       | AP769 - LT & ST DISABILITY INSURANCE |                |                   |                  |          |          |          |          |          |          |          |          |          |          |          |          |                           |                            | WS   |                              |  |     |
| 1n       | AP753 - PAYRL CORP BONUS BLANKET     |                |                   |                  |          |          |          |          |          |          |          |          |          |          |          |          |                           |                            | WS   |                              |  |     |

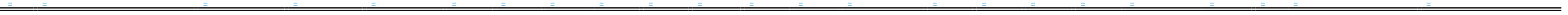
|          |  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |     |
|----------|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|-----|
| 1o       | AP751 - PAYRL<br>DEDUCT CLEAR                                  | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | WS  |
| 1p       | AP751 - PAYRL<br>DEDUCT CLEAR                                  | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | WS  |
| 1q       | AP764 - SERP   | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | WS  |
| 1r       | AP765 - EXCESS<br>BENEFIT PLAN                                 | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | WS  |
| 1s       | AP766 - MEDICAL<br>INSURANCE                                   | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | WS  |
| 1t       | AP780 - OTHER<br>EMPLY BENEFITS                                | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | WS  |
| 1u       | AP790 - WORKERS<br>COMP  | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | WS  |
| ...      | ...  | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | ... |
| 1zz      | ...  | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | ... |
| <b>2</b> | <b>Total Unfunded Reserves (Sum<br/>Lns. (1a through 1zz))</b> | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | =   |
| =        | =  | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | = | =   |

**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.](#)



| Line No. | Description  | FERC Account No. | FERC Merger/Acquisition Docket | Annual Expense Adjustment | Network Allocator |                 | Network Transmission Expense Adjustment | MONTHLY RATE BASE BALANCE ADJUSTMENT |          |          |          |          | MONTHLY RATE BASE BALANCE ADJUSTMENT |          |          |          |          | 13-Month Avg. Balance | Network Transmission Balance | Network Allocator Justification |          |          |
|----------|--|------------------|--------------------------------|---------------------------|-------------------|-----------------|---|--------------------------------------|----------|----------|----------|----------|--------------------------------------|----------|----------|----------|----------|-----------------------|------------------------------|---------------------------------|----------|----------|
|          |  |                  |                                |                           | Code              | %               |   | Dec-2019                             | Jan-2020 | Feb-2020 | Mar-2020 | Apr-2020 | May-2020                             | Jun-2020 | Jul-2020 | Aug-2020 | Sep-2020 |                       |                              |                                 | Oct-2020 | Nov-2020 |
| [a]      | [b]  | [c]              | [d]                            | [e]                       | [f]               | [g] = [d] x [f] | [h]                                     | [i]                                  | [j]      | [k]      | [l]      | [m]      | [n]                                  | [o]      | [p]      | [q]      | [r]      | [s]                   | [t]                          | [u]                             | [v]      | [w]      |
| 1a       | ...  | ...              | ...                            | =                         | ...               | =               | =                                       | =                                    | =        | =        | =        | =        | =                                    | =        | =        | =        | =        | =                     | =                            | =                               | =        | ...      |
| 1b       | ...  | ...              | ...                            | =                         | ...               | =               | =                                       | =                                    | =        | =        | =        | =        | =                                    | =        | =        | =        | =        | =                     | =                            | =                               | =        | ...      |
| 1c       | ...  | ...              | ...                            | =                         | ...               | =               | =                                       | =                                    | =        | =        | =        | =        | =                                    | =        | =        | =        | =        | =                     | =                            | =                               | =        | ...      |
| ...      | ...  | ...              | ...                            | =                         | ...               | =               | =                                       | =                                    | =        | =        | =        | =        | =                                    | =        | =        | =        | =        | =                     | =                            | =                               | =        | ...      |
| ...      | ...  | ...              | ...                            | =                         | ...               | =               | =                                       | =                                    | =        | =        | =        | =        | =                                    | =        | =        | =        | =        | =                     | =                            | =                               | =        | ...      |
| ...      | ...  | ...              | ...                            | =                         | ...               | =               | =                                       | =                                    | =        | =        | =        | =        | =                                    | =        | =        | =        | =        | =                     | =                            | =                               | =        | ...      |
| 1zz      | ...  | ...              | ...                            | =                         | ...               | =               | =                                       | =                                    | =        | =        | =        | =        | =                                    | =        | =        | =        | =        | =                     | =                            | =                               | =        | ...      |
| 2        | <b>Total Hold Harmless Adjustments (Sum Lns. 1a through 1zz)</b> | =                | =                              | =                         | =                 | =               | =                                       | =                                    | =        | =        | =        | =        | =                                    | =        | =        | =        | =        | =                     | =                            | =                               | =        | =        |

**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.

3

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

---

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

Worksheet A14

Worksheet A14

Worksheet A14

| Line No.   | Description <sup>2</sup>     | Definite Plan for Future Use <sup>2</sup> | Estimated In-Service Date <sup>2</sup> | BALANCES |          |          |          |          |          |          | BALANCES |          |          |          |          |          |      | Average Land Held for Future Use<br>[q]=Avg. ([d] through [p]) | Network Allocator |   | Network Transmission Balance<br>[t]=[q]x[s] | Network Allocator Justification <sup>3</sup> |
|--|------------------------------|---|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------|--|-------------------|---|---|--|
|  |                              |   |  | 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 |  | %                 |   |   |  |
|  | [a]                          | [b]                                       | [c]                                    | [d]      | [e]      | [f]      | [g]      | [h]      | [i]      | [j]      | [k]      | [l]      | [m]      | [n]      | [o]      | [p]      |      | [r]  | [s]               |   | [u]   |  |
| 1a   | ...                          | ...                                       | ...                                    | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =    | ...  | =                 | = | ...   |  |
| 1b   | ...                          | ...                                       | ...                                    | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =    | ...  | =                 | = | ...   |  |
| 1c   | ...                          | ...                                       | ...                                    | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =    | ...  | =                 | = | ...   |  |
| ...  | ...                          | ...                                       | ...                                    | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =    | ...  | =                 | = | ...   |  |
| ...  | ...                          | ...                                       | ...                                    | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =    | ...  | =                 | = | ...   |  |
| ...  | ...                          | ...                                       | ...                                    | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =    | ...  | =                 | = | ...   |  |
| 1zz  | ...                          | ...                                       | ...                                    | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =    | ...  | =                 | = | ...   |  |
| <b>Total Land and Land Rights Held for Future Use (Sum</b> |                              |   |  |          |          |          |          |          |          |          |          |          |          |          |          |          |      |  |                   |   |   |  |
| <b>2</b>   | <b>Lns. (1a through 1zz)</b> |   |  | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =    |  |                   |   |   |  |

