

Amended Filing

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF EL PASO ELECTRIC COMPANY FOR)
REVISION OF ITS RETAIL ELECTRIC)
RATES PURSUANT TO ADVICE NOTICE)
NO. 317)

Case No. 25-00082-UT

EL PASO ELECTRIC COMPANY,)
Applicant.)

DIRECT TESTIMONY

OF

CYNTHIA S. PRIETO

ON BEHALF OF

EL PASO ELECTRIC COMPANY

MARCH 2026

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Exhibit CSP-3	Covid-19 Costs and Cost Savings
Exhibit CSP-4	Uncollectible Expense

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I. INTRODUCTION AND QUALIFICATIONS

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Cynthia S. Prieto. My business address is 100 N. Stanton Street,
El Paso, Texas 79901.

Q2. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by El Paso Electric Company ("EPE" or the "Company") as Vice
President and Controller.

**Q3. DESCRIBE BRIEFLY YOUR EDUCATIONAL BACKGROUND AND
PROFESSIONAL EXPERIENCE.**

A. I earned a Bachelor of Business Administration Degree with a concentration in
Accounting from the University of New Mexico in 1985. I was employed by
Ernst & Young in the Audit section from 1985 to 1992 where I was assigned to
various clients, including oil and gas companies. I was employed as an Audit
Senior Manager by KPMG LLP from 1993 to 1996 where I was assigned to various
clients. I accepted a position with the Company in 2006 as a financial accountant
where I worked until I was transferred to the Tax department in 2007. Since that
time, I have held various positions until I was promoted to my current position in
September 2020.

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1 **Q4. WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY?**

2 A. I serve under the general direction of the Chief Financial Officer, and I direct the
3 establishment and maintenance of the Company's accounting principles, practices,
4 and procedures for the maintenance of its fiscal records and the preparation of its
5 financial reports. I also oversee the activities of the Financial and Regulatory
6 Accounting, Financial Reporting, Tax, Plant Accounting, Revenue and Energy
7 Accounting, and Payroll Departments and am responsible for appraising operating
8 results in terms of costs, budgets, operating policies, and trends.

9

10 **Q5. HAVE YOU PREVIOUSLY FILED TESTIMONY OR TESTIFIED**
11 **BEFORE ANY REGULATORY AUTHORITIES?**

12 A. Yes. I have filed testimony before the Federal Energy Regulatory Commission
13 ("FERC") and have filed testimony and testified before the New Mexico Public
14 Regulation Commission ("NMPRC" or "Commission") and the Public Utility
15 Commission of Texas ("PUCT").

16

17 **II. PURPOSE OF TESTIMONY**

18 **Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

19 A. My direct testimony addresses a number of topics. I sponsor the overall rate base
20 and describe the Test Year Period adjustments that EPE has made to its September
21 30, 2025 Base Period rate base amounts. I also sponsor certain identified schedules

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1 and support the necessity and reasonableness of the identified adjustments to the
2 Base Period cost of service, and amounts contained therein. I specifically discuss:

- 3 • Capital additions to Plant in Service;
- 4 • Accumulated Depreciation and Amortization;
- 5 • Other adjustments to Rate Base;
- 6 • COVID-19 Expenses;
- 7 • Depreciation Expense;
- 8 • Certain adjustments to Cost of Service; and
- 9 • Compliance with certain items in Docket No. 19-00234-UT.

10

11 **Q7. WHAT RULE 530 SCHEDULES DO YOU SPONSOR OR CO-SPONSOR IN**
12 **THIS PROCEEDING?**

13 **A.** The schedules that I sponsor or co-sponsor are listed below. These schedules
14 comply with Rule 17.9.530 of the New Mexico Administrative Code ("Rule 530"),
15 which I review in my role at the Company. I am sponsoring or co-sponsoring the
16 following Rule 530 schedules:

- 17 • Schedule A-4: Summary of Rate Base (Adrian Hernandez sponsors the New
18 Mexico jurisdictional information);
- 19 • all B schedules (except B-7): Original Cost of Plant in Service, Construction
20 Work in Progress ("CWIP"), Allowance for Funds Used During Construction

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1 ("AFUDC"), and Plant Held for Future Use;

- 2 • Schedule C-1: Accumulated Provision for Depreciation and Amortization by
- 3 Functional Classification and Detailed Plant Account
- 4 • Schedule C-2: Depreciation Rate Study (John J. Spanos is the Sponsor)
- 5 • Schedule C-3: Depreciation and Amortization Methods
- 6 • Schedule E-1: Cash Working Capital Allowances;
- 7 • Schedule E-2: Materials and Supplies, Prepayments and Deferred Charges;
- 8 • Schedule E-4: Amounts of Working Capital Items Charged to Operating and
- 9 Maintenance Expense
- 10 • Schedule F-1: Other Property and Investments;
- 11 • Schedule H-7: Depreciation and Amortization Expense;
- 12 • Schedule J-1: Construction Program (Richard S. Gonzalez is a Co-sponsor);
- 13 • Schedule P-2: Plant in Service. (Richard S. Gonzalez and Adrian Hernandez
- 14 are Co-sponsors);
- 15 • Schedule P-3: Property Retirements and Property Investment Information
- 16 (Richard S. Gonzalez and Adrian Hernandez are Co-sponsors); and
- 17 • Schedule Q-6: Opinion of Independent Public Accountants.

18

19 **Q8. WERE THESE RULE 530 SCHEDULES PREPARED BY YOU OR UNDER**

20 **YOUR DIRECT SUPERVISION?**

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1 **A.** Yes, they were. A summary description of the schedules I sponsor or co-sponsor
2 in this case is included in Section III below.

3
4 **Q9. WHAT TEST YEAR PERIOD ADJUSTMENTS DO YOU SPONSOR?**

5 **A.** As addressed in the direct testimony of EPE witness Steven A. Sierra, I sponsor the
6 following adjustments listed on Rule 530 Schedule A-3, which are related to plant
7 in service, accumulated depreciation, depreciation and amortization expense, and
8 other rate base and cost of service items:

- 9 • Adjustment No. 1 – Revenues and Uncollectibles, co-sponsored with EPE
10 witness Rene Gonzalez;
- 11 • Adjustment No. 13 – Regulatory Assets and Liability Amortization (This
12 adjustment is sponsored by witness Julissa Reza and I co-sponsor certain
13 items);
- 14 • Adjustment No. 15 – Depreciation Expense;
- 15 • Adjustment No. 28 – Plant in Service;
- 16 • Adjustment No. 29 – Accumulated Depreciation;
- 17 • Adjustment No. 30 – CWIP;
- 18 • Adjustment No. 31 – Non-Cash Working Capital;
- 19 • Adjustment No. 33 – Regulatory Assets and Liabilities (This adjustment is
20 sponsored by witness Reza and I co-sponsor certain items); and

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- 1 • Adjustment No. 36 – Working Cash.

2

3 **Q10. WHY ARE YOU THE APPROPRIATE PERSON TO SPONSOR THESE**
4 **TOPICS?**

5 **A.** As I stated above, in my role as Vice President and Controller for EPE, I oversee
6 the Plant Accounting department which is responsible for the capitalization of
7 CWIP and plant in service and the calculation of depreciation expense and
8 recording of accumulated depreciation. I also oversee other accounting
9 departments which calculate and record other rate base and cost of service items
10 including materials and supplies and prepayment balances, other current assets,
11 uncollectible expense and regulatory assets and liabilities. Last, I direct the
12 establishment and maintenance of the Company's accounting principles, practices,
13 and procedures for the maintenance of its fiscal records and the preparation of its
14 financial reports and interactions with the Company's external auditors.

15

16 **Q11. WHAT IS THE REGULATORY STANDARD FOR ACCOUNTING DATA**
17 **IN THIS PROCEEDING?**

18 **A.** Rule 17.3.510 of the New Mexico Administrative Code ("Rule 510") governs the
19 recording of accounting data in this proceeding. The Base Period data for the
20 twelve months ended September 30, 2025, is derived from EPE's regulatory books

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1 and records. In accordance with Rule 510, EPE's books and records are maintained
2 in compliance with the FERC Uniform System of Accounts, as revised from time
3 to time by the FERC and have been audited by the accounting firm
4 PricewaterhouseCoopers LLP ("PwC"), in connection with its annual audit of the
5 Company's FERC Form 1 for the year ended December 31, 2024.

6
7 **Q12. PLEASE DESCRIBE THE TEST YEAR PERIOD UTILIZED IN THE RATE**
8 **FILING.**

9 **A.** The Company is using a Historic Test Year Period with the Base Period of October
10 1, 2024, through September 30, 2025. EPE adjusts the Base Period amounts to
11 reflect the effects of annualizations, normalizations, and known and measurable
12 changes to arrive at Test Year Period amounts.

13
14 **III. SUMMARY OF SCHEDULES SPONSORED**

15 **A. SCHEDULE A-4 (SUMMARY OF RATE BASE)**

16 **Q13. WHAT DOES SCHEDULE A-4 ADDRESS?**

17 **A.** Schedule A-4 summarizes rate base at the end of the Base Period (column b) along
18 with adjustments (column c) to arrive at adjusted rate base (column d). It then
19 adds/subtracts adjustments to reflect Rate Relief (column e) to arrive at the Test
20 Year Period requested amount of rate base (column f). I sponsor the Total
21 Company information on page 1 and the New Mexico jurisdictional information on

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1 page 2 is sponsored by EPE witness Hernandez.

2
3 **B. B SCHEDULES (ORIGINAL COST OF PLANT)**

4 **Q14. WHAT ARE THE B SCHEDULES?**

5 **A.** The B Schedules (which extend through Schedule B-7) contain original cost of
6 plant in service, construction work in progress ("CWIP"), allowance for funds used
7 during construction ("AFUDC") transferred to plant in service, plant held for future
8 use and nuclear fuel in process information. I sponsor Schedules B-1 through B-6,
9 which are related to plant in service, CWIP, AFUDC, and plant held for future use,
10 and Schedule B-7 is sponsored by EPE witness Julissa I. Reza.

11
12 **Q15. WHAT DOES SCHEDULE B-1 (ORIGINAL COST OF UTILITY PLANT**
13 **BY PRIMARY ACCOUNT) ADDRESS?**

14 **A.** This schedule reflects the amounts of utility plant classified by major FERC
15 account as of the beginning of the Base Period (column b). It then adds/subtracts
16 the additions (column c), retirements (column d), transfers (column e) to arrive at
17 the amounts at the end of the Base Period. Adjustments to the Base Period amounts
18 are added in column g to arrive at the requested amount of plant in service at the
19 end of the Test Year Period (column h). I explain all plant in service-related
20 adjustments later in my testimony. All amounts in this schedule are provided on a
21 total Company basis.

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1

2 **Q16. WHAT DOES SCHEDULE B-2 (ORIGINAL COST OF PLANT IN**
3 **SERVICE BY DETAIL ACCOUNT) ADDRESS?**

4 **A.** This schedule presents the details by FERC Primary ("300") account of the plant in
5 service amounts presented by major plant accounts in Schedule B-1 for the Base
6 Period (columns b to f). Schedule B-2 also includes adjustment to Base Period
7 amounts (column g) to arrive at the requested amount of plant in service at the end
8 of the Test Year Period (column h). All amounts in this schedule are provided on
9 a total Company basis.

10

11 **Q17. WHAT DOES SCHEDULE B-3 (ORIGINAL COST OF PLANT IN**
12 **SERVICE BY MONTHLY BALANCES) ADDRESS?**

13 **A.** Schedule B-3 includes the monthly book balance of plant in service by FERC 300
14 account for each month of the Base Period on a total Company basis. Adjustments
15 by FERC 300 account and the Test Year Period balances are provided in Schedule
16 B-2 and not duplicated in this schedule.

17

18 **Q18. WHAT DOES SCHEDULE B-4 (CWIP) ADDRESS?**

19 **A.** Schedule B-4 includes the book balance at the end of the Base Period for CWIP on
20 a total Company basis. EPE is not requesting the inclusion of CWIP in the
21 Company's requested rate base in this filing.

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1

2 **Q19. WHAT DOES SCHEDULE B-5 (AFUDC GENERATED AND**
3 **TRANSFERRED TO PLANT IN SERVICE) ADDRESS?**

4 **A.** Schedule B-5 addresses AFUDC generated and transferred to plant in service
5 during the Base Period and for the four years prior to the Base Period. This
6 schedule states the methods, procedures, and calculations EPE follows in
7 capitalizing AFUDC. It also includes a list of the AFUDC rates for calendar years
8 2021 through 2024 and the Base Period, and the amounts generated and transferred
9 to plant in service in each of those periods.

10

11 **Q20. HAS EPE COMPLIED WITH THE COMMISSION'S ORDER IN CASE NO.**
12 **15-00127-UT ("2015 RATE CASE") REGARDING THE INCLUSION OF**
13 **SHORT-TERM DEBT IN ITS CALCULATION OF THE AFUDC RATE?**

14 **A.** Yes, it did. In 2015, EPE began including short-term debt components (both
15 balance and rate) in its calculation of the AFUDC rate used to accrue AFUDC on
16 all applicable construction projects. This methodology has continued for all periods
17 through September 30, 2025.

18

19 **Q21. IS EPE'S AFUDC CALCULATION CONSISTENT WITH THE METHOD**
20 **USED BY FERC TO CALCULATE AFUDC?**

21 **A.** Yes. In addition to complying with the Commission's Final Order in the 2015 Rate

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1 Case, the method EPE uses to calculate its AFUDC balances, illustrated on Rule
2 530 Schedule B-5, is also consistent with the method that FERC requires.

3

4 **Q22. DO THE ADDITIONS TO RATE BASE SHOWN IN EXHIBIT CSP-1**
5 **INCLUDE AFUDC?**

6 **A.** Yes, they do. The costs for most of the plant additions reflected on Exhibit CSP-1
7 contain an amount for AFUDC.

8

9 **Q23. WHAT DOES SCHEDULE B-6 (PLANT HELD FOR FUTURE USE)**
10 **ADDRESS?**

11 **A.** Schedule B-6 lists plant held for future use at the end of the Base Period which is
12 recorded in FERC Account 105. The list includes the description and purpose of
13 each property, date purchased, estimated in-service date, and the book balance for
14 each property over \$10,000 at the end of the Base Period. There are no adjustments
15 to the Base Period amounts therefore the Test Year Period amount is the same as
16 the Base Period amount. The Company has a definite plan for these assets to be
17 placed into service within ten years.

18

19 **C. SCHEDULES C-1 AND C-3 (ACCUMULATED PROVISION FOR**
20 **DEPRECIATION AND AMORTIZATION)**

21 **Q24. WHAT ARE THE C SCHEDULES?**

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1 **A.** The C Schedules (which extend through Schedule C-3) contain depreciation
2 information, as described below.

3

4 **Q25. WHAT DOES SCHEDULE C-1 (ACCUMULATED PROVISION FOR**
5 **DEPRECIATION AND AMORTIZATION BY FUNCTIONAL**
6 **CLASSIFICATION AND DETAILED PLANT ACCOUNT) ADDRESS?**

7 **A.** Schedule C-1 provides accumulated provisions for depreciation detailed by
8 functional classification (e.g., steam production, transmission) at the beginning of
9 the Base Period (column b). It then adds/subtracts Base Period accruals
10 (depreciation expense-column c), retirements (column d), and adjustments
11 (salvage, cost of removal, etc. – column e) to the beginning balance amounts to
12 arrive at the amount of accumulated depreciation at the end of the Base Period
13 (column f). Adjustments to Base Period amounts are included in column (g) and
14 column (h) represents the requested amount of accumulated depreciation for the
15 Test Year Period. I explain and support all accumulated depreciation related
16 adjustments later in my testimony. All amounts on this schedule are on a total
17 Company basis.

18

19 **Q26. WHAT DOES SCHEDULE C-3 (DEPRECIATION AND AMORTIZATION**
20 **METHODS) ADDRESS?**

21 **A.** Schedule C-3 describes the methods and procedures followed in calculating

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1 depreciation and amortization of plant, retirements, and abandonments.