**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 inputted.

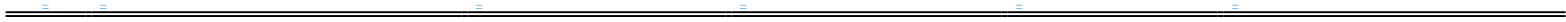


| <u>Line</u><br><u>No.</u> | <u>Month</u><br><u>[a]</u>                | <u>Materials &amp; Supplies:</u><br><u>Transmission</u><br><u>[b]</u> | <u>Materials &amp; Supplies:</u><br><u>Stores Expense</u><br><u>[c]</u> | <u>Total Materials</u><br><u>and Supplies</u><br><u>[d] = [b] + [c]</u> | <u>Prepayments</u><br><u>[e]</u> |
|---------------------------|---|---|---|---|----------------------------------|
|                           | <b><u>Working Capital<sup>1</sup></u></b> |   |   |   |                                  |
| <u>1</u>                  | <u>Reference for BOY/EOY Balances</u>     | <u>Worksheet A1, Ln. 40</u>   | <u>Worksheet A1, Ln. 41</u>   |   | <u>Worksheet A1, Ln. 3</u>       |
| <u>2</u>                  | <u>Prior December</u>                     | =   | =   | =   | =                                |
| <u>3</u>                  | <u>January</u>                            | =   | =   | =   | =                                |
| <u>4</u>                  | <u>February</u>                           | =   | =   | =   | =                                |
| <u>5</u>                  | <u>March</u>                              | =   | =   | =   | =                                |
| <u>6</u>                  | <u>April</u>                              | =   | =   | =   | =                                |
| <u>7</u>                  | <u>May</u>                                | =   | =   | =   | =                                |
| <u>8</u>                  | <u>June</u>                               | =   | =   | =   | =                                |
| <u>9</u>                  | <u>July</u>                               | =   | =   | =   | =                                |
| <u>10</u>                 | <u>August</u>                             | =   | =   | =   | =                                |
| <u>11</u>                 | <u>September</u>                          | =   | =   | =   | =                                |
| <u>12</u>                 | <u>October</u>                            | =   | =   | =   | =                                |
| <u>13</u>                 | <u>November</u>                           | =   | =   | =   | =                                |
| <u>14</u>                 | <u>December</u>                           | =   | =   | =   | =                                |
| <u>15</u>                 | <u>13-Month Average</u>                   | =   | =   | =   | =                                |

**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.



| Line No.  | Description   | Reference                      | Total Company Amount | Network Allocator |     | Network Transmission |
|---|---|--------------------------------|----------------------|-------------------|-----|----------------------|
|   |   |                                |                      | Code              | %   |                      |
|   | [a]   | [b]                            | [c]                  | [d]               | [e] | [f]                  |
| <u>Development of Non-Recoverable A&amp;G Expenses</u>                    |   |                                |                      |                   |     |                      |
| 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 <sup>1</sup>             | Company Input/Records          | =                    |                   |     |                      |
| 5   | Total Non-Recoverable A&G Expenses                        | Lns. (1 + 2 + 3 - 4)           | =                    |                   |     |                      |
| 6   | OPEB Net Periodic Benefit Cost <sup>2</sup>               | Company Input/Records          | =                    |                   |     |                      |
| <u>Development of Network Transmission Regulatory Commission Expenses</u> |   |                                |                      |                   |     |                      |
| 7   | Regulatory Commission Expenses                            | Worksheet A1, Ln. 59           |                      |                   |     |                      |
| <u>Transmission-Related Regulatory Commission Expenses<sup>3</sup></u>    |   |                                |                      |                   |     |                      |
| 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)      | =                    |                   |     | TP                   |

Notes and Sources:

<sup>1</sup> Includes line safety-related advertising expenses booked to Account No.



930.1.

<sup>2</sup> 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).

<sup>3</sup> 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

| <u>Line No.</u>                  | <u>Description</u><br>[a]                                 | <u>Jurisdiction</u><br>[b] | <u>FF1 Line Reference</u><br>[c] | <u>Taxes Charged</u><br>[d] |
|----------------------------------|---|----------------------------|----------------------------------|-----------------------------|
| <b>Payroll Taxes</b>             |   |                            |                                  |                             |
| 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)             |                            | =                                | =                           |
| <b>Highway and Vehicle Taxes</b> |   |                            |                                  |                             |
| 3a                               | ...   | =                          | =                                | =                           |
| ...                              | ...   | =                          | =                                | =                           |
| 3zz                              | ...   | =                          | =                                | =                           |
| 4                                | Total Highway and Vehicle Taxes (Sum Lns. 3a through 3zz) |                            | =                                | =                           |
| <b>Property Taxes</b>            |   |                            |                                  |                             |
| 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 5zz)            |                            | =                                | =                           |
| <b>Gross Receipts Taxes</b>      |   |                            |                                  |                             |
| 7a                               | Gross Receipts  | Texas                      | Ln. 10                           | =                           |
| ...                              | ...   | =                          | =                                | =                           |
| 7zz                              | ...   | =                          | =                                | =                           |
| 8                                | Total Gross Receipts Taxes (Sum Lns. 7a through 7zz)      |                            | =                                | =                           |
| <b>Other Taxes</b>               |   |                            |                                  |                             |
| 9a                               | Use Tax   | Texas                      | Ln. 13                           | =                           |
| 9b                               | Compensating  | New Mexico                 | Ln. 22                           | =                           |
| 9c                               | Other Taxes   | New Mexico                 | Ln. 30                           | =                           |
| ...                              | ...   | =                          | =                                | =                           |
| 9zz                              | ...   | =                          | =                                | =                           |

---

10 Total Other Taxes (Sum Lns. 9a through 9zz)

---

= =

---

11 Total Taxes Other than Income Taxes

---

= =

= =

---

**Notes and Sources:**

<sup>1</sup> 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 No.</u> | <u>Month</u><br>[a]                              | <u>Preferred Stock Issued</u><br>(204)<br>[b] | <u>Unappropriated Undistributed Subsidiary Earnings</u><br>(216.1)<br>[c] | <u>Accumulated Other Comprehensive Income</u> (219)<br>[d] | <u>Total Proprietary Capital</u><br>[e] | <u>Total Common Stock</u><br>[f] = [e]-[b]-[c]-[d] | <u>Total Long-Term Debt</u><br>(221 - 222 + 223 + 224 + 225 - 226)<br>[g] | <u>Total Capitalization</u><br>[h]=[f]+[g] |
|-----------------|--|---|---|--|---|--|---|--|
| <u>1</u>        | <u>Reference for BOY/EOY Balances</u>            | <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>   |  |
| <u>2</u>        | <u>Prior December</u>                            | =   | =   | =  | =                                       | =  | =   | =  |
| <u>3</u>        | <u>January</u>                                   | =   | =   | =  | =                                       | =  | =   | =  |
| <u>4</u>        | <u>February</u>                                  | =   | =   | =  | =                                       | =  | =   | =  |
| <u>5</u>        | <u>March</u>                                     | =   | =   | =  | =                                       | =  | =   | =  |
| <u>6</u>        | <u>April</u>                                     | =   | =   | =  | =                                       | =  | =   | =  |
| <u>7</u>        | <u>May</u>                                       | =   | =   | =  | =                                       | =  | =   | =  |
| <u>8</u>        | <u>June</u>                                      | =   | =   | =  | =                                       | =  | =   | =  |
| <u>9</u>        | <u>July</u>                                      | =   | =   | =  | =                                       | =  | =   | =  |
| <u>10</u>       | <u>August</u>                                    | =   | =   | =  | =                                       | =  | =   | =  |
| <u>11</u>       | <u>September</u>                                 | =   | =   | =  | =                                       | =  | =   | =  |
| <u>12</u>       | <u>October</u>                                   | =   | =   | =  | =                                       | =  | =   | =  |
| <u>13</u>       | <u>November</u>                                  | =   | =   | =  | =                                       | =  | =   | =  |
| <u>14</u>       | <u>December</u>                                  | =   | =   | =  | =                                       | =  | =   | =  |
| <u>15</u>       | <u>13-Month Average (Avg. Lns. 2 through 14)</u> | =   | =   | =  | =                                       | =  | =   | =  |
| <u>16</u>       | <u>Capitalization Ratio<sup>2</sup></u>          |   |   |  |   |  |   |  |
| <u>17</u>       | <u>Cost of Capital<sup>3</sup></u>               |   |   |  |   |  |   |  |
| <u>18</u>       | <u>Weighted Cost of Capital (Lns. 16 x 17)</u>   |   |   |  |   |  |   |  |