2
3 **Q27. HAS EPE COMPLIED WITH THE COMMISSION'S ORDER IN THE 2015**
4 **RATE CASE REGARDING THE TREATMENT OF THE GAINS ON THE**
5 **SALE OF VEHICLES?**

6 **A.** Yes. Beginning in 2016, the Company began treating all gains on the sale of
7 vehicles as salvage by crediting FERC Account 108, Accumulated Provision for
8 Depreciation.

9
10 **Q28. DOES TREATING THESE GAINS AS SALVAGE RESULT IN A BENEFIT**
11 **TO RATEPAYERS?**

12 **A.** Yes. Salvage is recorded as a credit to FERC Account 108, Accumulated Provision
13 for Depreciation. This results in an increase to Accumulated Depreciation, which
14 results in a reduction to rate base.

15
16 **D. E-SCHEDULES (WORKING CAPITAL ALLOWANCE)**

17 **Q29. WHAT DOES SCHEDULE E-1 (CASH WORKING CAPITAL**
18 **ALLOWANCE) ADDRESS?**

19 **A.** Schedule E-1 calculates the cash working capital allowance as the lesser of one-
20 eighth of the Test Year Period balances of total Operation and Maintenance
21 Expense ("O&M") less fuel expense, purchase power, materials and supplies, and

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1 prepayments or the amount as calculated in the lead lag study. The amounts in this
2 Schedule are provided on a total Company basis. I explain and support all
3 adjustments later in my testimony. The working cash allowance is calculated based
4 on the lead-lag study sponsored by EPE witness Joseph S. Weiss.

5
6 **Q30. WHAT DOES SCHEDULE E-2 (MATERIALS AND SUPPLIES,**
7 **PREPAYMENTS, AND DEFERRED CHARGES) ADDRESS?**

8 **A.** Schedule E-2 details the monthly balances of the prepayment, materials and
9 supplies, and deferred charges during the Base Period. A 13-month average is
10 calculated and adjustments to Base Period amounts are recorded to arrive at the
11 Test Year Period 13-month average. I explain and support the related adjustments
12 later in my testimony. All amounts in this schedule are on a total Company basis.

13
14 **Q31. WHAT DOES SCHEDULE E-4 (AMOUNTS OF WORKING CAPITAL**
15 **ITEMS CHARGED TO OPERATING AND MAINTENANCE EXPENSES)**
16 **ADDRESS?**

17 **A.** Schedule E-4 details the monthly balances of the working capital items that were
18 charged to O&M accounts during the Base Period. Adjustments to Base Period
19 amounts are recorded to arrive at the Test Year Period balance. I explain and the
20 support related adjustments later in my testimony. All amounts in this schedule are
21 on a total Company basis.

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1

2 **E. SCHEDULE F-1 (OTHER PROPERTY AND INVESTMENTS)**

3 **Q32. WHAT DOES SCHEDULE F-1 ADDRESS?**

4 **A.** Schedule F-1 contains information on non-utility property the Company records in
5 FERC Account 121. Base Period beginning and ending balances are provided on
6 a total Company basis. No amounts in this schedule are requested in the Company's
7 rate base in this filing.

8

9 **F. SCHEDULE H-7 (DEPRECIATION AND AMORTIZATION EXPENSE)**

10 **Q33. WHAT DOES H-7 SCHEDULE ADDRESS?**

11 **A.** Schedule H-7 provides depreciable plant by functional classification in column (b)
12 at the end of the Base Period. It then multiplies the depreciable amount by the
13 current depreciation rate to arrive at the Base Period depreciation expense.
14 Proposed depreciation rates are included in column (f) and are multiplied by the
15 adjusted depreciable plant at the end of the Test Year Period in column (e) to arrive
16 at the amount of requested depreciation expense at the end of the Test Year Period
17 (column g). The Test Year Period Adjustments are included in column (h) and all
18 amounts in this schedule are provided on a total Company basis. I explain and
19 support the related adjustments later in my testimony.

20 The depreciation rates requested by EPE in this filing are discussed in the
21 direct testimony of EPE witness John J. Spanos.

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1

2

G. SCHEDULE J-1 (CONSTRUCTION PROGRAM)

3

Q34. WHAT DOES SCHEDULE J-1 ADDRESS?

4

A. Schedule J-1 provides expenditures for EPE's construction program detailed by function classification for the Base Period including AFUDC. The second page provides forecasted construction program expenditures for the calendar years 2026 and 2027 and is supported by EPE witness Richard Gonzalez.

8

9

H. P SCHEDULES (PLANT IN SERVICE)

10

Q35. WHAT ARE THE P SCHEDULES?

11

A. The P Schedules (which extend through Schedule P-12) contain plant in service, property retirements and property investment information, and O&M expense information. I sponsor portions of Schedules P-2 and P-3 as described below.

14

15

Q36. WHAT DOES SCHEDULE P-2 (PLANT IN SERVICE) ADDRESS?

16

A. Page 1 of Schedule P-2 provides plant in service and accumulated provision for depreciation and amortization on a total Company basis for the Base Period by month and detailed by functional group. It then subtracts Base Period accumulated provisions for depreciation and amortization from plant in service to arrive at the amount of net plant in service on a monthly basis for the Base Period. Page 1 provides the information required in subparts (a), (c) and (e) of Rule 530 for

21

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1 Schedule P-2. Page 2 of Schedule P-2 provides the New Mexico jurisdictional
2 amount of plant in service and accumulated provision for depreciation and
3 amortization, as required by subpart (b) of Rule 530 for this schedule, and is
4 sponsored by EPE witness Hernandez.

5
6 **Q37. WHAT ADDITIONAL INFORMATION DO YOU SPONSOR ON**
7 **SCHEDULE P-2?**

8 **A.** I also sponsor the plant in service, accumulated provision for depreciation and
9 amortization and net plant in service balances on a total Company basis for the four
10 calendar years prior to the Base Period detailed by functional group
11 (e.g., production, transmission), which is provided on page 3. Page 4 provides the
12 New Mexico jurisdictional amounts for the same information provided on page 3
13 and is supported by the direct testimony of EPE witness Hernandez. Pages 3 and 4
14 provide the information required by subpart (d) of Rule 530 for this schedule. Last,
15 page 5 provides a 5-year forecast of plant in service, accumulated provision for
16 depreciation and amortization, and net plant in services balances, as required by
17 subpart (f) of Rule 530 for this schedule, and is sponsored by EPE witness Richard
18 Gonzalez.

19
20 **Q38. WHAT DOES SCHEDULE P-3 (PROPERTY RETIREMENTS AND**
21 **PROPERTY INVESTMENT INFORMATION) ADDRESS?**

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1 **A.** Page 1 of Schedule P-3 provides total Company plant in service additions,
2 retirements and additions to CWIP by month and detailed by functional group
3 (e.g., production, transmission) for Base Period, as required by subparts (a), (c) and
4 (e) of Rule 530 for this schedule. Page 2 provides the New Mexico jurisdictional
5 amounts for the information on Page 1, as required by subpart (b) of Rule 530 for
6 this schedule, and is supported by the direct testimony of EPE witness Hernandez.

7

8 **Q39. WHAT ADDITIONAL INFORMATION DO YOU SPONSOR ON**
9 **SCHEDULE P-3?**

10 **A.** I also sponsor the total Company plant in service additions, retirements and
11 additions to CWIP for the four years prior to the Base Period detailed by functional
12 group (e.g., production, transmission). The New Mexico jurisdictional amounts are
13 identified in the direct testimony of EPE witness Hernandez. Both of these sections
14 are required by subpart (d) of Rule 530 for this schedule. Subpart (f) of Rule 530
15 for this schedule also requires plant in service additions, retirements and additions
16 to CWIP for the five years after the Test Year Period, which is provided on Page 5
17 of this schedule and is sponsored by EPE witness Richard S. Gonzalez.

18

19 **Q40. DOES THE INFORMATION IN SCHEDULE P-3 INCLUDE PROPERTY**
20 **UNDER CAPITAL LEASE?**

21 **A.** Yes.

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1

2 **I. SCHEDULE Q-6 (OPINION OF INDEPENDENT PUBLIC ACCOUNTANTS)**

3 **Q41. WHAT DOES SCHEDULE Q-6 ADDRESS?**

4 **A.** Schedule Q-6 provides the audit opinion of EPE's independent certified public
5 accountant stating that an independent examination of the book amounts and
6 accounting adjustments of the Company's books and records have been made for
7 the year ended December 31, 2024. In accordance with the Commission order
8 initiating this case, in Case No. 25-00082-UT, the Commission approved EPE's
9 Application for Order Granting Variance permitting EPE to file its audit report for
10 the calendar year 2024 with the application and to file the Company's audit report
11 for calendar year 2025 when it becomes available around mid-April 2026. The
12 requested variance was sought and granted because the Base Period for the
13 application spans two calendar years.

14

15 **IV. OVERALL RATE BASE**

16 **Q42. WHERE IS THE DETAIL OF THE TOTAL COMPANY RATE BASE**
17 **LOCATED?**

18 **A.** Schedule A-4 provides the detail of the Company's rate base in the Base Period, the
19 adjustments to these balances, and the requested Test Year Period rate base
20 amounts.

21

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**Q43. PLEASE IDENTIFY THE ITEMS INCLUDED IN THE COMPANY'S
RATE BASE AT THE END OF THE BASE PERIOD AND TEST YEAR
PERIOD AND THE WITNESS WHO SPONSORS EACH ITEM.**

A. Below is a detail of rate base items and the Company witness who sponsors each item:

- Plant in Service – I sponsor this item which is described above in my testimony in Section III item B in Schedules B-1 through B-3, and below in my testimony in section V – Plant Additions;
- Accumulated Depreciation and Amortization – I sponsor this item which is described above in my testimony in Section III item C in Schedules C-1 and C-3.
- Plant Held for Future Use – I sponsor this item which is described above in my testimony in Section III item B in Schedule B-6;
- CWIP – I sponsor this item which is described above in my testimony in Section III item B in Schedule B-4;
- Working Cash - I co-sponsor this item with EPE witness Joseph S. Weiss, which is described above in my testimony in Section III item D – Schedule E-1;
- Fuel Inventory - sponsored by EPE witness Julissa I. Reza;
- Nuclear Fuel - sponsored by EPE witness Reza;

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- 1 • Materials and Supplies – I sponsor this item which is described above in my
2 testimony in Section III item D – Schedule E-2;
- 3 • Prepayments - I sponsor this item which is described above in my testimony in
4 Section III item D – Schedule E-2;
- 5 • Coal Reclamation Asset – sponsored by EPE witness Reza;
- 6 • Regulatory Assets – I co-sponsor this item with EPE witnesses Reza, Adrian
7 Hernandez and Sierra. The items I sponsor are described below in my
8 testimony in section VI item D Regulatory Assets and Liabilities Adjustments;
- 9 • Accumulated Deferred Income Taxes – sponsored by EPE witness Tamera L.
10 Henderson;
- 11 • Tax Regulatory Assets - sponsored by EPE witness Henderson;
- 12 • Miscellaneous Deferred Debits – sponsored by EPE witness Reza;
- 13 • Unrecovered Plant and Regulatory Study Costs – I sponsor this item which is
14 discussed below in my testimony in Section VI item D – Regulatory Assets and
15 Liabilities Adjustments;
- 16 • Customer Deposits – I sponsor this item which has no Test Year Period
17 adjustments;
- 18 • Regulatory Liabilities – I co-sponsor this item with EPE witnesses Reza,
19 Hernandez and Sierra. The items I sponsor are described below in my

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1 testimony in Section VI item D – Regulatory Assets and Liabilities

2 Adjustments;

- 3 • Tax Regulatory Liabilities – sponsored by EPE witness Henderson;
- 4 • Customer Advances – Construction – sponsored by EPE witness Reza; and
- 5 • Accumulated Deferred Income Taxes – sponsored by EPE witness Henderson.
- 6

7 **Q44. WHERE IS THE DETAIL OF THE ADJUSTMENTS TO TOTAL**

8 **COMPANY RATE BASE LOCATED?**

9 **A.** Schedule A-3 lists adjustments to total Company rate base and details are provided

10 in Workpaper A-3, which are also described below in Section VI of my testimony.

11

12 **Q45. WERE THE AMOUNTS IN RATE BASE PRUDENTLY INCURRED AND**

13 **REASONABLE IN AMOUNT?**

14 **A.** Yes, amounts in rate base were prudently incurred and are reasonable in amount.

15

16 **A. FERC ORDER NO. 898 IMPACTS**

17 **Q46. WHAT DOES THIS SECTION OF YOUR TESTIMONY ADDRESS?**

18 **A.** In this section of my testimony, I address FERC Order No. 898 as it relates to rate

19 base.

20

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1 **Q47. WHAT IS FERC ORDER NO. 898?**

2 **A.** FERC Order No. 898, issued on June 29, 2023, and effective on January 1, 2025,
3 is a final rule that amends the FERC's Uniform System of Accounts for public
4 utilities to:

- 5 • create new accounts for wind, solar, and other renewable generating assets;
- 6 • create a new functional class for energy storage accounts;
- 7 • codify the accounting treatment of renewable energy credits, now called
8 Environmental Credits; and
- 9 • create new accounts within existing functions for computer hardware,
10 software, and communication equipment.

11 The relevant FERC forms were also amended to accommodate these changes.
12 The rule's goal is to improve the transparency of regulatory reporting for electric
13 utilities.

14

15 **Q48. HOW DID FERC ORDER NO. 898 IMPACT THE COMPANY'S**
16 **REQUESTED RATE BASE IN THIS FILING?**

17 **A.** EPE implemented FERC Order No. 898 on January 1, 2025, and the presentation
18 of amounts in this case are in compliance with the FERC Uniform System of
19 Accounts in effect at the end of the Base Period. There are no impacts to the
20 Company's request in this case resulting from FERC Order No. 898. Transfers

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1 between FERC detail accounts required by FERC Order No. 898 are included on
2 Schedule B-2 – Original Cost of Plant in Service by Detail Account in column (e)
3 – Transfers and Schedule C-1 – Accumulated Provision for Depreciation and
4 Amortization by Functional Classification and Detailed Plant Account in column
5 (e) – Other Changes.

V. PLANT ADDITIONS

8 **Q49. WHAT IS THE AMOUNT OF TOTAL COMPANY PLANT ADDITIONS**
9 **TO RATE BASE SINCE THE FINAL ORDER IN CASE NO. 20-00104-UT**
10 **("2020 RATE CASE")?**

11 **A.** Company plant additions since the 2020 Rate Case, not yet included in rate base,
12 total approximately \$2.417 billion as shown on Exhibit CSP-1. In this proceeding,
13 EPE seeks to include the New Mexico jurisdictional portion of these plant additions
14 (\$408.441 million) in its New Mexico jurisdictional rate base as discussed by EPE
15 witness Hernandez.

17 **Q50. PLEASE DESCRIBE EXHIBIT CSP-1?**

18 **A.** Exhibit CSP-1 lists the amounts added to plant in service by function between the
19 end of the Base Period for the 2020 Rate Case and the end of the Base Period in
20 this request (column d less column e), which is from January 1, 2020 to September
21 30, 2025, a total of \$2.284 billion on a total Company basis. Additions to plant in

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1 service are listed by function and project (column b) and include a description of
2 each project over \$100,000 (column c). Column (e) removes the items approved in
3 the 2020 Rate Case of \$18.575 million for plant placed in service between January
4 1, 2020 through March 31, 2022, and column (f) lists the Test Year Period
5 Adjustment to add projects which total \$132.944 million that were placed into
6 service between October 1 and October 31, 2025 which is described below in my
7 testimony. This results in Test Year Period plant in service additions of
8 \$2.417 billion on a total Company basis (New Mexico jurisdictional request of
9 \$408.441 million). Exhibit CSP-1 also indicates the EPE witness who is sponsoring
10 the project under each function and will be discussing the items in their direct
11 testimony (column j), the date projects were placed in service (column k) and a
12 general description of capital projects with a cost greater than \$5 million (column
13 l). EPE witness Omar Gallegos sponsors the information regarding transmission
14 and distribution plant additions; EPE witness Victor Martinez sponsors the
15 information regarding nuclear production plant additions and the implementation
16 of the Energy Imbalance Market projects; EPE witness Jeffery M. Hughes sponsors
17 the information regarding steam and other production plant additions; and I sponsor
18 the information about general plant additions, except for those items specifically
19 noted in the exhibit as being sponsored by other witnesses. For the general plant
20 additions that I sponsor, the discussion is below in my testimony.