---

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.](#)
- 2 [Capitalization ratios derived by dividing 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

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

---

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

Notes and Sources:

<sup>1</sup> 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>Line No.</u>                                   | <u>Description</u><br>[a]   | <u>Total Company Amount</u><br>[b] | <u>Network Allocator Code</u><br>[c] | <u>%</u><br>[d] | <u>Network Transmission</u><br>[e] | <u>Network Allocator Justification</u> <sup>3</sup><br>[f]                                      |
|---|---|------------------------------------|--------------------------------------|-----------------|------------------------------------|---|
| <b>Permanent Book-Tax Differences<sup>2</sup></b> |   |                                    |                                      |                 |                                    |   |
| 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   | ...   | =                                  | =                                    | =               | =                                  | =   |
| <b>2</b>  | <b>Total Permanent Book-Tax Differences (Sum Lns. 1a through 1zz)</b> | =                                  | =                                    | =               | =                                  | =   |
| 3   | AFUDC Equity  | =                                  | NP                                   | =               | =                                  | AFUDC Equity includable as a permanent difference. <i>MISO, Inc.</i> , 163 FERC ¶ 61,163 (2018) |
| 4   | Total Permanent Differences (Lns. (2 + 3))                            |                                    |                                      |                 |                                    |   |
| 5   | Federal Income Tax Rate (FIT) <sup>4</sup>                            |                                    |                                      |                 |                                    |   |
| 6   | Permanent Differences Grossed-Up (Lns. (4 / 5))                       |                                    |                                      |                 |                                    |   |

7 Tax Credits<sup>5</sup>

NP

Plant-related

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

**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.

2 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 Only network allocator codes listed on Worksheet A22 may be inputted.

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.





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

**Notes and Sources:**

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

El Paso Electric Company

Schedule 1 (Actual)

Formula Rate Template (Actuals)

Schedule 1 - Load Dispatch Revenue Requirement

12 Months Ended December 31, 2020

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

---

---

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

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

**SECTION II: RATE BASE**

Gross Plant in Service<sup>1</sup>

|           |                                     |                                       |   |           |
|-----------|-------------------------------------|---------------------------------------|---|-----------|
| <u>16</u> | <u>Production</u>                   | <u>Attachment H (Actuals), Ln. 15</u> |   | <u>NA</u> |
| <u>17</u> | <u>Transmission</u>                 | <u>Worksheet P2, Ln. 27, Col. [e]</u> |   | <u>TP</u> |
| <u>18</u> | <u>Distribution</u>                 | <u>Attachment H (Actuals), Ln. 17</u> |   | <u>NA</u> |
| <u>19</u> | <u>General &amp; Intangible</u>     | <u>Attachment H (Actuals), Ln. 18</u> |   | <u>WS</u> |
| <u>20</u> | <u>Total Gross Plant in Service</u> | <u>Sum Lns. (16 through 19)</u>       | = | =         |

Accumulated Depreciation<sup>1</sup>

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

Net Plant in Service

|           |                                   |                                 |   |   |
|-----------|-----------------------------------|---------------------------------|---|---|
| <u>26</u> | <u>Production</u>                 | <u>Lns. (16 - 21)</u>           |   |   |
| <u>27</u> | <u>Transmission</u>               | <u>Lns. (17 - 22)</u>           |   |   |
| <u>28</u> | <u>Distribution</u>               | <u>Lns. (18 - 23)</u>           |   |   |
| <u>29</u> | <u>General &amp; Intangible</u>   | <u>Lns. (19 - 24)</u>           |   |   |
| <u>30</u> | <u>Total Net Plant in Service</u> | <u>Sum Lns. (26 through 29)</u> | = | = |

|           |   |   |
|-----------|---|---|
| <u>31</u> | <u>Construction Work in Progress (CWIP)</u> | <u>Worksheet P3, Ln. 2, Cols. [s] and [v]</u> |
|-----------|---|---|

Rate Base Adjustments

|           |   |                             |
|-----------|---|-----------------------------|
| <u>32</u> | <u>Accumulated Deferred Income Taxes (ADIT)</u>     | <u>Worksheet P4, Ln. 58</u> |
| <u>33</u> | <u>Unamortized Excess/Deficient Deferred Income</u> | <u>Worksheet P4, Ln. 97</u> |

Taxes

|    |   |   |   |   |
|----|---|---|---|---|
| 34 | <u>Unamortized Regulatory Assets</u>            | <u>Worksheet P7, Ln. 3, Cols. [aa] and [cc]</u> |   |   |
| 35 | <u>Unamortized Regulatory Liabilities</u>       | <u>Worksheet P7, Ln. 4, Cols. [aa] and [cc]</u> |   |   |
| 36 | <u>Unamortized Abandoned Plant</u>              | <u>Worksheet P8, Ln. 2, Cols. [z] and [bb]</u>  |   |   |
| 37 | <u>Unfunded Reserves</u>                        | <u>Attachment H (Actuals), Ln. 36</u>           |   |   |
| 38 | <u>Hold Harmless Adjustments</u>                | <u>Attachment H (Actuals), Ln. 37</u>           |   |   |
| 39 | <u>Total Rate Base Adjustments</u>              | <u>Sum Lns. (32 through 38)</u>                 | = | = |
| 40 | <u>Land and Land Rights Held for Future Use</u> | <u>Attachment H (Actuals), Ln. 39</u>           |   |   |

Working Capital

|    |   |                                       |   |           |
|----|---|---------------------------------------|---|-----------|
| 41 | <u>Cash Working Capital<sup>2</sup></u>       | <u>Ln. 59 x 1/8</u>                   |   |           |
| 42 | <u>Material and Supplies (Transmission)</u>   | <u>Attachment H (Actuals), Ln. 41</u> |   | <u>TP</u> |
| 43 | <u>Material and Supplies (Stores Expense)</u> | <u>Attachment H (Actuals), Ln. 42</u> |   | <u>WS</u> |
| 44 | <u>Prepayments</u>                            | <u>Attachment H (Actuals), Ln. 43</u> |   | <u>GP</u> |
| 45 | <u>Total Working Capital</u>                  | <u>Sum Lns. (41 through 44)</u>       | = | =         |
| 46 | <u>Rate Base</u>                              | <u>Lns. (30 + 31 + 39 + 40 + 45)</u>  | = | =         |

**SECTION III: COST OF SERVICE**

Adjusted Transmission O&M

|    |  |                                      |   |           |
|----|--|--------------------------------------|---|-----------|
| 47 | <u>Transmission O&amp;M Expenses</u>                                 | <u>Worksheet P9, Ln. 2, Col. [e]</u> |   | <u>TP</u> |
| 48 | <u>Less: Account Nos. 561.1-561.8 (Load Dispatch)</u>                | <u>Worksheet P9, Ln. 3, Col. [e]</u> |   | <u>TP</u> |
| 49 | <u>Less: Account No. 565 (Transmission of Electricity by Others)</u> | <u>Worksheet P9, Ln. 4, Col. [e]</u> |   | <u>TP</u> |
| 50 | <u>Total Adjusted Transmission O&amp;M</u>                           | <u>Lns. (47 - 48 - 49)</u>           | = | =         |