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Q51. DO THE AMOUNTS ON EXHIBIT CSP-1 INCLUDE COSTS THAT WERE PREVIOUSLY INCLUDED IN RATE BASE AS TEST YEAR PERIOD ADJUSTMENTS IN THE COMPANY'S LAST NEW MEXICO RATE CASE?

A. No, they do not. Column (e) of Exhibit CSP-1 removes all additions reflected in the Test Year Period in the 2020 Rate Case Final Order that were placed into service after the end of the Base Period in that case, a total of \$18.575 million in projects on a total Company basis.

Q52. IS EPE REQUESTING ADDITIONAL ADJUSTMENTS TO THE RATE BASE FOR PLANT IN SERVICE?

A. Yes, those requested adjustments are described in Section VI of my testimony.

A. GENERAL PLANT ADDITIONS

Q53. WHAT ARE THE ADDITIONS INCLUDED IN GENERAL PLANT?

A. The Company is requesting general plant additions of \$280.289 million on a total Company basis (\$59.847 million on a New Mexico jurisdictional basis) for projects placed in service between January 1, 2020, and October 31, 2025, as indicated in the Table CSP-1 below. New Mexico jurisdictional amount for each project discussed below can be found on Exhibit CSP-1. The costs consist of the following projects:

/

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TABLE CSP-1

MAJOR PROJECT	TOTAL COMPANY COST
Customer Care and Billing Software (SS243 and SS112)	\$37,891,892
ERP Implementation and PowerPlan Upgrade (SS287)	33,978,905
Transportation Capital Blanket (SS005)	32,242,277
IT Corporate and Operations Blankets (SS040 and ST040)	19,378,164
Integrated Planning and Forecasting Software (SS286)	18,019,648
ESOC Operations & Safety Training Center (SS236)	14,100,411
Energy Imbalance Market Implementation (SS272)	12,596,538
Shared Services Facility Services Blanket (SF007)	9,038,278
Generation Operations CMMS (SS224)	8,367,335
Energy Market System Upgrade (ST107)	8,096,644
Distribution General Plant (DT030)	6,363,834
Other Projects (less than \$5 million)	<u>80,215,567</u>
TOTAL	<u>\$280,289,495</u>

Q54. FOR EASE OF PRESENTATION, HAVE YOU DISTINGUISHED BETWEEN MAJOR CAPITAL PROJECTS AND OTHER PROJECTS?

A. Yes. Capital projects designated as "major" are those costing \$5 million or more on a total Company basis, and those designated as "minor" capital projects are those

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1 costing less than \$5 million on a total Company basis. Minor capital projects are
2 identified as "Other Projects" in my testimony.

3
4 **Q55. DOES EPE HAVE PROCESSES AND PROCEDURES IN PLACE TO**
5 **ENSURE THAT COSTS ASSOCIATED WITH GENERAL PLANT**
6 **CAPITAL PROJECTS ARE REASONABLE?**

7 **A.** Yes. The Company uses an established process to ensure that general plant
8 additions are acquired in the most efficient and cost-effective manner. While the
9 cost of general plant is important, ensuring that the acquisitions meet the
10 Company's needs is equally, or more, important. The process starts with defining
11 the requirements for each addition/acquisition. Once the requirements are
12 developed, the Company routinely uses competitive bidding processes to identify
13 the vendors that best meet the Company's requirements in the most cost-effective
14 manner. The Company's general plant acquisition process seeks to meet the
15 Company's needs at the lowest cost over the life of the plant.

16
17 **Q56. HOW DOES EPE ENSURE THAT CAPITAL PROJECTS ARE**
18 **APPROPRIATELY BUDGETED?**

19 **A.** The Company has procedures in place for the creation and approval of capital
20 projects. Projects costing over \$100,000 to \$200,000 (depending on the functional
21 area) go through a specific budget review and approval process and are ultimately

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1 approved by the Executive Leadership Team ("ELT"). The ELT is composed of
2 the executive leadership of the Company, which includes the Chief Executive
3 Officer and all officers that report directly to her. The ELT reviews each project
4 for business need and to ensure that they integrate with other systems and meet the
5 Company's long-term systems development requirements.

6
7 **Q57. WHAT IS A "BLANKET" PROJECT?**

8 **A.** For general plant costs, blanket projects are primarily used for routine annual
9 acquisitions. For internal tracking and management purposes, the Company
10 organizes projects from a specific functional area or for a specific Company
11 location into a blanket project. For example, the Shared Services Facility Services
12 Improvements Blanket allows EPE to track and manage all capital improvements
13 that occur on a regular basis at its various facilities throughout its service territory.

14
15 **Q58. CAN YOU DESCRIBE THE PURPOSE AND USE OF THE CUSTOMER**
16 **CLOUD SERVICE ("CCS") SOFTWARE PROJECT (SS243)?**

17 **A.** The Company was required to upgrade its customer service software in 2020 for
18 continued vendor product support. Although this project originally began as an
19 upgrade of the Customer Care and Billing ("CC&B") software, during the
20 negotiation of the contract, EPE was presented with a new cloud-based version of
21 the software, CCS, offered by the same vendor. This cloud-based software was

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1 ultimately chosen to replace the former customer service software for several
2 reasons: (1) elimination of on-site servers and technical support, (2) routine
3 updates which eliminate time-consuming and expensive upgrades, and (3) the fact
4 that cloud-based software would support the Company's Advanced Metering
5 Infrastructure ("AMI"), which is also cloud-based. The implementation of the CCS
6 software also included adding a reporting database, implementing a customer web
7 self-service portal, and implementing a product called Opower, which helps
8 customers reduce energy usage through home energy reports, behavioral load
9 shaping, proactive alerts, and digital self-service solutions. This software was
10 placed into service in March 2023 and has allowed EPE to provide more efficient
11 and responsive customer service.

12
13 **Q59. WHAT IS THE TOTAL COST OF THE CCS SOFTWARE?**

14 **A.** The cost of the CCS Software Project was approximately \$37.892 million (\$8.091
15 million New Mexico jurisdictional).

16
17 **Q60. CAN YOU DESCRIBE THE PURPOSE AND USE OF THE ENTERPRISE**
18 **RESOURCE PLANNING ("ERP") IMPLEMENTATION AND**
19 **POWERPLAN UPGRADE PROJECT (SS287)?**

20 **A.** The Company implemented Oracle Fusion Applications ("Fusion") to replace its
21 legacy ERP, Supply Chain Management and Human Capital Management systems

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1 previously managed through Oracle E-Business Suite ("EBS") and UKG UltiPro.
2 As part of this transformation, the Company also upgraded PowerPlan, its system
3 of record for managing the plant in service subledger. The Fusion implementation
4 involved significant business process redesign, integration with multiple enterprise
5 platforms, and comprehensive testing cycles leading up to the go-live on September
6 22, 2025. To support ongoing compliance and financial reporting, the project
7 included a redesign of the chart of accounts and related code block and the
8 migration of historical EBS data into an archival solution to ensure continued audit
9 access following EBS decommissioning. The implementation of the cloud-based
10 Fusion software allowed the Company to streamline many processes, automate
11 work previously done manually, and eliminate several systems previously utilized
12 by the Company providing more efficiency.

13
14 **Q61. WHAT IS THE TOTAL COST OF THE ERP PROJECT?**

15 **A.** The cost of the ERP Project was approximately \$33.979 million (\$7.255 million
16 New Mexico jurisdictional).
17

18 **Q62. WHAT CAPITAL ADDITIONS ARE INCLUDED IN THE**
19 **TRANSPORTATION CAPITAL BLANKET – SHARED SERVICES**
20 **PROJECT (SS005)?**

21 **A.** The Transportation Capital Blanket – Shared Services, or "Fleet" project, consists

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1 primarily of costs for vehicles and other transportation equipment such as trailers.
2 These vehicles and equipment are utilized throughout the Company's service
3 territory and directly support the Company's effort to provide safe, secure, and
4 reliable electric service to its customers. Purchase of new vehicles and
5 transportation equipment is performed in accordance with the Company's
6 purchasing policies and procedures.
7

8 **Q63. WHAT IS THE MAKE-UP OF EPE'S TRANSPORTATION FLEET?**

9 **A.** The Company's vehicle fleet is made up of transportation and vocational vehicles,
10 trailers, and trailered equipment. Transportation vehicles include sedans, pickup
11 trucks, and SUVs used during the normal course of performing Company business
12 to transport employees and material to and from job sites. Vocational vehicles
13 include heavy-duty work trucks, bucket trucks, boom trucks, cranes, elevators,
14 digger derricks, and other similar vehicles used in the normal course of Company
15 business to transport employees, material, and equipment to and from job sites and
16 to perform work at job sites in a safe and cost-effective manner. Trailers and
17 trailered equipment include pull trailers and motorized equipment such as wire
18 pulling and tensioning equipment, backyard machines, portable transformers, and
19 construction equipment. All vehicles, trailers, and trailered equipment are used to
20 perform the work needed to construct, operate, and maintain the Company's
21 electrical facilities and associated infrastructure and to support the Company's

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1 effort to provide safe, secure, and reliable service to its customers. Transportation
2 equipment is purchased under a blanket work order and added to plant in service as
3 the equipment is placed in service.

4
5 **Q64. DOES THE COMPANY HAVE ELECTRIC VEHICLES IN ITS FLEET?**

6 **A.** Yes. The Company has purchased several electric vehicles including cars, light-
7 duty trucks, and heavy-duty work trucks for use in its fleet services. Overall, these
8 vehicles are cost-efficient when combining original cost, cost of fuel, and
9 maintenance and repair costs.

10
11 **Q65. IN WHAT FERC ACCOUNT IS TRANSPORTATION EQUIPMENT**
12 **INCLUDED?**

13 **A.** Vehicles and trailers are included in FERC Account 392, Transportation
14 Equipment, while trailered equipment is included in FERC Account 396, Power
15 Operated Equipment.

16
17 **Q66. WHAT IS THE TOTAL COST OF THE TRANSPORTATION CAPITAL**
18 **BLANKET PROJECT (SS005) ADDED FROM JANUARY 1, 2020, TO**
19 **SEPTEMBER 30, 2025?**

20 **A.** The cost of the transportation equipment charged to the Transportation Capital
21 Blanket project added to plant in service after EPE's last base rate case was \$32.242

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1 million (\$6.884 million New Mexico jurisdictional).

2
3 **Q67. WHAT CAPITAL ADDITIONS ARE INCLUDED IN THE INFORMATION**
4 **TECHNOLOGY ("IT") CORPORATE AND OPERATIONS BLANKET**
5 **PROJECTS (SS040 and ST040)?**

6 **A.** The IT Corporate and Operations Blanket projects consist primarily of the costs of
7 IT hardware for infrastructure purchases necessary to support work performed
8 during the normal course of business. Hardware costs include amounts for servers,
9 routers, switches, network storage, cyber security, and corporate telephone systems.
10 These costs also include other items such as replacement and purchase of new
11 personal computers (desktops and laptops), departmental printers, peripherals, and
12 monitors. All these items are critical to the Company's provision of electric service
13 to its customers.

14
15 **Q68. WHAT IS THE TOTAL COST CHARGED TO THE IT CORPORATE AND**
16 **OPERATIONS BLANKET PROJECTS FROM JANUARY 1, 2020, TO**
17 **SEPTEMBER 30, 2025?**

18 **A.** The cost of the IT Corporate Blanket and the IT Operations Blanket added to plant
19 in service was \$19.378 million (\$4.138 million New Mexico jurisdictional).

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1 **Q69. CAN YOU DESCRIBE THE PURPOSE AND USE OF THE INTEGRATED**
2 **PLANNING & FORECASTING ("UI") SOFTWARE PROJECT (SS286)?**

3 **A.** The Company implemented the Utilities International Solutions Group ("UI")
4 software to streamline the budgeting and forecasting process and to enhance
5 regulatory filings and revenue analytics. Phase 1 of the installation of the UI
6 software, which costs are included in project SS286, included the planning and
7 forecasting modules which provided enhanced forecasting of O&M and capital
8 projects. The UI software integrates with PowerPlan (EPE's general ledger) and
9 other data streams to provide a unified view of performance metrics and a
10 systematic way of managing data. The UI software allows EPE to assess impacts
11 on operations and finance by enabling data-driven decision making as well as
12 advanced modeling and scenario comparisons.

13

14 **Q70. WHAT IS THE ESOC OPERATIONS AND SAFETY TRAINING CENTER**
15 **("OSTC") (SS236)?**

16 **A.** The OSTC is a building which consolidates EPE's training programs and includes
17 an equipment training yard. EPE determined the need to establish and maintain
18 dedicated facilities to administer and support safety and technical training efforts
19 for its various departments, to include training for collective bargaining unit
20 employees such as linemen, substation electricians, and relay technicians, and
21 training for salaried employees such as engineers, analysts, and project managers.

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1 Although the transmission, distribution and safety departments identified the need
2 for this facility, this facility provides a centralized training location for all
3 employees throughout the organization.

4
5 **Q71. WHAT WAS THE TIMELINE OF THE OSTC AND THE FINAL COST?**

6 **A.** The OSTC project was completed in three phases: (1) Programming and
7 Conceptual Design; (2) Design; and (3) Construction. Phase 1 began in January
8 2020 and was completed in February 2021. Phase 2 began in February 2021 and
9 was completed in August 2021 when Phase 3 began. Phase 3 was completed in
10 January 2023, and the project was placed in service at that time. The cost for the
11 OSTC was approximately \$14.1 million (\$3.011 million New Mexico
12 jurisdictional).

13
14 **Q72. WHICH COMPANY WITNESSES DESCRIBE THE PURPOSE AND USE**
15 **OF THE ENERGY IMBALANCE MARKET ("EIM") SOFTWARE,**
16 **GENERATION OPERATIONS CMMS SOFTWARE, ENERGY**
17 **MANAGEMENT SYSTEM ("EMS") UPGRADE, AND THE**
18 **DISTRIBUTION GENERAL PLANT IN TESTIMONY?**

19 **A.** The direct testimony of EPE witness Martinez supports the Company's investment
20 in the EIM and EMS Software, EPE witness Hughes supports the Generation CMMS

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1 Software, and the treatment for the Distribution General Plant can be found in the
2 direct testimony of EPE witness Gallegos.

3
4 **Q73. WHAT CAPITAL ADDITIONS ARE INCLUDED IN THE SHARED**
5 **SERVICES FACILITY SERVICES BLANKET PROJECT (SF007)?**

6 **A.** The Shared Services Facility Services Blanket project is made up of capital
7 improvement projects completed primarily in the Stanton Tower, which serves as
8 EPE's corporate headquarters. It is an 18-story building constructed in 1979 and
9 purchased by EPE in February 2008. The facility houses corporate functions such
10 as accounting, finance, budgeting, legal, compliance, risk management, billing,
11 revenue collections, information technology, customer service, and other corporate
12 level departments, all of which are critical to the Company's provision of electric
13 service to its customers. Over the last several years, EPE has completed multiple
14 projects within the facility to address aging infrastructure, safety and security
15 enhancement, obsolescence, and space utilization. As part of the Shared Services
16 Facility Services Blanket, the Company renovated multiple areas and replaced
17 equipment throughout the building (e.g., sprinkler/fire system and
18 generator/automatic transfer switches). EPE also completed various smaller capital
19 improvement projects. These projects included office and cubicle buildouts,
20 equipment replacements (e.g., HVAC, electrical, lighting, plumbing, etc.), and
21 furniture purchases for new offices, cubicles, and conference rooms.