Adjusted A&G

|    |   |                                      |  |           |
|----|---|--------------------------------------|--|-----------|
| 51 | <u>A&amp;G (Excluding Property Insurance and Regulatory Commission Expense)</u> | <u>Worksheet P9, Ln. 5, Col. [e]</u> |  | <u>WS</u> |
|----|---|--------------------------------------|--|-----------|

|           |  |   |       |           |       |
|-----------|--|---|-------|-----------|-------|
| <u>52</u> | <u>Less: Non-Recoverable A&amp;G</u>             | <u>Worksheet P9, Ln. 6, Col. [e]</u>          |       | <u>WS</u> |       |
| <u>53</u> | <u>Plus: Property Insurance</u>                  | <u>Worksheet P9, Ln. 7, Col. [e]</u>          |       | <u>GP</u> |       |
| <u>54</u> | <u>Plus: Regulatory Commission Expense</u>       | <u>Worksheet P9, Lns. (8 + 9), Col. [e]</u>   |       |           |       |
| <u>55</u> | <u>Less: Actual OPEB Expense</u>                 | <u>Worksheet P9, Ln. 10, Col. [e]</u>         |       | <u>WS</u> |       |
| <u>56</u> | <u>Plus: Fixed OPEB Expense</u>                  | <u>Fixed Amount<sup>3</sup></u>               | <hr/> | <u>WS</u> | <hr/> |
| <u>57</u> | <u>Total Adjusted A&amp;G</u>                    | <u>Lns. (51 - 52 + 53 + 54 - 55 + 56)</u>     | =     |           | =     |
| <u>58</u> | <u>Hold Harmless Expense Adjustments</u>         | <u>Attachment H (Actuals), Ln. 57</u>         |       |           |       |
| <u>59</u> | <u>Total Operating Expenses</u>                  | <u>Lns. (50 + 57 + 58)</u>                    | <hr/> |           | <hr/> |
|           | <u>Depreciation and Amortization<sup>1</sup></u> |   |       |           |       |
| <u>60</u> | <u>Transmission</u>                              | <u>Worksheet P2, Ln. 26</u>                   |       | <u>TP</u> |       |
| <u>61</u> | <u>General &amp; Intangible</u>                  | <u>Attachment H (Actuals), Ln. 60</u>         |       | <u>WS</u> |       |
| <u>62</u> | <u>Amortization of Abandoned Plant</u>           | <u>Worksheet P8, Ln. 2, Cols. [h] and [l]</u> |       |           |       |
| <u>63</u> | <u>Amortization of Regulatory Assets</u>         | <u>Worksheet P7, Ln. 3, Cols. [i] and [m]</u> |       |           |       |
| <u>64</u> | <u>Amortization of Regulatory Liabilities</u>    | <u>Worksheet P7, Ln. 4, Cols. [i] and [m]</u> |       |           |       |
| <u>65</u> | <u>Total Depreciation and Amortization</u>       | <u>Sum Lns. (60 through 64)</u>               | <hr/> |           | <hr/> |
|           | <u>Taxes Other than Income Taxes</u>             |   |       |           |       |
| <u>66</u> | <u>Payroll</u>                                   | <u>Worksheet P9, Ln. 11, Col. [e]</u>         |       | <u>WS</u> |       |
| <u>67</u> | <u>Highway and Vehicle</u>                       | <u>Worksheet P9, Ln. 12, Col. [e]</u>         |       | <u>WS</u> |       |
| <u>68</u> | <u>Property</u>                                  | <u>Worksheet P9, Ln. 19, Col. [e]</u>         |       | <u>NP</u> |       |
| <u>69</u> | <u>Gross Receipts</u>                            | <u>Worksheet P9, Ln. 13, Col. [e]</u>         |       | <u>NA</u> |       |
| <u>70</u> | <u>Other</u>                                     | <u>Worksheet P9, Ln. 14, Col. [e]</u>         | <hr/> | <u>GP</u> | <hr/> |
| <u>71</u> | <u>Total Taxes Other than Income Taxes</u>       | <u>Sum Lns. (66 through 70)</u>               | =     |           | =     |
|           | <u>Return on Rate Base</u>                       |   |       |           |       |
| <u>72</u> | <u>Weighted Cost of Long-Term Debt</u>           | <u>Attachment H (Actuals), Ln. 71</u>         |       |           |       |



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

**Notes and Sources:**

<sup>1</sup> Plant in Service, Accumulated Depreciation, and Depreciation Expense amounts exclude Asset Retirement Obligation amounts unless authorized by FERC.

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

3

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.

---

El Paso Electric Company

Formula Rate Template (Projected)

Network Transmission Load (MW)

12 Months Ended December 31, 2022

| <u>Line No.</u> | <u>Month</u><br>[a]                              | <u>Historic Network Transmission System Peak Load</u><br>[b] | <u>Percentage of Maximum Network Transmission Load<sup>1</sup></u><br>[c] | <u>Projected Network Transmission Load<sup>2</sup></u><br>[d] |
|-----------------|--|--|---|---|
| <u>1</u>        | <u>Reference for Monthly Loads</u>               | <u>Worksheet A2,</u><br><u>Col. [i]</u>                      |   |   |
| <u>2</u>        | <u>January</u>                                   | -  |   |   |
| <u>3</u>        | <u>February</u>                                  | -  |   |   |
| <u>4</u>        | <u>March</u>                                     | -  |   |   |
| <u>5</u>        | <u>April</u>                                     | -  |   |   |
| <u>6</u>        | <u>May</u>                                       | -  |   |   |
| <u>7</u>        | <u>June</u>                                      | -  |   |   |
| <u>8</u>        | <u>July</u>                                      | -  |   |   |
| <u>9</u>        | <u>August</u>                                    | -  |   |   |
| <u>10</u>       | <u>September</u>                                 | -  |   |   |
| <u>11</u>       | <u>October</u>                                   | -  |   |   |
| <u>12</u>       | <u>November</u>                                  | -  |   |   |
| <u>13</u>       | <u>December</u>                                  | -  |   |   |
| <u>14</u>       | <u>12-Month Total</u>                            | -  |   |   |
| <u>15</u>       | <u>12-Month CP Average (Ln. 14 / 12 Months)</u>  |  |   |   |
| <u>16</u>       | <u>12-Month CP Average (kW) (Ln. 15 x 1,000)</u> |  |   |   |

Notes and Sources:

<sup>1</sup> 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].

<sup>2</sup> 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)  
 Construction Work in Progress (CWIP)  
 12 Months Ended December 31, 2022

Worksheet P3

Worksheet P3

Worksheet P3

| Line No. | Description <sup>n2</sup>  | FERC Approval Docket | Recovery % Approved <sup>3</sup> | Construction Start Date | Estimated In-Service Date | BALANCES |          |          |          |          |          | BALANCES |          |          |          |          |          | Average CWIP              | Network Allocator |      | Network Transmission Balance | Network Allocator Justification <sup>4</sup> |   |
|----------|--|----------------------|----------------------------------|-------------------------|---------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------------------------|-------------------|------|------------------------------|--|---|
|          |  |                      |                                  |                         |                           | Dec-2021 | Jan-2022 | Feb-2022 | Mar-2022 | Apr-2022 | May-2022 | Jun-2022 | Jul-2022 | Aug-2022 | Sep-2022 | Oct-2022 | Nov-2022 |                           | Dec-2022          | Code |                              |  | % |
| [a]      | [b]  | [c]                  | [d]                              | [e]                     | [f]                       | [g]      | [h]      | [i]      | [j]      | [k]      | [l]      | [m]      | [n]      | [o]      | [p]      | [q]      | [r]      | [s]=Avg. (ff) through [r] | [t]               | [u]  | [v]=[s]x[c]x[u]              | [w]  |   |
| 1a       | ...  | ...                  | =                                | ...                     | ...                       | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =                         | ...               | =    | =                            | ...  |   |
| 1b       | ...  | ...                  | =                                | ...                     | ...                       | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =                         | ...               | =    | =                            | ...  |   |
| 1c       | ...  | ...                  | =                                | ...                     | ...                       | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =                         | ...               | =    | =                            | ...  |   |
| ...      | ...  | ...                  | =                                | ...                     | ...                       | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =                         | ...               | =    | =                            | ...  |   |
| ...      | ...  | ...                  | =                                | ...                     | ...                       | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =                         | ...               | =    | =                            | ...  |   |
| 1zz      | ...  | ...                  | =                                | ...                     | ...                       | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =                         | ...               | =    | =                            | ...  |   |
| <b>2</b> | <b>Total Construction Work in Progress (Sum Lns. (1a through 1zz))</b> |                      |                                  |                         |                           | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =        | =                         | =                 | =    | =                            | =  | = |

**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.
- 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.



| <u>Line No.</u> | <u>Description / Month</u><br>[a] | <u>Days in Period<sup>1</sup></u> |                             |                                       |  | <u>Projected Monthly Activity<sup>2</sup></u><br>[f] | <u>Prorated Projected Monthly Activity</u><br>[g] = [c] x [f] | <u>Prorated Projected Balances</u><br>[h] =<br>Cumulative([g]) |
|-----------------|-----------------------------------|-----------------------------------|-----------------------------|---------------------------------------|--|--|---|--|
|                 |                                   | <u>Days in Month</u><br>[b]       | <u>Days Prorated</u><br>[c] | <u>Days in Trued-Up Period</u><br>[d] | <u>Proration Percentage</u><br>[e] = [c] / [d] |  |   |  |

**Accumulated Deferred Income Taxes (Account No. 190)**

|                  |   |                   |  |  |  |  |  |  |
|------------------|---|-------------------|--|--|--|--|--|--|
| <u>1</u>         | <u>Dec-2021 (Worksheet A8, Ln. 3, Col. [q])</u> | <u>1/1/2022</u>   |  |  |  |  |  |  |
| <u>2</u>         | <u>Jan-2022</u>                                 | <u>1/31/2022</u>  |  |  |  |  |  |  |
| <u>3</u>         | <u>Feb-2022</u>                                 | <u>2/28/2022</u>  |  |  |  |  |  |  |
| <u>4</u>         | <u>Mar-2022</u>                                 | <u>3/31/2022</u>  |  |  |  |  |  |  |
| <u>5</u>         | <u>Apr-2022</u>                                 | <u>4/30/2022</u>  |  |  |  |  |  |  |
| <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>                                 | <u>7/31/2022</u>  |  |  |  |  |  |  |
| <u>9</u>         | <u>Aug-2022</u>                                 | <u>8/31/2022</u>  |  |  |  |  |  |  |
| <u>10</u>        | <u>Sep-2022</u>                                 | <u>9/30/2022</u>  |  |  |  |  |  |  |
| <u>11</u>        | <u>Oct-2022</u>                                 | <u>10/31/2022</u> |  |  |  |  |  |  |
| <u>12</u>        | <u>Nov-2022</u>                                 | <u>11/30/2022</u> |  |  |  |  |  |  |
| <u>13</u>        | <u>Dec-2022</u>                                 | <u>12/31/2022</u> |  |  |  |  |  |  |
| <b><u>14</u></b> | <b><u>Total (Sum Lns. (1 through 13))</u></b>   |                   |  |  |  |  |  |  |

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))

---

**Accumulated Deferred Income Taxes - Other Property (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))**

Total Account No. 282 - Balances Not Subject to Prorationing

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))



|           |   |                   |   |   |   |
|-----------|---|-------------------|---|---|---|
| 60        | <u>Jan-2022</u>                         | <u>1/31/2022</u>  | = | = | = |
| 61        | <u>Feb-2022</u>                         | <u>2/28/2022</u>  | = | = | = |
| 62        | <u>Mar-2022</u>                         | <u>3/31/2022</u>  | = | = | = |
| 63        | <u>Apr-2022</u>                         | <u>4/30/2022</u>  | = | = | = |
| 64        | <u>May-2022</u>                         | <u>5/31/2022</u>  | = | = | = |
| 65        | <u>Jun-2022</u>                         | <u>6/30/2022</u>  | = | = | = |
| 66        | <u>Jul-2022</u>                         | <u>7/31/2022</u>  | = | = | = |
| 67        | <u>Aug-2022</u>                         | <u>8/31/2022</u>  | = | = | = |
| 68        | <u>Sep-2022</u>                         | <u>9/30/2022</u>  | = | = | = |
| 69        | <u>Oct-2022</u>                         | <u>10/31/2022</u> | = | = | = |
| 70        | <u>Nov-2022</u>                         | <u>11/30/2022</u> | = | = | = |
| 71        | <u>Dec-2022</u>                         | <u>12/31/2022</u> | = | = | = |
| <b>72</b> | <b>Total (Sum Lns. (59 through 71))</b> |                   | = | = | = |

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

|    |  |  |  |  |   |
|----|--|--|--|--|---|
| 73 | <u>Beginning of Year Balance (Worksheet P6, Ln. 4, Col. [q])</u>                               |  |  |  |   |
| 74 | <u>End of Year Balance (Worksheet P6, Ln. 4, Col. [cc])</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 Taxes - Prorated Balance at End of Year (Ln. 71, Col. [h])</u> |  |  |  |   |
| 77 | <u>Total Average Excess Deferred Income Tax Balance (Lns. (75 + 76))</u>                       |  |  |  | = |

**Deficient Deferred Income Taxes (Account No. 182.3)**

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

|           |   |                            |   |   |   |   |   |   |   |   |   |
|-----------|---|----------------------------|---|---|---|---|---|---|---|---|---|
| 85        | <a href="#">Jul-2022</a>                | <a href="#">7/31/2022</a>  | = | = | = | = | = | = | = | = | = |
| 86        | <a href="#">Aug-2022</a>                | <a href="#">8/31/2022</a>  | = | = | = | = | = | = | = | = | = |
| 87        | <a href="#">Sep-2022</a>                | <a href="#">9/30/2022</a>  | = | = | = | = | = | = | = | = | = |
| 88        | <a href="#">Oct-2022</a>                | <a href="#">10/31/2022</a> | = | = | = | = | = | = | = | = | = |
| 89        | <a href="#">Nov-2022</a>                | <a href="#">11/30/2022</a> | = | = | = | = | = | = | = | = | = |
| 90        | <a href="#">Dec-2022</a>                | <a href="#">12/31/2022</a> | = | = | = | = | = | = | = | = | = |
| <b>91</b> | <b>Total (Sum Lns. (78 through 90))</b> |                            | = | = | = | = | = | = | = | = | = |