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1

2 **Q74. WHAT IS THE TOTAL COST OF THE SHARED SERVICES FACILITY**
3 **SERVICES BLANKET?**

4 **A.** The cost of the Shared Services Facility Services Blanket added to plant in service
5 was approximately \$9.038 million (\$1.930 million New Mexico jurisdictional).

6

7 **Q75. WHAT CAPITAL ADDITIONS ARE INCLUDED IN THE CATEGORY**
8 **DESIGNATED AS "OTHER PROJECTS"?**

9 **A.** Other Projects represent capital projects costing less than \$5 million, including
10 materials, tools, and equipment for distribution line maintenance, operational
11 technology network buildouts at various EPE facilities, including the Stanton
12 Tower, and the Eastside Operations Center, energy management systems hardware
13 for System Operations, the general acquisition blanket for security and protection
14 systems at low impact sites, and miscellaneous IT communications equipment.
15 These projects represent routine capital expenditures made during the normal
16 course of business that are necessary and reasonable for the continued provision of
17 safe and reliable service.

18

19 **Q76. WHAT IS THE TOTAL COST OF OTHER PROJECTS?**

20 **A.** The total cost of Other Projects added to plant in service was approximately
21 \$80.216 million (\$17.127 million New Mexico jurisdictional).

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1

2 **Q77. WHAT IS THE TOTAL COST FOR GENERAL PLANT ADDITIONS THE**
3 **COMPANY IS SEEKING IN RATE BASE?**

4 **A.** EPE is requesting \$280.289 million (\$59.847 million New Mexico jurisdictional)
5 in rate base for general plant capital additions listed in Table CSP-1 above.

6

7 **Q78. ARE THE COSTS OF THE CAPITAL ADDITIONS TO GENERAL PLANT**
8 **NECESSARY, REASONABLE, AND PRUDENT?**

9 **A.** Yes. The Customer Cloud Service Software, ERP and Integrated Planning and
10 Forecasting Software are utilized by the Company to help provide reliable service
11 to its customers and manage supply chain, human resources, accounting and
12 budgeting information.

13 Transportation Equipment/Fleet Acquisition costs were incurred for the
14 purchase of new and replacement vehicles, as well as for equipment required to
15 provide safe and reliable service to customers and to address changes in operational
16 requirements. Vehicle and equipment options were evaluated from a best-value
17 perspective, and when applicable, different technologies such as electric vehicles
18 were considered. In addition, the development of specifications for vehicles and
19 equipment was performed through interdepartmental collaboration to ensure work
20 requirements were effectively met.

21 The OTSC was built to establish dedicated facilities to support safety,

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1 technical, and other training required to maintain the Company's on-going
2 commitment to provide safe, reliable service.

3 The IT Corporate and Operations Blankets project costs were incurred to
4 replace equipment that the Company no longer uses, to address changes in
5 operational requirements, and to allow EPE to leverage improvements in
6 technology for the benefit of the Company's customers.

7 The costs in the Shared Services Facility Services Improvement Blanket
8 project were incurred to upgrade and renovate aging infrastructure and equipment
9 and to address safety, security, and maintenance issues related to the Company's
10 facilities. Lastly, capital project costs included in Other Projects represent routine
11 capital expenditures made during the normal course of business that are necessary
12 for the provision of safe and reliable service.

13

14 **Q79. HOW DID THE COMPANY ENSURE THAT THE COSTS INCURRED**
15 **FOR THESE PROJECTS WERE REASONABLE?**

16 **A.** Projects are undertaken in accordance with the Company's purchasing policies and
17 procedures. This may include use of a competitive bidding process, with the
18 successful bidder identified as the vendor providing the best value option. In
19 addition, options are evaluated from both initial acquisition cost and ongoing
20 maintenance perspectives and, when feasible and appropriate, different

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1 technologies are considered. As a result, all these costs are reasonable, necessary,
2 and prudent.

3
4 **VI. RATE BASE ADJUSTMENTS**

5 **A. PLANT IN SERVICE ADJUSTMENTS**

6 **Q80. HAVE YOU MADE ANY ADJUSTMENTS TO THE BASE PERIOD PLANT**
7 **IN SERVICE AMOUNTS IN THIS FILING?**

8 **A.** Yes, the Company has adjusted plant in service for the following items in this filing:

- 9 • Palo Verde Revaluation;
- 10 • Rio Grande Unit 6;
- 11 • Capitalized Incentive Compensation ("CIC"); and
- 12 • Additions for plant in service used and useful between October 1 and October
- 13 31, 2025.

14

15 **Q81. WHAT RATE CASE SCHEDULE SHOWS THE ADJUSTMENTS TO**
16 **PLANT IN SERVICE?**

17 **A.** Workpaper A-3, Adjustment No. 28, reflects the Company's adjustments to plant
18 in service in rate base. I explain and support each item in Adjustment No. 28 below.

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1. PALO VERDE REVALUATION

Q82. PLEASE DISCUSS THE ADJUSTMENT TO PALO VERDE GENERATING STATION ("PVGS" OR "PALO VERDE").

A. The book value of Palo Verde is original cost as typically required by the Commission. An adjustment to the original cost was made based on the fresh-start values as determined upon EPE's emergence from bankruptcy in 1996 (post-bankruptcy fresh-start value), which is the method approved in NMPRC Case No. 2722 in 1998 (the "1998 Rate Case") and used in every base-rate case since that case. EPE's customers benefit from this adjustment to Palo Verde's original cost because the adjustment reduces EPE's New Mexico jurisdictional rate base, providing benefits to New Mexico customers in past and future revenue requirements. The values adopted in the 1998 Rate Case have been carried forward in subsequent rate cases and are reflected in EPE's current New Mexico rates.

Q83. DO EPE'S NET PLANT BALANCES CALCULATED FOR THE CURRENT TEST YEAR PERIOD REFLECT THE 1998 RATE CASE VALUATIONS?

A. Yes. As I indicated, EPE's cost of service for New Mexico continues to reflect the revaluation and write-down of Palo Verde. Exhibit CSP-2, page 1, shows the total Company and New Mexico jurisdictional amounts of net plant for PVGS at September 30, 2025. Pages 2 through 4 of Exhibit CSP-2 illustrate plant in service values for each Unit at Palo Verde based upon the revalued amounts. Beginning

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1 with the adopted plant values, additions and retirements are added or subtracted
2 from the beginning balance to calculate a gross plant balance at September 30,
3 2025, for each unit. Accumulated depreciation was calculated on Pages 5 to 7 of
4 Exhibit CSP-2 in a similar fashion by adding annual depreciation expense amounts,
5 subtracting retirements and cost of removal, and adding salvage to determine the
6 ending balance. Annual depreciation expense was developed on Pages 8 through
7 19 of Exhibit CSP-2 by depreciating the revalued basis and net additions each year
8 over the remaining life of the plant based upon the year of the addition.

9 Following the resolution of NMPRC Case No. 06-00258-UT (the "2006 Rate
10 Case"), the remaining life for both PVGS Units 1 and 2 was extended by 10 years for
11 the purposes of calculating depreciation in the New Mexico jurisdiction. EPE also
12 recognized an additional 10-year extension in its 2015 Rate Case by reducing
13 depreciation expense (effective January 2010). On April 21, 2011, the U.S. Nuclear
14 Regulatory Commission ("NRC") approved PVGS' license renewal, which extended
15 the operating license of all three Palo Verde units for 20 years beyond the original
16 40-year licenses. The renewed licenses for PVGS Units 1, 2, and 3 now expire in
17 2045, 2046, and 2047, respectively. Page 1 of Exhibit CSP-2 summarizes the
18 revalued balances of gross plant, accumulated depreciation, and net plant for each
19 unit and shows the New Mexico jurisdictional amounts, based upon the demand
20 allocator developed by EPE witness Hernandez in this case.

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**Q84. DID THE COMPANY ALSO REMOVE THE COSTS OF PALO VERDE
UNIT 3 FROM NEW MEXICO JURISDICTIONAL RATE BASE?**

A. Yes. The costs associated with Palo Verde Unit 3 were directly assigned to other jurisdictions in the jurisdictional allocation as discussed by EPE witness Hernandez.

2. RIO GRANDE UNIT 6

Q85. PLEASE DISCUSS THE RIO GRANDE UNIT 6 ADJUSTMENT.

A. EPE removed \$10 million of book cost related to the retirement of Rio Grande Unit 6. EPE agreed to remove Rio Grande Unit 6 from rate base in the 2015 Rate Case. EPE filed a notice of abandonment of Rio Grande Unit 6 on December 17, 2025 in Case No. 20-00194-UT.

3. CAPITALIZED INCENTIVE COMPENSATION ("CIC")

**Q86. PLEASE DISCUSS THE ADJUSTMENT TO REMOVE THE CIC
RELATED TO FINANCIAL METRICS.**

A. Incentive compensation based upon financial metrics capitalized to plant in service was excluded from requested rate base in this filing consistent with the Commission's 2015 Rate Case Final Order.

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1 **Q87. WHY DID EPE MAKE THIS ADJUSTMENT?**

2 **A.** Utilities in New Mexico have been required to remove capitalized financial-based
3 CIC from requested rate base in their filings. As a result, EPE has made an
4 adjustment to its requested plant in service to remove CIC based upon financial
5 metrics from costs capitalized to plant.

6
7 **Q88. WHAT PERIODS WERE INCLUDED IN THE ADJUSTED AMOUNTS?**

8 **A.** The adjustment includes incentive compensation that has been capitalized since
9 June 2009, which was the first month in which incentive compensation was
10 capitalized.

11

12 **4. TEST YEAR PERIOD PLANT ADDITIONS**

13 **Q89. HAVE YOU INCLUDED ANY PLANT ADDITIONS WHICH WERE**
14 **COMPLETED AFTER THE END OF THE BASE PERIOD?**

15 **A.** Yes. As I described above, EPE is requesting \$2.417 billion of plant additions
16 since the 2020 Rate Case through the Base Period ending September 30, 2025, on
17 a total Company basis (\$408.441 million on a New Mexico jurisdictional basis), as
18 adjusted for the Test Year Period. The Test Year Period adjustment amount
19 includes \$132.944 million of plant additions between October 1, 2025, and
20 October 31, 2025, on a total Company basis (\$10.9 million on a New Mexico
21 jurisdictional basis). The New Mexico jurisdictional amounts are supported in the

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1 direct testimony of EPE witness Hernandez. See Exhibit CSP-1 for a listing of the
2 projects placed in service in October 2025, which includes a list of the EPE
3 witnesses that support these plant additions as necessary and used and useful in
4 providing electric service at a just and reasonable cost.

5
6 **Q94. HAS THE COMPANY COMPLIED WITH THE FINAL ORDER IN THE**
7 **2020 RATE CASE REGARDING THE INCLUSION OF POST TEST YEAR**
8 **ADDITIONS TO PLANT IN SERVICE?**

9 **A.** Yes. As directed in the 2020 Rate Case, the Company has synchronized plant in
10 service, accumulated depreciation, depreciation expense and accumulated deferred
11 income tax ("ADIT") balances related to plant items in the test period adjustments.
12 The synchronized adjustments to plant in service, accumulated depreciation, and
13 depreciation expense are supported by me below in my testimony, and the
14 synchronized adjustments to ADIT are discussed in the testimony of EPE witness
15 Henderson.

16
17 *5. NEWMAN UNIT 6*

18 **Q90. DID THE COMPANY REMOVE THE COST OF NEWMAN UNIT 6 FROM**
19 **NEW MEXICO JURISDICTIONAL RATE BASE?**

20 **A.** Yes. The costs associated with Newman Unit 6 were directly assigned to other
21 jurisdictions in the jurisdictional allocation as discussed by EPE witness

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1 Hernandez.

2

3 **B. ACCUMULATED DEPRECIATION ADJUSTMENTS**

4 **Q91. HAVE YOU MADE ANY ADJUSTMENTS TO THE BASE PERIOD**
5 **ACCUMULATED DEPRECIATION AMOUNTS IN THIS FILING?**

6 **A.** Yes, the Company has adjusted accumulated depreciation for the following items
7 in this filing:

- 8 • Palo Verde Revaluation;
- 9 • Rio Grande Unit 6;
- 10 • FERC Audit;
- 11 • CIC; and
- 12 • Adjustment to Accumulated Depreciation for Plant Additions placed in service
- 13 in October 2025.

14

15 **Q92. WHAT RATE CASE SCHEDULE SHOWS THE ADJUSTMENTS TO**
16 **REQUESTED ACCUMULATED DEPRECIATION?**

17 **A.** Workpaper A-3, Adjustment No. 29, reflects the Company's adjustments to the
18 Base Period accumulated depreciation requested in the Test Year Period rate base.

19 Below, I explain and support each item in Adjustment No. 29.

20

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1 **Q93. PLEASE EXPLAIN THE ADJUSTMENTS TO ACCUMULATED**
2 **DEPRECIATION.**

3 **A.** The adjustments to accumulated depreciation primarily relate to the adjustments
4 made to plant in service as previously discussed.

5
6 *1. PALO VERDE REVALUATION*

7 **Q94. PLEASE DISCUSS THE ADJUSTMENT RELATED TO PALO VERDE**
8 **ACCUMULATED DEPRECIATION.**

9 **A.** In accordance with the Palo Verde revaluation adjustment to plant in service
10 discussed earlier, EPE adjusted accumulated depreciation to conform to the
11 calculation of the Palo Verde revalued amounts and their depreciable lives as
12 approved in the 1998 Rate Case. The revalued amounts are supported by Exhibit
13 CSP-2.

14
15 **Q95. DID THE COMPANY MAKE AN ADJUSTMENT TO REMOVE PALO**
16 **VERDE UNIT 3?**

17 **A.** Yes. As discussed above, accumulated depreciation and other amounts related to
18 Palo Verde Unit 3 were allocated to other in the New Mexico jurisdictional rate
19 base as discussed by EPE witness Hernandez.

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2. RIO GRANDE UNIT 6

Q96. PLEASE DISCUSS THE RIO GRANDE UNIT 6 ADJUSTMENT.

A. As discussed previously, Rio Grande Unit 6 has been retired by the Company and therefore it is necessary to remove the accumulated depreciation related to this plant.

3. FERC AUDIT

Q97. PLEASE EXPLAIN THE FERC AUDIT ADJUSTMENT RELATED TO ACCUMULATED DEPRECIATION.

A. Consistent with past rate cases, the Company has removed \$5.6 million from accumulated depreciation related to plant depreciation in the FERC jurisdiction. This amount is the result of an adjustment arising from an audit conducted by the FERC in the 1980s and is specific to the FERC jurisdiction. Consequently, it is removed from rate base because it is not applicable to the New Mexico retail jurisdiction.

4. CAPITALIZED INCENTIVE COMPENSATION

Q98. PLEASE DISCUSS THE ADJUSTMENT TO REMOVE THE ACCUMULATED DEPRECIATION RELATED TO THE FINANCIAL-BASED CIC.

A. The financial-based CIC capitalized to plant in service was removed from requested

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1 plant in service in this request; therefore, it is necessary to remove the related
2 accumulated depreciation.

3
4 **Q99. HOW DID EPE CALCULATE THE ADJUSTMENT FOR**
5 **ACCUMULATED DEPRECIATION ON THE FINANCIAL-BASED CIC?**

6 **A.** The Company first determined the amounts capitalized to plant in service for the
7 financial-based CIC by year since June 2009. Next, EPE calculated the annual
8 depreciation expense using the functional composite rates in effect each year,
9 related to the plant amounts which received CIC. The resulting accumulated
10 depreciation was then used as the basis for the adjustment related to CIC.

11
12 *5. TEST PERIOD ADJUSTMENT TO ACCUMULATED DEPRECIATION FOR PLANT*
13 *IN SERVICE ADDITIONS IN OCTOBER 2025*

14 **Q100. DID THE COMPANY RECORD AN ADJUSTMENT TO SYNCHRONIZE**
15 **ACCUMULATED DEPRECIATION FOR OCTOBER 2025 PLANT**
16 **ADDITIONS?**

17 **A.** Yes. An adjustment was made to add an additional month of depreciation and
18 record retirements from October 1, 2025 to October 31, 2025, in order to
19 synchronize accumulated depreciation with the EPE's Test Year Period adjustment
20 for plant additions placed in service in October 2025. As I discussed earlier,
21 synchronization is required by the 2020 Rate Case Final Order.

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1

2

C. CWIP ADJUSTMENT

3

Q101. PLEASE DISCUSS THE CWIP ADJUSTMENT.

4

A. The adjustment to CWIP is included in Workpaper A-3, Adjustment No. 30 –
5 CWIP. The adjustment removes the entire balance of CWIP at the end of the Base
6 Period because the Company is not requesting CWIP in rate base.

7

8

D. REGULATORY ASSETS AND LIABILITIES ADJUSTMENTS

9

Q102. WHERE IS THE WORKPAPER FOR THE REGULATORY ASSETS AND
10 **LIABILITIES ADJUSTMENTS LOCATED?**

11

A. The adjustments to Regulatory Assets and Liabilities are located at Workpaper A-
12 3, Adjustment No. 33 – Regulatory Assets and Liabilities and Other
13 Additions/Deletions. I co-sponsor this adjustment with EPE witnesses Reza, Sierra
14 and Hernandez.

15

16

Q103. WHICH BALANCES IN THE REGULATORY ASSETS AND LIABILITIES
17 **ADJUSTMENTS WORKPAPER DO YOU SPONSOR?**

18

A. I sponsor three balances in the Regulatory Assets and Liabilities Adjustments: (1)
19 the Unrecovered Plant and Regulatory Study Costs in FERC Account 182.2 on line
20 38 of WP A-3, Adjustment No. 33, (2) the New Mexico COVID-related Regulatory
21 Asset and Liability in FERC Accounts 182.3 and 254.3 which are netted in the

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balance on line 14 of WP A-3, Adjustment No. 33, and (3) the New Mexico Other Regulatory Assets in FERC Account 182.3 which is on line 15 of WP A-3, Adjustment No. 33. These balances are discussed below.

1. UNRECOVERED PLANT AND REGULATORY STUDY COSTS

Q104. IS THE COMPANY REQUESTING THE NET BOOK VALUE OF THE LEGACY METERS IN RATE BASE IN THIS CASE?

A. No. The balance in FERC Account 182.2 represents the net book value of non-advanced ("legacy") meters which were replaced by advanced meters. The net book value of the legacy meters was transferred to FERC Account 182.2 as the legacy meters were replaced by advanced meters.

In Adjustment No. 33 on Workpaper A-3, the Company removed the net book value of the legacy meters directly assigned to the New Mexico jurisdiction from rate base consistent with the Stipulation approved by the Commission in NMPRC Case No. 21-00269-UT ("AMS Rider"). The remaining balance in this account is directly assigned to the Texas jurisdiction in the jurisdictional allocation sponsored by EPE witness Hernandez. The result is that there is no amount included in rate base in the New Mexico jurisdiction, as can be seen on line 38 in column (f).

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2. DEFERRED COVID-19 EXPENSES

Q105. WAS THE COMPANY IMPACTED BY THE COVID-19 PANDEMIC?

A. Yes. The government-imposed COVID-19 restrictions in 2020 and the accompanying business changes had a significant impact on the Company, its employees, and its customers.

Q106. HOW WAS THE COMPANY IMPACTED BY THE COVID-19 PANDEMIC?

A. The Company was impacted in many ways by the COVID-19 pandemic. Like many other companies, our employees had to adjust to remote work routines, new safety protocols, and the stresses of a national health emergency all while continuing to provide reliable service to customers. The COVID-19 pandemic also substantially increased costs associated with the provision of electric service to customers in two major ways: (1) increased uncollectible expenses; and (2) other COVID-19 specific costs. The detail of additional costs incurred by the Company as a result of COVID-19 are detailed in Exhibit CSP-3 on page 1.

Q107. HOW DID THE COMPANY ACCOUNT FOR COSTS ATTRIBUTED TO THE COVID-19 PANDEMIC?

A. On May 6, 2020, the Commission issued an order in Case No. 20-00069-UT that allowed regulated utility companies to use an accounting mechanism to identify

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1 and defer COVID-19 related expenses for recovery. In compliance with this
2 Commission order, the Company recorded a regulatory asset that captures its
3 expenses resulting from the COVID-19 pandemic. Additionally, the Company
4 filed a Joint Motion, *El Paso Electric Company's Response to Order*, as requested
5 by the Commission in Case No. 20-00069-UT to address additional issues.

6
7 **Q108. WHAT ADDITIONAL ISSUES DID THE COMPANY ADDRESS**
8 **ATTRIBUTED TO THE COVID-19 PANDEMIC?**

9 **A.** The Company stated in the Joint Motion that EPE will track and record any federal
10 or state subsidies, or similar government subsidized relief received resulting from
11 the COVID-19 outbreak. EPE did track and record any cost savings resulting
12 directly from the COVID-19 outbreak and emergency conditions, consistent with
13 the original emergency rule and Joint Motion. The cost savings to the Company
14 that resulted from COVID-19 are detailed on Exhibit CSP-3, page 2.

15
16 **Q109. HOW DID THE COVID-19 PANDEMIC AFFECT THE COMPANY'S**
17 **UNCOLLECTIBLE EXPENSE?**

18 **A.** For the period from March 2020 to May 2023 the uncollectible expense attributed
19 to the COVID-19 pandemic was \$18,219,215 on a total Company basis (\$3,952,713
20 on a New Mexico jurisdictional basis). For the period from June to November
21 2023, the Company decreased the uncollectible expense attributed to the COVID-

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1 19 pandemic by \$4,646,000, through collection efforts. This results in a net of
2 \$13,573,215 on a total Company basis (\$2,944,750 on a New Mexico jurisdictional
3 basis), which is reflected on Exhibit CSP-3, page 1, line 7.

4
5 **Q110. HOW DID THE COMPANY CALCULATE THE AMOUNT OF**
6 **UNCOLLECTIBLE EXPENSE ATTRIBUTABLE TO THE IMPACT OF**
7 **THE COVID-19 PANDEMIC?**

8 **A.** The Company has historically calculated its uncollectible risk rate on a three-year
9 average. The Company experienced an increase in the uncollectible risk rate
10 beginning in March 2020 due to the pandemic. The increase in the uncollectible
11 risk rate continued through the remainder of the COVID-19 pandemic in May 2023.
12 The Company calculated the difference between the increased uncollectible risk
13 rate and the three-year average uncollectible risk rate ("the pandemic uncollectible
14 risk rate") and applied that pandemic uncollectible risk rate to the Company's aged
15 accounts receivable to calculate the pandemic uncollectible expense.

16
17 **Q111. WHAT OTHER COSTS DID THE COMPANY INCUR AS A RESULT OF**
18 **THE COVID-19 PANDEMIC?**

19 **A.** In compliance with federal, state, and local government public health orders, the
20 Company had to reset its operations to accommodate remote access, virtual
21 business interactions, and expanded technological infrastructure. These increased

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1 costs were necessary for the Company to continue providing reliable electric
2 service to customers while its employees were ordered to stay home. Moreover,
3 the COVID-19 pandemic increased administrative and other operational costs
4 primarily related to additional cleaning services, supplies, and increased medical
5 costs for testing, treatment, and consulting.

6
7 **Q112. DID THE COMPANY INCUR ANY REDUCTION IN COSTS RELATING**
8 **TO THE COVID-19 PANDEMIC?**

9 **A.** Yes. For the period from March 2020 to May 2023, cost reductions related to the
10 COVID-19 pandemic were \$3,623,028 on a total Company basis and \$687,424 on
11 a New Mexico jurisdictional basis which are reflected on Exhibit CSP-3, page 2.
12 The cost reductions were realized in office supplies, Palo Verde outage costs, and
13 training and travel expenses.

14
15 **Q113. WERE THE COMPANY'S COVID-19 RELATED COSTS REASONABLE**
16 **AND NECESSARY TO PROVIDE RELIABLE ELECTRIC SERVICE TO**
17 **CUSTOMERS?**

18 **A.** Yes. The Company incurred the costs as a direct result of state and local
19 government public health orders. The Company had to comply with these orders
20 in order to continue providing reliable electric service to its customers.

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Q114. HOW DOES THE COMPANY PROPOSE TO RECOVER ITS TOTAL COVID-19 RELATED EXPENSES IN THIS PROCEEDING?

A. The Company proposes recovery of COVID-19 related costs, net of savings, through base rates. This would allow the Company to recover actual COVID-19 expenses (both additional COVID-19 related bad-debt costs and other costs) over a two-year period. The total Company annual costs proposed to be recovered are included in Workpaper A-3, Adjustment No. 13.

Q115. IS THE COMPANY'S PROPOSAL TO RECOVER REASONABLE AND NECESSARY COVID-19-RELATED EXPENSES REASONABLE?

A. Yes. The Company's proposal to recover reasonable and necessary COVID-19-related expenses is reasonable and complies with the Commission's May 6, 2020, order in Case No. 20-00069-UT.

Q116. WAS THE COMPANY IMPACTED BY THE COVID-19 PANDEMIC DURING THE TEST YEAR PERIOD?

A. No. In May 2023, the public health emergency related to the COVID-19 pandemic was ended by the Biden Administration. Although the impacts of the COVID-19 pandemic continued through the end of the Test Year Period in the form of higher inflation, supply chain difficulties, and a changed workforce, the Company ceased recording expenses related to the pandemic in May 2023 (except for the reduction

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1 in uncollectible expense as discussed previously), prior to the start of the Test Year
2 Period on September 1, 2024.

3
4 *3. NEW MEXICO OTHER REGULATORY ASSET*

5 **Q117. PLEASE DESCRIBE THE NEW MEXICO OTHER REGULATORY**
6 **ASSET.**

7 **A.** The New Mexico Other Regulatory Asset is listed on Workpaper A-03, Adjustment
8 No. 33 on line 15. This balance was created in 2010 as required in Case No. 09-
9 00171-UT ("2009 Rate Case") and is based upon the extension of the depreciable
10 life of Palo Verde for an additional 20 years in the New Mexico jurisdiction. In the
11 2009 Rate Case, the Commission ordered that the life of Palo Verde be extended
12 for 20 years, effective in rates for New Mexico customers beginning on January 1,
13 2010. However, the life of Palo Verde was not extended by the Nuclear Regulatory
14 Commission until April 2011. The reduction in depreciation expense due to the life
15 extension of Palo Verde for the period January 1, 2010 to April 2011 in the New
16 Mexico jurisdiction was established as a regulatory asset in accordance with the
17 2009 Rate Case and is being amortized over the remaining life of Palo Verde.

18
19 **E. OTHER RATE BASE ADJUSTMENTS**

20 **Q118. WHAT OTHER ADJUSTMENTS HAS THE COMPANY MADE TO RATE**
21 **BASE?**

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- 1 **A.** There are five additional adjustments to rate base which are included in Workpaper
2 A-3. The adjustment number, sponsor, and description are as follows:
- 3 • Adjustment No. 31 –Non-Cash Working Capital, which I sponsor;
 - 4 • Adjustment No. 32 – Nuclear Fuel, sponsored by EPE witness Reza;
 - 5 • Adjustment No. 33 – Regulatory Assets and Liabilities, co-sponsored by me
6 and EPE witnesses Reza, Sierra and Hernandez (for additional adjustments
7 not sponsored by me);
 - 8 • Adjustment No. 34 – Tax Regulatory Assets and Liabilities, sponsored by
9 EPE witness Henderson;
 - 10 • Adjustment No. 35 – Accumulated Deferred Income Taxes, sponsored by
11 EPE witness Henderson; and
 - 12 • Adjustment No. 36 – Working Cash, which I sponsor.

13

14 *1. NON-CASH WORKING CAPITAL ADJUSTMENT*

15 **Q119. PLEASE DESCRIBE THE ADJUSTMENT TO NON-CASH WORKING**
16 **CAPITAL?**

- 17 **A.** This adjustment presents the Company's proposed non-cash components of
18 working capital. Base Period working capital was adjusted to reflect the 13-month
19 average balances for fuel inventory, materials and supplies, and prepayments.

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1 This adjustment results in a decrease to rate base of \$5.859 million on a total
2 Company basis (\$185,589 on a New Mexico jurisdictional basis). This increase is
3 shown on both a total Company and a New Mexico jurisdictional basis on
4 Workpaper A-3, Adjustment No. 31.

6 **2. WORKING CASH ADJUSTMENT**

7 **Q120. PLEASE DESCRIBE THE ADJUSTMENT TO WORKING CASH.**

8 **A.** This adjustment presents the Company's proposed cash working capital allowance
9 based on the cash working capital study described in EPE witness Weiss's
10 testimony.

11
12 **Q121. WHO PERFORMED THE LEAD-LAG STUDY FOR THIS RATE CASE?**

13 **A.** EPE retained Concentric Energy Advisors, Inc. ("Concentric") to prepare the
14 Lead-Lag Study. Concentric prepared the Lead-Lag Study approved by the
15 Commission in the 2020 Rate Case. The Lead-Lag Study is supported by EPE
16 witness Weiss.

17
18 **Q122. ARE THE RESULTS OF THE LEAD-LAG STUDY INCORPORATED IN**
19 **EPE'S PROPOSED RATE BASE?**

20 **A.** Yes, the results of the Lead-Lag Study are incorporated in Adjustment 36 on
21 Workpaper A-3. Based on the study, EPE has increased rate base by \$267,983 (a

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1 decrease of \$509,714 on a New Mexico jurisdictional basis) for the cash working
2 capital allowance.
3

4 **VII. COST OF SERVICE**

5 **Q123. WHERE IS THE DETAIL OF THE TOTAL COMPANY COST OF**
6 **SERVICE LOCATED?**

7 **A.** Schedule A-3 provides the detail of the Company's cost of service in the Base
8 Period, the adjustments to these balances, and the requested Test Year Period cost
9 of service amounts. This schedule is sponsored by EPE witness Sierra.
10

11 **Q124. WHAT ITEMS IN THE COMPANY'S COST OF SERVICE FOR THE BASE**
12 **PERIOD AND TEST YEAR PERIOD DO YOU SPONSOR?**

13 **A.** I sponsor the following items in the Company's cost of service:
14 • Provision for Rate Refund (discussed below in Section VIII part B of my
15 testimony);
16 • Customer Accounts Expense; and
17 • Depreciation and Amortization Expense (discussed above in Section III part F
18 – Schedule H-7 and below in Section VIII part 3 of my testimony).
19
20

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Q125. WHAT COMPRISES CUSTOMER ACCOUNT EXPENSES?

A. Customer account expenses, also referred to as customer care costs, are comprised of expenses related to maintaining and supporting a team of employees dedicated to serving EPE customers. Customer care functions include (i) maintaining a customer contact center; (ii) meter reading, billing, payment processing, and collection activities; and (iii) the establishment of new service. To support customer care employees and these functions, EPE uses several software applications and third-party vendors. The main software application is EPE's CCS, which includes EPE's customer database. Third-party vendors provide services such as bill printing and mailing, payment processing, collections, and additional call center staffing.

Q126. HOW HAS THE CCS SYSTEM IMPROVED CUSTOMER CARE?

A. CCS has allowed the Company to provide more information to customers regarding their electric usage and provides customer service representatives with more information to respond to customers' inquiries. Customers continue to benefit from self-service options for billing, payment, outage, and other inquiries whether online, phone or via the EPE mobile app. In order for EPE to be able to deploy smart meters and allow customers to take advantage of all of the benefits from the new meters such as automated meter reading and remote reconnect command, a meter data management system ("MDMS") was needed. The CCS software

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1 provided MDMS along with more accurate estimated meter reads to increase bill
2 quality. Customer communication preferences are stored in CCS, which allows
3 EPE to provide the content the customer needs, in the channel they prefer.
4 Preferences can be set for billing, payment, and outage alerts. Customers with
5 smart meters are also provided weekly energy updates and proactive high-bill alert
6 emails to help them manage their bills.