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

|           |   |  |  |  |  |  |  |  |  |  |   |
|-----------|---|--|--|--|--|--|--|--|--|--|---|
| 92        | <a href="#">Beginning of Year Balance (Worksheet P6, Ln. 8, Col. [q])</a>                                       |  |  |  |  |  |  |  |  |  |   |
| 93        | <a href="#">End of Year Balance (Worksheet P6, Ln. 8, Col. [cc])</a>  |  |  |  |  |  |  |  |  |  | = |
| 94        | <a href="#">Average of Beginning of Year and End of Year Balances (Average Lns. 92 and 93)</a>                  |  |  |  |  |  |  |  |  |  | = |
| 95        | <a href="#">Total Deficient Deferred Income Taxes - Prorated Balance at End of Year (Ln. 90, Col. [h])</a>      |  |  |  |  |  |  |  |  |  | = |
| 96        | <a href="#">Total Average Deficient Deferred Income Tax Balance (Lns. (94 + 95))</a>                            |  |  |  |  |  |  |  |  |  | = |
| <b>97</b> | <b>Total Average Projected Excess/Deficient Deferred Income Taxes for Network Transmission (Lns. (77 + 96))</b> |  |  |  |  |  |  |  |  |  | = |

Notes and Sources:

<sup>1</sup> [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.](#)

<sup>2</sup>







<sup>3</sup> Only network allocator codes listed on Worksheet P12 may be inputted. 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.

---



| Amortization | Allocator |     | Network Transmission End-of-Month Balances |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  | Balances         | Annual Amortization | Prorated ? <sup>2</sup> | Protected or Unprotected? | Amortization Period / Methodology | Network Allocator Justification <sup>3</sup> |
|--------------|-----------|-----|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|---------------------|-------------------------|---------------------------|-----------------------------------|--|
|              | Code      | %   | Dec-2021                                   | Jan-2022        | Feb-2022        | Mar-2022        | Apr-2022        | May-2022        | Jun-2022        | Jul-2022        | Aug-2022        | Sep-2022        | Oct-2022         | Nov-2022         | Dec-2022         | [dd] = [cc] - [q]   | [ee]                    | [ff]                      | [gg]                              | [hh]   |
| [n1]         | [o]       | [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] = [cc] - [q]   | [ee]                    | [ff]                      | [gg]                              | [hh]   |

|  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|--|-----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|-----|--|-----|-----|
|  | NP  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|  | NP  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|  | NP  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|  | NP  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|  | NA  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | *** |  | *** | *** |
|  | NP  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|  | *** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | *** |  | *** | *** |
|  | *** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | *** |  | *** | *** |

|  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|--|-----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|-----|--|-----|-----|
|  | NP  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|  | WS  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|  | NA  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|  | NP  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |     |  |     |     |
|  | *** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | *** |  | *** | *** |







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

Worksheet P9

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

|           |  |   |   |
|-----------|--|---|---|
| <u>15</u> | <u>Scheduling, System Control and Dispatch Services (561.4)</u>          | <u>Worksheet A1, Ln. 51</u>                                   |   |
| <u>16</u> | <u>Reliability, Planning and Standards Development (561.5)</u>           | <u>Worksheet A1, Ln. 52</u>                                   |   |
| <u>17</u> | <u>Transmission Service Studies (561.6)</u>                              | <u>Worksheet A1, Ln. 53</u>                                   |   |
| <u>18</u> | <u>Generation Interconnection Studies (561.7)</u>                        | <u>Worksheet A1, Ln. 54</u>                                   |   |
| <u>17</u> | <u>Reliability, Planning and Standards Development Services (561.8)</u>  | <u>Worksheet A1, Ln. 55</u>                                   |   |
| <u>18</u> | <u>Net Plant in Service for Year Prior to Actual True-Up Year (2019)</u> | <u>FERC Form No. 1, Page 200, Col. (b), Ln. 3 less Ln. 14</u> | = |

**Property Taxes**

|           |                       |   |   |
|-----------|-----------------------|---|---|
| <u>19</u> | <u>Property Taxes</u> | <u>Attachment H (Actuals), Ln. 67, Col. [c]</u> | = |
|-----------|-----------------------|---|---|

**Notes and Sources:**

<sup>1</sup> 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%*

|   |
|---|
| = |
|---|

<sup>2</sup> 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 No.</u> | <u>Description</u><br><u>[a]</u>                                       | <u>Source</u><br><u>[b]</u>   | <u>Federal</u><br><u>[c]</u> | <u>New Mexico</u><br><u>[d]</u> | <u>Arizona</u><br><u>[e]</u> | <u>Texas</u><br><u>[f]</u> | <u>Total</u><br><u>[g]</u> |
|-----------------|--|---|------------------------------|---------------------------------|------------------------------|----------------------------|----------------------------|
| 1               | <u>Corporate Income Tax Rate</u>                                       | <a href="https://taxfoundation.org/state-corporate-income-tax-rates-brackets-2020/">https://taxfoundation.org/state-corporate-income-tax-rates-brackets-2020/</a> |                              |                                 |                              |                            |                            |
| 2               | <u>State Deduction for Federal Income Tax Purposes</u>                 | <u>-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</u>            | <u>Company Input/Records</u>  |                              |                                 |                              |                            |                            |
| 4               | <u>Effective Rates<sup>1</sup></u>                                     | <u>Lns. (1 x 3)</u>   |                              |                                 |                              |                            |                            |
| 5               | <u>Blended State Income Tax Rate (SIT)</u>                             | <u>Ln. 4, Col. [g] less Ln. 4, Col. [c]</u>   |                              |                                 |                              |                            |                            |
| 6               | <u>Federal Income Tax Rate (FIT)</u>                                   | <u>Lns. (4 - 5)</u>   |                              |                                 |                              |                            |                            |
| 7               | <u>Percent of Federal Income Deductible for State Tax Purposes (p)</u> | <u>Company Input/Records</u>  |                              |                                 |                              |                            |                            |
| 8               | <u>Composite Income Tax Rate (T)</u>                                   | <u>(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))</u>   |                              |                                 |                              |                            |                            |

**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





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

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

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

**Notes and Sources:**

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

---



---

El Paso Electric Company  
Formula Rate Template (Projected)  
Depreciation and Amortization Rates  
12 Months Ended December 31, 2022

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

|           |               |  |
|-----------|---------------|--|
| <u>17</u> | <u>354.00</u> | <u>Steel Towers and Fixtures</u>         |
| <u>18</u> | <u>355.00</u> | <u>Wood and Steel Poles</u>              |
| <u>19</u> | <u>356.00</u> | <u>Overhead Conductors &amp; Devices</u> |
| <u>20</u> | <u>359.00</u> | <u>Roads and Trails</u>                  |

#### **Distribution Plant**

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

#### **General Plant**

|           |               |   |
|-----------|---------------|---|
| <u>33</u> | <u>390.00</u> | <u>Structures and Improvements-Systems Operations Building</u>                  |
| <u>34</u> | <u>390.00</u> | <u>Structures and Improvements-Stanton Tower</u>                                |
| <u>35</u> | <u>390.00</u> | <u>Structures and Improvements-Eastside Operations Center</u>                   |
| <u>36</u> | <u>390.00</u> | <u>Structures and Improvements-Other Structures</u>                             |
| <u>37</u> | <u>390.00</u> | <u>Structures and Improvements-Other Structures Vanderbilt</u>                  |
| <u>38</u> | <u>390.00</u> | <u>Structures and Improvements-Other Structures Emergency Management System</u> |
| <u>39</u> | <u>390.00</u> | <u>Structures and Improvements-Other Structures Misc Buildings</u>              |
| <u>40</u> | <u>391.00</u> | <u>Office Furniture and Equipment</u>   |
| <u>41</u> | <u>393.00</u> | <u>Stores Equipment</u>   |
| <u>42</u> | <u>394.00</u> | <u>Tools, Shop and Garage Equipment</u>   |
| <u>43</u> | <u>395.00</u> | <u>Laboratory Equipment</u>   |

|           |               |                                 |
|-----------|---------------|---------------------------------|
| <u>44</u> | <u>396.00</u> | <u>Power Operated Equipment</u> |
| <u>45</u> | <u>397.00</u> | <u>Communication Equipment</u>  |
| <u>46</u> | <u>398.00</u> | <u>Miscellaneous Equipment</u>  |

**Intangible Plant<sup>1</sup>**

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

---

**Notes and Sources:**

<sup>1</sup> 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.