7
8 **Q127. HAS THE COMPANY TAKE STEPS TO CONTROL CUSTOMER CARE**
9 **COSTS?**

10 **A.** Yes, it has. The Company has been mindful of the size of its customer care staff
11 while still improving the customer experience. In 2023, EPE closed the remaining
12 walk-in customer service branch offices to eliminate the cost of rent, staff, security,
13 and other costs. These branches were utilized by less than 5% of our customers.
14 At the same time, EPE deployed additional convenient payment kiosks throughout
15 its service territory. EPE also provides frequently asked questions and other
16 payment information on its website, as well as self-service options online, over the
17 phone, and via its mobile app.

18
19 **Q128. WHAT OTHER EXPENSES ARE INCLUDED IN CUSTOMER**
20 **ACCOUNTS EXPENSE?**

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1 **A.** Uncollectible Accounts Expense is recorded in FERC Account 904 and is included
2 in the Customer Accounts Expenses on Schedule A-3.

3

4 **Q129. HOW DOES THE COMPANY CALCULATE UNCOLLECTIBLE**
5 **EXPENSE?**

6 **A.** As I previously discussed above in section VI, part D, subpart 2 – Deferred COVID-
7 19 Expenses, the Company calculates an uncollectible risk rate for each accounts
8 receivable aging category (i.e., 0-30 days, 31-60 days, 61-90 days, and over
9 90 days) on a three-year average basis. The uncollectible risk rate is applied
10 monthly to the Company's aged accounts receivable to determine the balance
11 required in FERC Account 144 – Accumulated Provision for Uncollectible
12 Accounts. Write-offs of accounts receivable balances net of recoveries are
13 recorded in the Accumulated Provision for Uncollectible Accounts on a monthly
14 basis, and this adjusted balance is compared to the calculated balance and the
15 difference is recorded monthly as uncollectible expense.

16

17 **Q130. DID THE COMPANY EXPERIENCE AN INCREASE IN**
18 **UNCOLLECTIBLE EXPENSE RELATED TO COVID-19?**

19 **A.** Yes. As I have discussed previously in my testimony, the Company's uncollectible
20 expense was higher due to the COVID-19 pandemic in the period from March 2020
21 to December 2023.

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1

2 **Q131. DID THE COMPANY MAKE ANY ADJUSTMENTS TO ITS**
3 **CALCULATION OF UNCOLLECTIBLE EXPENSE REQUESTED FOR**
4 **THE TEST YEAR PERIOD?**

5 **A.** Yes. The Company generally calculates the uncollectible expense requested in rate
6 cases as the percentage of net uncollectible expense to base revenues, which I will
7 call the net uncollectible expense ratio. I have included an analysis of the net
8 uncollectible expense ratio for the calendar years 2017 to 2024 and for the Base
9 Period in Exhibit CSP-4. As can be seen on Exhibit CSP-4, the net uncollectible
10 expense ratio is higher for the three-year average from 2023 through the Base
11 Period (.38687%) than for the three-year average from 2017 to 2019 (.34644%).
12 The Company attributes a portion of this increase in both 2023 and 2024 to a delay
13 in billings to a small percentage of its customers associated with the installation in
14 April 2023 of new customer billing software I have described above and a related
15 reduction in collection efforts. Because the Company cannot calculate the exact
16 impact of these issues on its Test Year Period net uncollectible expense ratio, it has
17 elected to use a three-year average net uncollectible expense ratio from 2017 to
18 2019 of 0.3464% to eliminate any increases due to both COVID-19 and the billing
19 software. The calculation of this net uncollectible expense ratio is included on line
20 4 of Exhibit CSP-4 and is utilized to reduce the Company's requested uncollectible

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1 expense for the Test Year Period in Workpaper A-3, Adjustment No. 1 – Revenues
2 and Uncollectibles.

3
4 **Q132. WHY IS THE UNCOLLECTIBLE EXPENSE RATIO FOR THE BASE**
5 **PERIOD LOWER THAN THE THREE-YEAR AVERAGE PROPOSED BY**
6 **THE COMPANY IN THIS FILING?**

7 **A.** As illustrated in Exhibit CSP-4, the uncollectible expense ratio for the Base Period
8 was significantly lower than all other years. In October 2024, at the start of the
9 Base Period, the Company increased its collection efforts in order to reduce the
10 level of arrearages that the Company continued to experience after the end of the
11 COVID-19 pandemic. As part of the increased collection efforts, the Company
12 extended the collection period for accounts in arrears from six months to one year.
13 The significance of this change is that the Company typically does not write-off
14 accounts until after the collection period has expired. As a result of this change,
15 write-offs during the period October 2024 to October 2025 were significantly
16 reduced due to the extension of the collection period. Thus, the uncollectible
17 expense ratio for the Base Period is not reflective of a normal 12-month period. For
18 example, the evidence of the decrease in write-offs is seen in the reduction of the
19 write-offs in the calendar year 2024 of \$4,134,561 (column g, line 8) compared to
20 the amount of write-offs in the Base Period of \$1,726,398 (column g, line 9).
21 Because write-offs directly impact the amount of uncollectible expense, the

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1 Company also experienced a decrease in uncollectible expense in the Base Period
2 compared to all other periods from 2017 to 2024 as shown in column (f) on Exhibit
3 CSP-4.

4 Because this lower level of write-offs and resulting uncollectible
5 expense does not reflect the uncollectible expense that EPE will experience
6 when the rates are in effect, EPE did not use the Base Period uncollectible
7 expense ratio in the calculation of the uncollectible expense for this filing.
8 Rather, EPE adjusted the uncollectible expense for the Base Period to reflect
9 the three-year average from 2017 to 2019 discussed above.

10
11 **Q133. CAN YOU PLEASE SUMMARIZE YOUR TESTIMONY WITH RESPECT**
12 **TO THE COMPANY'S REQUESTED LEVEL OF CUSTOMER CARE**
13 **COSTS?**

14 **A.** The Company's requested level of customer care costs is essential for the Company
15 to provide the level of service its customers expect and deserve. The amounts are
16 reasonable and necessary and should be allowed by the Commission. The
17 uncollectible expenses requested in this filing are also reasonable given the level of
18 write-offs and uncollectible expense experienced by the Company prior to the
19 COVID-19 pandemic.

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VIII. COST OF SERVICE ADJUSTMENTS

Q134. WHAT COST OF SERVICE ADJUSTMENTS DO YOU SPONSOR IN THIS FILING?

- A.** I sponsor or co-sponsor the following adjustments, located in Workpaper A-3:
- Adjustment No. 1 – Revenues and Uncollectibles, co-sponsored with EPE witness Rene Gonzalez;
 - Adjustment No. 13 – Regulatory Asset and Liability Amortization, co-sponsored with EPE witnesses Reza and Hernandez; and
 - Adjustment No. 15 - Depreciation and Amortization Expense.

A. ADJUSTMENTS TO REVENUES AND UNCOLLECTIBLES

Q135. WHAT PORTIONS OF THE ADJUSTMENT TO REVENUES AND UNCOLLECTIBLES DO YOU SPONSOR?

- A.** I sponsor the following items in Workpaper A-3, Adjustment No. 1 – Revenues and Uncollectibles:
- Provision for Rate Refund; and
 - Uncollectible Expense.

Q136. WHAT IS IN THE PROVISION FOR RATE REFUND?

- A.** The Company filed for a Transmission Formula Rate with the Federal Energy

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1 Regulatory Commission, which approved new interim rates effective January 1,
2 2022. The Provision for Rate Refund was established to record the difference
3 between the interim rates and the final rates approved by the FERC in 2024. The
4 difference between the interim and final rates is mainly due to temporary credits
5 for short-term and long-term firm purchases from 2022 to 2026. These credits will
6 not continue after the end of 2026.

7
8 **Q137. IS THE PROVISION FOR RATE REFUND INCLUDED IN THE**
9 **COMPANY'S REQUEST?**

10 **A.** No. The Provision for Rate Refund is not allocated to New Mexico in the
11 jurisdictional allocation. The Company will not issue any credits for short-term
12 and long-term firm purchases in 2026, and, therefore, the Company is not including
13 these amounts in its request.

14
15 **Q138. HOW WAS THE ADJUSTMENT TO UNCOLLECTIBLE EXPENSE**
16 **CALCULATED?**

17 **A.** As I discussed above in Section VII, the adjustment to uncollectible expense is
18 calculated as a percentage of requested revenues. The calculation of the net
19 uncollectible expense ratio is in Exhibit CSP-4 and is calculated as a three-year
20 average of the net uncollectible expense as a percentage of billed revenues for the
21 years 2017 to 2019. As explained previously in my testimony, this three-year

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1 period was chosen to exclude the impacts of the COVID-19 pandemic and the
2 implementation of new billing software.
3

4 **B. REGULATORY ASSET AND LIABILITY AMORTIZATION**

5 **Q139. WHAT PORTIONS OF THE ADJUSTMENT TO REGULATORY ASSET**
6 **AND LIABILITY AMORTIZATION DO YOU SPONSOR?**

7 **A.** The Regulatory Assets and Liability Amortization adjustment is located at
8 Workpaper A-3, Adjustment No. 13 and I sponsor the following items that are
9 detailed on the bottom of page 1:

- 10 • New Mexico COVID-related Regulatory Asset; and
 - 11 • Unrecovered Plant and Regulatory Study Costs.
- 12

13 **Q140. PLEASE DESCRIBE THE NEW MEXICO COVID-RELATED**
14 **REGULATORY ASSET ADJUSTMENT.**

15 **A.** As I previously discussed, EPE established a regulatory asset of \$4,762,983 on a
16 New Mexico jurisdictional basis for costs related to the COVID-19 pandemic (see
17 page 1 of Exhibit CSP-3). This regulatory asset was offset by the \$687,424 (NM
18 jurisdictional basis) in savings realized by the Company, for a net New Mexico
19 regulatory asset of \$4,075,559. As I discussed previously, the Company is
20 requesting a two-year amortization period for this regulatory asset, and therefore

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1 an adjustment to the regulatory asset amortization of \$2,037,780 was included in
2 Workpaper A-3, Adjustment No. 13.

3
4 **Q141. PLEASE DESCRIBE THE ADJUSTMENT TO THE UNRECOVERED**
5 **PLANT AND REGULATORY STUDY COSTS?**

6 **A.** As I discussed previously, in accordance with the AMS Rider approved in Case No
7 21-00269-UT, the Company recorded the net book value of legacy meters in FERC
8 Account 182.2. Although the Company is not requesting the balance of the legacy
9 meters in rate base, the Company is allowed to recover the amortization of the
10 legacy meters over 10 years. The adjustment for the amortization of legacy meters
11 was calculated by taking the net book value of the legacy meters for the New
12 Mexico jurisdiction that were transferred to FERC account 182.2 and subtracting
13 the amortization that has been recovered on the legacy meters through the AMS
14 rider to determine the net amount unrecovered in the New Mexico jurisdiction.
15 This amount was divided by the remaining amortization period agreed to in the
16 AMS Rider, which is six years (ten years less the four years of amortization from
17 2023 to 2026). The result is the annual amortization requested in the New Mexico
18 jurisdiction, which is on Workpaper A-3, Adjustment No. 13.

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C. DEPRECIATION EXPENSE ADJUSTMENTS

**Q142. HAVE YOU MADE ANY ADJUSTMENTS TO THE BASE PERIOD
DEPRECIATION EXPENSE IN THIS FILING?**

A. Yes, the Company has adjusted the per-book depreciation expense for the following items:

- Palo Verde Revaluation;
- Rio Grande Unit 6;
- New Depreciation Rates;
- CIC; and
- Plant in Service additions in October 2025.

**Q143. WHAT RATE-CASE SCHEDULE SHOWS THE ADJUSTMENTS TO THE
REQUESTED DEPRECIATION EXPENSE?**

A. Workpaper A-3, Adjustment No. 15, reflects the Company's adjustments to the requested depreciation expense included in the requested cost of service. I explain and support each item in Adjustment No. 15.

**Q144. PLEASE EXPLAIN THE ADJUSTMENTS TO DEPRECIATION EXPENSE
AND HOW THEY ARE CATEGORIZED IN THIS FILING.**

A. The adjustments to depreciation expense can be categorized in one of the following

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1 groups:

- 2 • adjustments made to plant in service as previously discussed;
- 3 • additional depreciation expense for new plant added in October 2025;
- 4 • changes in depreciation due to proposed new plant depreciation rates resulting
- 5 from the 2025 Gannett Fleming Depreciation Study supported by EPE witness
- 6 Spanos; or
- 7 • adjustments to Test Year Period end depreciable/amortizable plant.

8

9 *1. PALO VERDE REVALUATION*

10 **Q145. PLEASE DISCUSS THE ADJUSTMENT RELATED TO THE REVALUED**

11 **PALO VERDE PLANT IN SERVICE.**

12 **A.** The per-book depreciation expense has been adjusted to reflect the revaluation of

13 Palo Verde, as discussed above. Depreciation expense was calculated on the

14 revalued plant amounts using the remaining operating lives of each Palo Verde unit

15 by vintage year as shown in Exhibit CSP-2, as approved in the 1998 Rate Case.

16 This adjustment is included in Workpaper A-3, Adjustment No. 15 – Depreciation

17 Expense, page 3, column (b).

18

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2. *RIO GRANDE UNIT 6*

Q146. PLEASE DISCUSS THE ADJUSTMENT TO REMOVE THE DEPRECIATION EXPENSE RELATED TO RIO GRANDE UNIT 6.

A. Since the net book value of Rio Grande Unit 6 was excluded from requested plant in service in this filing, as I previously discussed, it is also necessary to remove the related depreciation expense from the Company's requested depreciation expense amount. This adjustment is included in Workpaper A-3, Adjustment No. 15 – Depreciation Expense, page 3, column (c).

3. *PLANT ADDITIONS*

Q147. PLEASE DISCUSS THE ADJUSTMENT TO DEPRECIATION EXPENSE FOR PLANT ADDED TO PLANT IN SERVICE DURING THE TEST YEAR PERIOD.

A. EPE has included an adjustment to the Test Year Period depreciation expense to annualize depreciation expense for utility plant added during the Test Year Period. This adjustment is included in Workpaper A-3, Adjustment No. 15 – Depreciation Expense, page 3, column (d).

Q148. WHY WAS IT NECESSARY TO ANNUALIZE DEPRECIATION ON UTILITY PLANT ADDED TO PLANT IN SERVICE DURING THE TEST YEAR PERIOD?

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1 **A.** The Test Year Period end depreciable plant balances include amounts closed to
2 plant in service throughout the Test Year Period. Because additions to plant in
3 service were added well into or at the end of the Test Year Period, there was only
4 a fraction or minimal depreciation expense included in the Test Year Period ended
5 September 30, 2025. It is therefore appropriate to annualize the depreciation
6 expense related to these additions to include depreciation expense that reflects a
7 complete Test Year Period amount.

8

9 **Q149. HOW IS THE ANNUALIZED DEPRECIATION EXPENSE**
10 **CALCULATED?**

11 **A.** The depreciation rates presented in the depreciation study prepared by EPE witness
12 Spanos and included in Schedule C-2 are applied to the Test Year Period end
13 depreciable plant balances (which include these additions) to arrive at an annual
14 amount of depreciation expense. The resulting expense is the amount being
15 requested in this case and can be seen on Schedule H-7.

16

17 4. NEW DEPRECIATION RATES

18 **Q150. EXPLAIN THE ADJUSTMENT TO DEPRECIATION EXPENSE FOR THE**
19 **PROPOSED NEW DEPRECIATION RATES YOU IDENTIFIED ABOVE.**

20 **A.** The Test Year Period end per-book depreciation expense reflects expense amounts
21 that were calculated based on the rates resulting from the depreciation study

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1 prepared by Gannett Fleming and supported by EPE witness Spanos. This
2 adjustment is included in Workpaper A-3, Adjustment No. 15 – Depreciation
3 Expense, page 3, column (d).

4
5 **Q151. HOW ARE THE PROPOSED NEW DEPRECIATION RATES FOR THESE**
6 **ITEMS REFLECTED IN EPE'S REQUESTED DEPRECIATION**
7 **EXPENSE?**

8 **A.** As previously discussed, Schedule C-2 includes adjusted Test Year Period end
9 depreciable plant. EPE applied the proposed new depreciation rates from the
10 depreciation study to the adjusted Test Year Period end depreciable plant accounts
11 in Schedule H-7 to arrive at its requested depreciation expense. The per-book
12 amount is subtracted from the resulting expense to arrive at the adjustment to
13 depreciation expense included in our request.

14
15 *5. CAPITALIZED INCENTIVE COMPENSATION*

16 **Q152. PLEASE DISCUSS THE ADJUSTMENT TO REMOVE THE**
17 **DEPRECIATION EXPENSE RELATED TO THE FINANCIAL-BASED**
18 **CIC.**

19 **A.** Since the financial-based CIC was excluded from requested plant in service in this
20 filing, it is also necessary to remove the related depreciation expense from the
21 Company's requested depreciation expense amount. This adjustment is included in

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1 Workpaper A-3, Adjustment No. 15 – Depreciation Expense, page 3, column (e).

2
3 **Q153. HOW DID EPE CALCULATE THE ADJUSTMENT FOR DEPRECIATION**
4 **ON THE FINANCIAL-BASED CIC?**

5 **A.** As discussed previously, EPE calculated the annual depreciation expense using the
6 functional composite rates in effect each year related to the plant amounts which
7 received financial-based CIC. The resulting depreciation expense for the twelve
8 months ending September 30, 2025, was then removed from EPE's requested
9 depreciation expense in this filing.

10
11 6. *PLANT ADDITIONS IN OCTOBER 2025*

12 **Q154. PLEASE DISCUSS THE ADJUSTMENT TO DEPRECIATION EXPENSE**
13 **FOR PLANT ADDED TO PLANT IN SERVICE IN OCTOBER 2025.**

14 **A.** EPE has included an adjustment to the Test Year Period depreciation expense to
15 annualize depreciation expense for utility plant added in October 2025. This
16 adjustment is included in Workpaper A-3, Adjustment No. 15 – Depreciation
17 Expense, page 3, column (f).

18
19 **IX. COMPLIANCE WITH CASE NO. 19-00234-UT**

20 **Q155. WHAT DOES THIS SECTION OF YOUR TESTIMONY ADDRESS?**

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1 **A.** In this section of my testimony, I address EPE's compliance from a cost perspective
2 with several Company commitments included in the settlement agreement and final
3 order in Case No. 19-00234-UT, *Joint Application of El Paso Electric Company,*
4 *Sun Jupiter Holdings LLC, and IIF US Holding 2 LP for Approval of Class II*
5 *Transaction and General Diversification Plan.* EPE witnesses Gallegos and
6 George Novela also address EPE's compliance with other commitments.

7

8 **Q156. WHAT IS THE FIRST COMMITMENT YOU ADDRESS?**

9 **A.** The first item is EPE' s commitment to maintain its annual amount of charitable
10 giving following the closing of the transaction at EPE's average annual charitable
11 giving level for the three-year period ended December 31, 2018 (i.e., approximately
12 \$1.2 million per year throughout EPE's service territory). (Commitment #11).

13

14 **Q157. HAS EPE COMPLIED WITH THIS COMMITMENT?**

15 **A.** Yes. Table CSP-3 below presents the amount of charitable donations made by EPE
16 for the calendar years ended December 31, 2020, through 2024 and the amount for
17 the Base Period, all of which exceed \$1.2 million, showing that EPE has complied
18 with this commitment. The charitable donations are included in non-operating
19 expenses and deductions, FERC Account 426.1. The Company did not include
20 charitable donations in its requested cost of service in this filing.

21

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TABLE CSP-3

<u>Period</u>	<u>Amount</u>
2020	\$1,328,200
2021	1,290,906
2022	1,215,063
2023	1,524,382
2024	1,613,125
TYE 9/30/2025	1,709,965

Q158. WHAT IS THE NEXT COMMITMENT THAT YOU ADDRESS?

A. The next commitment is the commitment to create or enhance programs that provide entry-level training focused on engineering, management, and finance skills for the local labor force in collaboration with The University of Texas at El Paso ("UTEP"), El Paso Community College, and New Mexico State University ("NMSU"). (Commitment #13).

Q159. DOES EPE HAVE AN ENTRY-LEVEL TRAINING PROGRAM?

A. Yes. EPE hosts a summer internship program generally on an annual basis. The summer internship program recruit's students from UTEP, NMSU, and other colleges and universities across the country. To be eligible for the college summer internship program, students must have a tie to El Paso (e.g., went to high school in El Paso). College students participate in a 10-week internship program that provides overall industry knowledge (Electricity 101 course), on-the-job training

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1 in many EPE departments (accounting, engineering, human resources, public
2 relations, safety and others), involvement in a community service project, and
3 interaction with EPE employees, customers, and vendors. The cost for this program
4 is less than \$100,000 annually and is included in EPE's requested revenue
5 requirement in this proceeding.

6
7 **Q160. WHAT IS THE NEXT COMMITMENT THAT YOU ADDRESS?**

8 **A.** The next commitment is the commitment to create or enhance apprenticeship
9 programs for technical and professional positions for students in local high schools
10 and colleges (Commitment #14).

11
12 **Q161. DID EPE INCUR COSTS FOR APPRENTICE PROGRAMS DURING THE**
13 **BASE PERIOD?**

14 **A.** Yes. The Company invests in programs such as the Doña Ana Community College
15 ("DACC") Line Worker Certification Program and engages in internship and
16 training programs with educational partners such as the UTEP, NMSU, and the
17 El Paso Community College. In 2024, the Company began a second Line Worker
18 Certification Program at Western Technical College. The Line Worker
19 Certification Program is a partnership with local colleges to promote, train, support,
20 and develop individuals who are interested in a career in various skilled positions
21 within the electric utility industry. The program, which has been in place for ten

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1 consecutive years, includes two semesters of course work and a 10-week internship
2 with an electric utility. Most of the students who have completed the program have
3 been hired by EPE.

4 In addition to the Line Worker Certification Program, the Company has a
5 GRID internship program that hires interns from NMSU and UTEP on a part-time
6 basis throughout the year. The GRID internship hires students during both their
7 undergraduate and post-graduate work in areas such as engineering, accounting,
8 and finance. EPE also provides entry-level training to many employees, including
9 operator training and apprenticeships in substations, overhead construction,
10 metering, and other operational areas. Wages incurred in the Base Period were
11 \$186,240 for GRID interns, \$4.5 million for apprentices, \$20,000 for the Western
12 Tech Line Worker Certification program, and \$48,334 for the Doña Ana
13 Community College Line Worker Certification Program, all of which are included
14 in EPE's requested revenue requirement in this proceeding.

15
16 **Q162. WHAT IS THE NEXT COMMITMENT THAT YOU ADDRESS?**

17 **A.** EPE, along with the other applicants, committed that they "will continue and
18 enhance utility-supplier diversity by promoting the inclusion of minority-, women,
19 LGBTQ-, and veteran-owned businesses into EPE's supply chain." (Commitment
20 #15).

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Q163. HOW HAS EPE COMPLIED WITH THIS COMMITMENT?

A. EPE is committed to enhancing its supplier diversity program by performing outreach and attending industry tradeshow and diversity conferences that promote and create awareness about opportunities that result in minority, women, and veteran-owned businesses being awarded commercial contracts to do business with EPE. EPE's suppliers include vendors classified as small businesses, women-owned, veteran-owned, and minority-owned, and EPE spent \$117.5 million with these vendors in the Base Period. Total costs incurred in the Base Period for the supplier diversity program were less than \$21,000, which is included in the costs requested in this case.

X. CONCLUSION

Q164. PLEASE STATE YOUR CONCLUSIONS

A. Since the 2020 Rate Case, EPE has completed major capital projects totaling more than \$2.417 billion on a total Company basis (\$408.441 million on a New Mexico jurisdictional basis). Projects placed into service in the general function total over \$280.289 million on a total Company basis (\$59.847 million on a New Mexico jurisdictional basis), and include software implementations to support customer service, accounting, finance, supply chain and human resources. The costs for these projects were prudently incurred and directly benefit customers through improved customer service and increased efficiency and integration of administrative

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1 software and processes. Additions to transportation equipment and IT
2 infrastructure were also prudently incurred and benefit our customers by
3 maintaining and increasing reliability and enhancing customer service interactions.
4 Additions and improvements to EPE's facilities help support all teams across EPE
5 including operations and administrative teams which benefits customers.

6 I sponsor and co-sponsor several schedules required by Rule 530, which
7 detail rate base, the original cost of plant, accumulated depreciation, working
8 capital, other investments, and depreciation expense. My testimony addresses the
9 adjustments made to rate base for the Test Year Period, including plant in service,
10 accumulated depreciation and amortization, CWIP, regulatory assets and liabilities,
11 working cash and non-cash working capital. I address several adjustments to cost-
12 of-service including adjustments to revenues (provision for refund and
13 uncollectible expense), depreciation expense, and amortization of regulatory assets.
14 I address the significant impact of the COVID-19 pandemic and the Company's
15 request for the recovery of these costs. EPE faced increased costs in major areas
16 such as uncollectible expenses and other COVID-19 specific costs. In addition,
17 EPE incurred other costs related to COVID-19, such as increased cleaning,
18 supplies, and medical costs for testing and treatment. Last, I outline our compliance
19 with commitments from the merger, such as maintaining charitable giving,
20 supporting training and apprenticeship programs, and promoting supplier diversity
21 within our operations. The Company's requests for rate base in this proceeding are

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1 reasonable, and necessary to provide safe, clean, reliable and affordable energy to
2 EPE customers.