<sup>2</sup> 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.

---

Formula Rate Template (Projected)

Projected Transmission Depreciation Composite Rate

12 Months Ended December 31, 2022

| <u>Line</u><br><u>No.</u> | <u>Account</u><br><u>No.</u> | <u>Account Description</u> | <u>EOY 2020</u><br><u>Balance</u> | <u>Depreciation</u><br><u>Rates</u> | <u>Depreciation</u><br><u>Expense</u> |
|---------------------------|------------------------------|----------------------------|-----------------------------------|-------------------------------------|---------------------------------------|
|                           | <u>[a]</u>                   | <u>[b]</u>                 | <u>[c]</u>                        | <u>[d]</u>                          | <u>[e] = [c] x</u><br><u>[d]</u>      |

*Worksheet P13,  
Col. [e]*

**Transmission Plant**

|          |               |                                     |   |  |   |
|----------|---------------|-------------------------------------|---|--|---|
| <u>1</u> | <u>350.10</u> | <u>Land and land rights</u>         | = |  | = |
| <u>2</u> | <u>350.10</u> | <u>Land Rights (Isleta)</u>         | = |  | = |
| <u>3</u> | <u>352.00</u> | <u>Structures and improvements</u>  | = |  | = |
| <u>4</u> | <u>353.00</u> | <u>Station equipment</u>            | = |  | = |
| <u>5</u> | <u>354.00</u> | <u>Towers and fixtures</u>          | = |  | = |
| <u>6</u> | <u>355.00</u> | <u>Poles and fixtures</u>           | = |  | = |
| <u>7</u> | <u>356.00</u> | <u>Overhead conductors, devices</u> | = |  | = |
| <u>8</u> | <u>359.00</u> | <u>Roads and trails</u>             | = |  | = |
| <u>9</u> |               | <b><u>Transmission Total</u></b>    | = |  | = |

10 **Monthly Composite Depreciation Rate (Ln. 9, Col. [e] / Col. [c])**

|   |   |   |   |   |   |
|---|---|---|---|---|---|
| = | = | = | = | = | = |
| = | = | = | = | = | = |

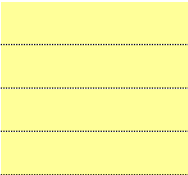
**El Paso Electric Company**  
 Formula Rate Template (Actuals)  
 True-Up Adjustment  
 12 Months Ended December 31, 2020

| <u>Line No.</u> | <u>Month</u> | <u>Year</u> | <u>Refunds / (Surcharges)<sup>1</sup></u> | <u>Cumulative Refunds / (Surcharges) (Beginning of Month)</u> | <u>Base for Quarterly Compound Interest<sup>2</sup></u> | <u>Base for Monthly Interest</u> | <u>Monthly FERC Interest Rate<sup>3</sup></u> | <u>Calculated Interest</u> | <u>Amortization of Refunds / (Surcharges)<sup>4</sup></u> | <u>Cumulative Refunds and Interest (End of Month)</u> |
|-----------------|--------------|-------------|---|---|---|----------------------------------|---|----------------------------|---|---|
|                 | [a]          | [b]         | [c]                                       | [d]=Cumulative( [c])  | [e]   | [f] = [d] + [e]                  | [g]   | [h] = [f] x [g]            | [i]   | [j]=Cumulative ([c],[h],[i])                          |

**NETWORK TRANSMISSION (ATTACHMENT 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 |
| <u>Intermediate Year</u> |           |      |
| 13                       | January   | 2021 |
| 14                       | February  | 2021 |

|           |                  |             |
|-----------|------------------|-------------|
| <u>15</u> | <u>March</u>     | <u>2021</u> |
| <u>16</u> | <u>April</u>     | <u>2021</u> |
| <u>17</u> | <u>May</u>       | <u>2021</u> |
| <u>18</u> | <u>June</u>      | <u>2021</u> |
| <u>19</u> | <u>July</u>      | <u>2021</u> |
| <u>20</u> | <u>August</u>    | <u>2021</u> |
| <u>21</u> | <u>September</u> | <u>2021</u> |
| <u>22</u> | <u>October</u>   | <u>2021</u> |
| <u>23</u> | <u>November</u>  | <u>2021</u> |
| <u>24</u> | <u>December</u>  | <u>2021</u> |



**Rate Year**

|           |                  |             |
|-----------|------------------|-------------|
| <u>25</u> | <u>January</u>   | <u>2022</u> |
| <u>26</u> | <u>February</u>  | <u>2022</u> |
| <u>27</u> | <u>March</u>     | <u>2022</u> |
| <u>28</u> | <u>April</u>     | <u>2022</u> |
| <u>29</u> | <u>May</u>       | <u>2022</u> |
| <u>30</u> | <u>June</u>      | <u>2022</u> |
| <u>31</u> | <u>July</u>      | <u>2022</u> |
| <u>32</u> | <u>August</u>    | <u>2022</u> |
| <u>33</u> | <u>September</u> | <u>2022</u> |
| <u>34</u> | <u>October</u>   | <u>2022</u> |
| <u>35</u> | <u>November</u>  | <u>2022</u> |
| <u>36</u> | <u>December</u>  | <u>2022</u> |

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

38 Less: True-Up Adjustment<sup>1</sup>

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

**LOAD DISPATCH (SCHEDULE 1)**

**True-Up Year**



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

**Intermediate Year**

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

**Rate Year**

|           |                 |             |
|-----------|-----------------|-------------|
| <u>64</u> | <u>January</u>  | <u>2022</u> |
| <u>65</u> | <u>February</u> | <u>2022</u> |
| <u>66</u> | <u>March</u>    | <u>2022</u> |
| <u>67</u> | <u>April</u>    | <u>2022</u> |





El Paso Electric Company

Formula Rate Template (Projected)

Schedule 1 - Load Dispatch Revenue Requirement

12 Months Ended December 31, 2022

Schedule 1

(Projected)

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

1. 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 (“ATTR”) 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 ATTR, 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 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.
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 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” 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 ~~a transmission customer of EPE, a state commission in a state where EPE serves retail customers, any entity having standing in a~~ Federal Energy Regulatory Commission (“Commission” or “FERC”) proceedings ~~investigating the Formula Rate (as defined in Section H.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**

1. 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 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 ~~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 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 ~~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.

(d~~e~~) 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.

(e~~d~~) Post such Annual Update on its OASIS by June 15, or if June 15 is a Saturday, Sunday or Federal holiday, the first business day thereafter (“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) containing a link or a description of the location ~~website address~~ where the Annual

Update ~~is posted~~~~posting is located~~. 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, ~~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.

(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 ~~inputs~~ fixed components related to ~~unamortized abandoned plant, construction work in progress (which is currently set to zero),~~ rate of return on equity ~~(ROE)~~ 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 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 (“~~Customer~~Annual Meeting”) during which the Transmission Provider shall present details about its Annual Update. The ~~Customer~~Annual Meeting shall provide Interested Parties the chance to seek information and clarifications from the Transmission Provider about the Annual Update. The first ~~Customer~~Annual 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 Interested Parties ~~parties~~ and posted on the Transmission Provider's OASIS and internet website. The Transmission Provider shall also schedule subsequent ~~Customer Meetings~~ 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 ~~supporting~~ the Annual Update. Interested Parties will have one-hundred and ~~twenty-five~~ (150+20) 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 ~~revenue~~ credits ~~and~~ have been accounted for and recorded appropriately; and ~~(34)~~ 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](#) ~~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 [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 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 ~~Customer~~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 ~~or submission of a Preliminary Challenge~~ was submitted, file a Formal Challenge with the Commission regarding the Annual Update. For avoidance of doubt ~~and as provided in Article IV hereof~~, nothing in this Article IV ~~section~~ is intended to limit the rights of any Interested Party to file a complaint under the FPA outside the Formal Challenge procedures provided by these Protocols.

2. The Transmission Provider shall promptly post notice of resolution of a Preliminary Challenge (at the same location as the notice of Preliminary Challenges) and shall notify all Interested Parties of such resolution, consistent with the procedures set forth in Section III.4, above.
3. Any and all information produced pursuant to these Protocols may be included in any proceeding concerning the ~~El Paso Electric Company~~ Formula Rate initiated at FERC pursuant to the FPA, including, but not limited to, a Formal Challenge. Information produced pursuant to these Protocols designated as confidential information and not otherwise publicly available shall be treated as confidential in any such proceeding referenced herein; provided that confidential treatment shall be subject to a later determination by the presiding authority that the material is, in whole or in part, not entitled to confidential treatment.

4. ~~Any~~ Formal 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. 56.
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 ~~projected ATRR resulting from the Information Exchange and Informal Challenge processes that are agreed to by El~~

~~Paso Electric Company will be reported in the Informational Filing required pursuant to Section II of these Protocols.~~ Any such changes or adjustments agreed to by ~~El Paso Electric Company~~EPE 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 Company~~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 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 ATRR~~Projection, 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. **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.

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.

- 1) 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.

- 2) 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.
- 3) 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:

- 1) Yearly delivery: the Annual Demand Charge multiplied by the amount of Reserved Capacity per year. The Annual Demand Charge for a calendar year is identified in Attachment H-1, tab "Projected Attachment H," line 9.
- 2) 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.
- 3) 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**

- 1) Ancillary Services: If applicable, provided pursuant to Schedules 1 through 6 and 9 of this Tariff.
- 2) Direct Assignment Facilities Charges: If applicable.
- 3) Real Power Losses: Provided pursuant to Schedule 10 of this Tariff.
- 4) Peak/Off-Peak Periods: For hourly service, the on-peak period extends from hour ending (HE) 0700 through HE 2200, Daylight Saving Time, at the location where service is provided, at such times when Daylight Saving Time is the prevailing

time, and extends from HE 0800 through HE 2300, Standard Time, at the location where service is provided, at such times when Standard Time is the prevailing time, in each case Monday through Saturday, exclusive of NERC holidays. All other hours are off-peak periods for the purpose of determining hourly service rates. For daily service, on-peak periods are Monday through Saturday, exclusive of NERC holidays. Off-peak daily rates apply on Sundays and NERC holidays.

- 5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- 6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

**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 Point-to-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

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 Point-to-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:

- 1) 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.
- 2) 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 such week.

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

- 1) Ancillary Services: If applicable, provided pursuant to Schedules 1 through 6 and 9 of this Tariff.
- 2) Direct Assignment Facilities Charges: If applicable.
- 3) Real Power Losses: Provided pursuant to Schedule 10 of this Tariff.
- 4) Peak/Off-Peak Periods: For hourly service, the on-peak period extends from hour ending (HE) 0700 through HE 2200, Daylight Saving Time, at the location where service is provided, at such times when Daylight Saving Time is the prevailing time, and extends from HE 0800 through HE 2300, Standard Time, at the location where service is provided, at such times when Standard Time is the prevailing

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

- 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”).

- 1) 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.



- 2) 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. NETWORK INTEGRATION TRANSMISSION SERVICE**

#### **34 Rates and Charges**

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

##### **34.1 Monthly Demand Charge:**

The Network Customer shall pay a monthly Demand Charge specified in Attachment H-1, tab "Projected Attachment H," line ~~12~~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 [223](#). Annual updates to the Schedule 1 rates shall follow the procedures set forth in Attachment H-2.

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

- 2) For Monthly Service, the demand charge identified in Attachment H-1, tab “[Projected](#) Schedule 1,” line [296](#) multiplied by the amount of Reserved Capacity per month.
- 3) For Weekly Service, the demand charge identified in Attachment H-1, tab “Projected Schedule 1,” line [307](#) 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 [318](#) 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 [329](#) 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 [3310](#) 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 [3411](#) 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:

- 1) Yearly delivery: the Annual Demand Charge multiplied by the amount of Reserved Capacity per year. The Annual Demand Charge for a calendar year is identified in Attachment H-1, tab "Projected Attachment H," line ~~11~~9.
- 2) Monthly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line ~~12~~10 multiplied by the amount of Reserved Capacity per month.
- 3) Weekly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line ~~13~~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 ~~14~~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 ~~15~~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 ~~16~~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 ~~17~~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**

- 1) Ancillary Services: If applicable, provided pursuant to Schedules 1 through 6 and 9 of this Tariff.
- 2) Direct Assignment Facilities Charges: If applicable.
- 3) Real Power Losses: Provided pursuant to Schedule 10 of this Tariff.
- 4) Peak/Off-Peak Periods: For hourly service, the on-peak period extends from hour ending (HE) 0700 through HE 2200, Daylight Saving Time, at the location where

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

- 5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- 6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

### 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 Point-to-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

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.

|                                 |
|---------------------------------|
| <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.
  - d) The stated rates on the Palo Verde-Westwing lines for Short-Term Firm Point-to-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:

- 1) Monthly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line ~~12~~10 multiplied by the amount of Reserved Capacity per month.
- 2) Weekly delivery: the demand charge identified in Attachment H-1, tab "Projected Attachment H," line ~~13~~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 ~~14~~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 ~~15~~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 ~~16~~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 ~~17~~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 such week.

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

- 1) Ancillary Services: If applicable, provided pursuant to Schedules 1 through 6 and 9 of this Tariff.
- 2) Direct Assignment Facilities Charges: If applicable.
- 3) Real Power Losses: Provided pursuant to Schedule 10 of this Tariff.
- 4) Peak/Off-Peak Periods: For hourly service, the on-peak period extends from hour ending (HE) 0700 through HE 2200, Daylight Saving Time, at the location where service is provided, at such times when Daylight Saving Time is the prevailing

time, and extends from HE 0800 through HE 2300, Standard Time, at the location where service is provided, at such times when Standard Time is the prevailing time, in each case Monday through Saturday, exclusive of NERC holidays. All other hours are off-peak periods for the purpose of determining hourly service rates. For daily service, on-peak periods are Monday through Saturday, exclusive of NERC holidays. Off-peak daily rates apply on Sundays and NERC holidays.

- 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”).

1) 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.
- 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.

2) 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.