3

4 **Q165. DOES THIS CONCLUDE YOUR TESTIMONY?**

5 **A.** Yes, it does.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
			TOTAL COMPANY GROSS ADDITIONS JAN 1, 2020 TO SEPT 30, 2025	LESS: POST- BASE YEAR ADDITIONS APPROVED IN 2020 BASE RATE CASE	PLUS: POST-BASE PERIOD ADDITIONS (OCTOBER 2025)	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	NEW MEXICO ALLOCATOR	TEST YEAR PERIOD NEW MEXICO JURISDICTIONAL ADJUSTED GROSS ADDITIONS		IN SERVICE DATE	PROJECT BENEFIT	
LINE NO.	FUNCTION DISTRIBUTION	PROJECT	PROJECT DESCRIPTION						WITNESS (b)			
1		DT426	GRID AUTOMATION AND VISIBILITY	\$ 100,694,220	\$ -	\$ 275,615	\$ 100,969,835	0%	\$ -	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
2		DT069	TEXAS COMMERCIAL CONSTRUCTION BLANKET	104,450,337		1,443,581	105,893,918	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
3		DT061	TEXAS RESIDENTIAL CONSTRUCTION BLANKET	63,477,317	(755,572)	181,358	62,903,104	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
4		DT062	TEXAS DISTRIBUTION BETTERMENT BLANKET	53,753,777		2,212,706	55,966,482	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
5		DN061	NEW MEXICO RESIDENTIAL CONSTRUCTION BLANKET	34,234,058		569,348	34,803,406	100%	34,803,406	OMAR GALLEGOS	Multi-Year	Needed to maintain or improve system reliability and serve load growth. Involves replacement or installation of overhead/underground distribution facilities to provide service to new residential customer installations and to provide additional load to existing residential customer installations.
6		DN069	NEW MEXICO COMMERCIAL CONSTRUCTION BLANKET	26,430,569		752,538	27,183,108	100%	27,183,108	OMAR GALLEGOS	Multi-Year	Needed to maintain or improve system reliability and serve load growth. Involves replacement or installation of overhead/underground distribution facilities to provide service to new commercial/industrial customers installations and provide additional load to existing commercial/industrial customer installations.
7		DT065	TEXAS DISTRIBUTION DAMAGE BLANKET	23,060,485		1,609,942	24,670,427	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
8		MT004	TEXAS METERS BLANKET	23,800,701		117,724	23,918,424	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
9		DN220	ADVANCED METERING SYSTEM PROJECT NEW MEXICO	34,445,048			34,445,048	100%	34,445,048	N/A - costs approved in Case No. 21-00269-UT	Multi-Year	Automated Metering System ("AMS") approved in Case No. 21-00269-UT.
10		DT395	E-3 NEW DISTRIBUTION SUBSTATION	21,173,493			21,173,493	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
11		DT189	TEXAS AREA 4KV CONVERSIONS	17,686,644			17,686,644	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
12		DN185	TALAVERA SUBSTATION	16,463,086			16,463,086	100%	16,463,086	OMAR GALLEGOS	10/10/2022	Project needed to serve additional load growth in the Talavera substation area. The substation includes two 50MVA transformers, 24kV switchgears, and related equipment to support four distribution feeders out of this substation. Additionally, a 2 stage 14 Mvar capacitor bank was installed to provide voltage support in the Las Cruces area.
13		DT387	DALLAS SUBSTATION UPGRADES/REPLACEMENT	15,655,910			15,655,910	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
14		DT068	TEXAS OVERHEAD SERVICE NEW/REPLACE BLANKET	15,042,677		269,841	15,312,518	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
15		DN145	MOONGATE SUBSTATION	14,047,540			14,047,540	100%	14,047,540	OMAR GALLEGOS	6/1/2023	Project needed to serve additional load growth in the Moongate substation area. The substation includes one 50MVA transformer, two 24kV switchgears, and related equipment to support four distribution feeders out of this substation. Additionally, a 2 stage 14 Mvar capacitor bank was installed to provide voltage support in the Las Cruces area.
16		DT391	NEW TRIUMPH (FE1) SUBSTATION	12,506,928			12,506,928	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
17		DN062	NEW MEXICO DISTRIBUTION BETTERMENT	11,811,705		229,851	12,041,557	100%	12,041,557	OMAR GALLEGOS	Multi-Year	Blanket project needed to maintain or improve distribution system reliability. Proactive replacement and upgrades of overhead and underground distribution equipment. This equipment includes, but is not limited to, pole top and pad mount transformers, poles, switches, and conductor.
18		DT371	EXECUTIVE (CE-1) NEW SUBSTATION	11,264,459			11,264,459	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
19		DT462	TX 14KV FEEDER EXTENSION CONDUIT UPGRADES	8,809,582			8,809,582	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
20		MN004	NEW MEXICO METERS BLANKET	8,676,912			8,676,912	100%	8,676,912	OMAR GALLEGOS	Multi-Year	Blanket for the replacement or installation of large residential and small and large commercial polyphase meters and primary metering equipment.
21		DT015	RELAY UPGRADES TEXAS DISTRIBUTION SUBSTATION BLA	8,394,476		389,570	8,784,046	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
22		DT472	CLINT SUBSTATION EXPANSION	8,061,338			8,061,338	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
23		DT288	TRANSMOUNTAIN (NW-3) GETAWAYS/FEEDER	8,015,705		1,743,515	9,759,220	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
24		DT372	POLE REPLACEMENT & IMPROVEMENTS TEXAS	7,852,992		228,643	8,081,636	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
25		DT427	TEXAS TRANSFORMER OVERLOADING REFRIGERATED AIR	7,825,065		253,484	8,078,549	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
26		DT450	DIAMONDHEAD SUBSTATION TRANSFORMER ADDITION T2	7,795,017			7,795,017	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
27		DT381	PATRIOT T2 TRANSFORMER ADDITION	7,360,448			7,360,448	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
LINE NO.	FUNCTION	PROJECT	PROJECT DESCRIPTION	TOTAL	LESS: POST-	PLUS:	TEST YEAR	NEW MEXICO	TEST YEAR	IN SERVICE	PROJECT BENEFIT	
				COMPANY GROSS ADDITIONS JAN 1, 2020 TO SEPT 30, 2025	BASE YEAR ADDITIONS APPROVED IN 2020 BASE RATE CASE	POST-BASE PERIOD ADDITIONS (OCTOBER 2025)	PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS		PERIOD NEW MEXICO JURISDICTIONAL ADJUSTED GROSS ADDITIONS			DATE
28		DN065	NEW MEXICO DISTRIBUTION DAMAGE BLANKET	7,215,618		411,015	7,626,633	100%	7,626,633	OMAR GALLEGOS	Multi-Year	Blanket project for the reactive replacement of failed overhead/underground equipment due to damage by the public, weather events, and aging infrastructure.
29		DT064	TEXAS LIGHTING BLANKET	6,799,458		206,459	7,005,917	0%	-	N/A - TEXAS	N/A - TEXAS	
30		DT121	TEXAS CABLE REPLACEMENT PROGRAM BLANKET	6,476,283		177,636	6,653,920	0%	-	N/A - TEXAS	N/A - TEXAS	
31		DT463	CLINT/FE-4 FEEDER ADDITIONS	6,407,004			6,407,004	0%	-	N/A - TEXAS	N/A - TEXAS	
32		DT380	LANE SUBSTATION T2 TRANSFORMER REPLACEMENT	6,117,643			6,117,643	0%	-	N/A - TEXAS	N/A - TEXAS	
33		DT434	HORIZON SUBSTATION EXPANSION	5,906,168			5,906,168	0%	-	N/A - TEXAS	N/A - TEXAS	
34		DT416	DISTRIBUTION DUAL VOLTAGE MOBILE TRANSFORMER	5,871,400			5,871,400	0%	-	N/A - TEXAS	N/A - TEXAS	
35		DN068	NEW MEXICO OVERHEAD SERVICE NEW AND/OR REPLACE	5,610,946			5,610,946	100%	5,610,946	OMAR GALLEGOS	Multi-Year	Blanket project needed to maintain or improve system reliability and serve load growth. Replacement and installation of wire and meters associated with new service hookups.
36		DT449	DIAMONDHEAD SUBSTATION FEEDER ADDITIONS	5,591,236			5,591,236	0%	-	N/A - TEXAS	N/A - TEXAS	
37		DT234	RE-CABLE DOWNTWN NETWORK FEEDERS	5,371,512			5,371,512	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
38		DN015	RELAY UPGRADES NEW MEXICO DISTRIBUTION SUBSTATION	5,064,119			5,064,119	100%	5,064,119	OMAR GALLEGOS	Multi-Year	This blanket project is for the replacement and upgrade of protection control equipment in New Mexico distribution substations. This equipment provides real time data and responses to system conditions, which is improves system reliability.
39		DT063	TEXAS SUBSTATION BETTERMENT BLANKET	4,951,569			4,951,569	0%	-			
40		DT446	RIO BOSQUE DISTRIBUTION FEEDER ADDITIONS	4,861,641			4,861,641	0%	-			
41		DT519	NEW DISTRIBUTION FEEDERS TEXAS	4,033,410		416,955	4,450,365	0%	-			
42		DT158	RIO BOSQUE SUBSTATION TRANSFORMER & SWITCHGEAR	3,599,288			3,599,288	0%	-			
43		DT354	NETWORK SYSTEM UPGRADE BY EATON	3,424,165			3,424,165	0%	-			
44		DN164	MOONGATE (LE1) GETAWAY & FEEDERS	3,322,304			3,322,304	100%	3,322,304		Multi-Year	
45		DT467	MONTOYA SUBSTATION UPGRADES	3,307,041			3,307,041	0%	-			
46		DT350	NEW SPARKS-T2 FEEDERS	3,157,321			3,157,321	0%	-			
47		DT218	SUNSET 14KV SWITCHGEAR AND NETWORK FEEDER REPLACEMENT	2,815,441			2,815,441	0%	-			
48		DN063	NEW MEXICO SUBSTATION BETTERMENT BLANKET	2,794,109	(93,876)		2,700,233	100%	2,700,233		Multi-Year	
49		DT440	SUNSET SUBSTATION 3-PHASE VOLTAGE REGULATOR REF	2,663,574			2,663,574	0%	-			
50		DN193	POLE REPLACEMENTS & IMPROVEMENTS NEW MEXICO BLANKET	2,652,721			2,652,721	100%	2,652,721		Multi-Year	
51		DT477	FAR EAST SUBSTATION (FE-5)	2,505,557			2,505,557	0%	-			
52		DN177	NEW MEXICO SUBSTATION 4KV CONVERSIONS	2,386,340			2,386,340	100%	2,386,340		Multi-Year	
53		SS281	ASSET RESOURCE MANAGEMENT UPGRADE	2,358,059			2,358,059	0%	-			
54		DT455	FAR EAST TEMPORARY SUBSTATION	2,334,794			2,334,794	0%	-			
55		DT480	WE-1 TEMP SUBSTATION	2,257,143			2,257,143	0%	-			
56		DN178	TALAVERA SUBSTATION GETAWAYS AND FEEDERS	2,197,341			2,197,341	100%	2,197,341		Multi-Year	
57		DT466	TEXAS 24KV FEEDER EXTENSION CONDUIT UPGRADES	2,152,925			2,152,925	0%	-			
58		DN226	GRID MOD NEW MEXICO SUBSTATION UPGRADES	2,098,539			2,098,539	100%	2,098,539		Multi-Year	
59		DT490	LANE AND WRANGLER SUBSTATION UPGRADES	2,027,541			2,027,541	0%	-			
60		DN064	NEW MEXICO LIGHTING BLANKET	1,946,875			1,946,875	100%	1,946,875		Multi-Year	
61		DT439	SUNSET T4 SWITCHGEAR REPLACEMENT	1,929,784			1,929,784	0%	-			
62		DN222	NEW MEXICO 24KV FEEDER EXTENSION CONDUCTOR UPGRADES	1,916,185			1,916,185	100%	1,916,185		Multi-Year	
63		DT486	SAN ELIZARIO INTERCONNECTION DISTRIBUTION FEEDER	1,901,677			1,901,677	0%	-			
64		DT448	CLINT SUBSTATION UPGRADES FOR CLI-13	1,685,343			1,685,343	0%	-			
65		DN100	HATCH LINE REBUILD	1,682,189			1,682,189	100%	1,682,189		Multi-Year	
66		DN199	LAS CRUCES AIRPORT FEEDER EXTENSIONS AND BACKFEEDERS	1,634,750			1,634,750	100%	1,634,750		5/26/2023	
67		DT411	VISTA SUBSTATION RECONFIGURATION & UPGRADES	1,625,498			1,625,498	0%	-			
68		DT419	FE-1 FEEDERS - (TRIUMPH SUBSTATION)	1,578,307			1,578,307	0%	-			
69		DN198	JORNADA FEEDERS	2,647,157	(1,157,331)		1,489,826	100%	1,489,826 (a)		11/25/2020	
70		DN214	NEW MEXICO OVERLOADED TRANSFORMER REPLACEMENT	1,446,848			1,446,848	100%	1,446,848		Multi-Year	
71		DT393	HORIZON BAY SUBSTATION UPGRADE FOR E2	1,444,924			1,444,924	0%	-			
72		DT319	LANE T-2 NEW GETAWAYS	1,441,934			1,441,934	0%	-			
73		DT435	HORIZON T2 FEEDER LINE ADDITIONS	1,371,838			1,371,838	0%	-			
74		DT317	SANTA FE FEEDER IMPROVEMENTS	1,246,912			1,246,912	0%	-			
75		DT454	COYOTE SUBSTATION TRANSFORMER REPLACEMENT	1,244,634			1,244,634	0%	-			
76		DT474	FE-5 FEEDER ADDITIONS	1,221,952			1,221,952	0%	-			
77		DT424	PATRIOT SUBSTATION T2 FEEDER ADDITION	1,212,707			1,212,707	0%	-			
78		DT420	MCCOMBS SUBSTATION	1,199,301			1,199,301	0%	-			
79		DT465	TEXAS SCADA FIELD EQUIPMENT ADDITION/REPLACEMENT	1,100,155		137,608	1,237,763	0%	-			
80		DT491	GAUNTLET REPLACEMENTS TEXAS DISTRIBUTION SUBSTATIONS	1,069,436		247,543	1,316,979	0%	-			
81		DN192	HATCH 21 REBUILD	1,061,261			1,061,261	100%	1,061,261		Multi-Year	
82		SC153	PROTECTION SIGNALING UPGRADES BLANKET	927,683			927,683	0%	-			
83		DT444	AMERICAS TRANSFORMER REPLACEMENT	845,470			845,470	0%	-			
84		DT398	DYER SUBSTATION EXPANSION	840,661			840,661	0%	-			
85		DT314	TWO WAY DISTRIBUTION CAPACITOR COMMUNICATION	782,290			782,290	0%	-			
86		DT370	EXECUTIVE (CE-1) NEW FEEDERS	681,796			681,796	0%	-			
87		DT425	DALLAS SUBSTATION FEEDER UPGRADES	611,738			611,738	0%	-			
88		DN080	DISTRIBUTION NEW MEXICO RIGHT OF WAY AND LAND ACQUISITION	532,933			532,933	100%	532,933		Multi-Year	

LINE NO.	FUNCTION	PROJECT	PROJECT DESCRIPTION	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
				TOTAL COMPANY GROSS ADDITIONS JAN 1, 2020 TO SEPT 30, 2025	LESS: POST- BASE YEAR ADDITIONS APPROVED IN 2020 BASE RATE CASE	PLUS: POST-BASE PERIOD ADDITIONS (OCTOBER 2025)	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	NEW MEXICO ALLOCATOR	TEST YEAR PERIOD NEW MEXICO JURISDICTIONAL ADJUSTED GROSS ADDITIONS	WITNESS (b)	IN SERVICE DATE	
89		DN212	ARROYO ITE CIRCUIT BREAKER REPLACEMENT	525,092			525,092	100%	525,092		3/20/2020	
90		DT270	GLOBAL REACH SUB FEEDERS	524,514			524,514	0%	-			
91		DN213	ARROYO ITE CIRCUIT BREAKER 2098B REPLACEMENT	524,224			524,224	100%	524,224		3/5/2022	
92		DN228	GAUNTLET REPLACEMENTS NEW MEXICO DISTRIBUTION S	505,279		102,815	608,095	100%	608,095		Multi-Year	
93		DT283	PATRIOT SUBSTATION (NE-1) T1 FEEDER-10	498,278			498,278	0%	-			
94		DN211	ARROYO ITE CIRCUIT BREAKER 2418B REPLACEMENT	490,990			490,990	100%	490,990		2/17/2021	
95		DT443	QUITMAN MOUNTAIN DISTRIBUTION LINE UPGRADES	422,678			422,678	0%	-			
96		DN194	UPGRADE TWO WAY DIST CAPACITOR COMM-NM	393,918			393,918	100%	393,918		Multi-Year	
97		DT369	PELLICANO T2 FEEDERS	360,560			360,560	0%	-			
98		DT458	TRANSPORTATION ELECTRIFICATION-TEXAS	357,597			357,597	0%	-			
99		DT007	DISTRIBUTION TEXAS FACILITY SERVICES BLANKET	566,597			566,597	0%	-			
100		DN007	DISTRIBUTION -NEW MEXICO -FACILITIES SERVICES BLANK	169,458			169,458	100%	169,458		Multi-Year	
101		DN204	ARROYO CONTROL HOUSE EXPANSION	342,036			342,036	100%	342,036		3/6/2021	
102		DT489	GRID MOD TEXAS SUBSTATION UPGRADES	338,782			338,782	0%	-			
103		DN223	NEW MEXICO SCADA FIELD EQUIPMENT ADD/REPLACEMENT	337,204			337,204	100%	337,204		Multi-Year	
104		DT401	MONTOYA CONTROL HOUSE EXPANSION	319,927			319,927	0%	-			
105		DT377	PENDALE T2 FEEDER ADDITION	298,690			298,690	0%	-			
106		DT504	FLEET ELECTRIC VEHICLE CHARGERS - TEXAS	293,584			293,584	0%	-			
107		DT438	EMERGENCY/UNPLANNED TEXAS SUBSTATION EQUIPMENT	287,474			287,474	0%	-			
108		DT042	T&D SYSTEM UPGRADE BLANKET	286,716			286,716	0%	-			
109		DN161	LAS CRUCES UNDERGROUND CABLE REPLACEMENT BLANKET	273,631			273,631	100%	273,631		Multi-Year	
110		DT144	ASSET MANAGEMENT TECHNOLOGY (WORK MANAGEMENT)	267,099			267,099	0%	-			
111		DT355	NEW FELIPE 21 FEEDER	259,695			259,695	0%	-			
112		DT299	OUTAGE MANAGEMENT SYSTEM BLANKET	230,842			230,842	0%	-			
113		DT312	REBUILD ALAMO 21 FEEDER	219,010			219,010	0%	-			
114		DT080	DISTRIBUTION TEXAS RIGHT-OF-WAY RENEWALS/ACQUISITIONS	208,112			208,112	0%	-			
115		DT379	PENDALE SUBSTATIONS ADDITIONS	194,364			194,364	0%	-			
116		SC154	MICROWAVE RADIO UPGRADES-TRUEPOINT	182,115			182,115	0%	-			
117		DT359	NUWAY NEW DISTRIBUTION SUBSTATION	178,088			178,088	0%	-			
118		DT460	INTERCONNECT - TXCS 10MW EXTENSION	160,310			160,310	0%	-			
119		SC145	COMMUNICATION RE-ENGINEERING	159,522			159,522	0%	-			
120		SC040	INFORMATION TECHNOLOGY COMMUNICATION BLANKET -	153,238			153,238	0%	-			
121		ST109	IMPLEMENT SUBSTATION CONNECTIVITY NETWORK	144,490			144,490	0%	-			
122		DT497	EMPLOYEE ELECTRIC VEHICLE CHARGERS-TEXAS	141,031			141,031	0%	-			
123		MT042	METER READING SYSTEM UPGRADE BLANKET	127,733			127,733	0%	-			
124		VARIOUS	LESS THAN \$100,000	594,711		665,077	1,259,787	51.52521%	649,108		Multi-Year	
125		DISTRIBUTION TOTAL		851,292,529	(2,006,779)	12,642,824	861,928,575		197,344,455			
ENERGY STORAGE												
126		DN217	INTERCONNECTION NMSU SOLAR/STORAGE	2,162,780			2,162,780	0%	-			
127		ENERGY STORAGE TOTAL		2,162,780	-		2,162,780		-			
GENERAL												
128		SS005	TRANSPORTATION EQUIPMENT/FLEET ACQUISITIONS	32,242,277			32,242,277	21.35184%	6,884,319	CYNTHIA S. PRIETO	Multi-Year	This project is a blanket project used to purchase vehicles and other transportation equipment.
129		SS243	CUSTOMER CLOUD SERVICE ("CCS") SOFTWARE	31,805,095			31,805,095	21.35184%	6,790,973	CYNTHIA S. PRIETO	2/26/2023	Project for the purchase and installation of the customer service and billing software, a cloud-based software.
130		SS286	IMPLEMENT INTEGRATED PLANNING & FORECAST	18,019,648			18,019,648	21.35184%	3,847,526	CYNTHIA S. PRIETO	7/1/2023	Project for the purchase and installation of the Phase 1 of the UI software including planning, budgeting and forecasting modules.
131		SS236	ESOC OPERATING & SAFETY TRAINING CENTER	14,100,411			14,100,411	21.35184%	3,010,697	CYNTHIA S. PRIETO	1/20/2023	Project for the construction of the Operations and safety training center.
132		SS272	ENERGY IMBALANCE MARKET IMPLEMENTATION	12,596,538			12,596,538	21.35184%	2,689,593	VICTOR MARTINEZ	4/5/2023	Project to purchase and install the systems to support EIM.
133		SS040/ST040	INFORMATION TECHNOLOGY HARDWARE BLANKET	19,378,164			19,378,164	21.35184%	4,137,594	CYNTHIA S. PRIETO	Multi-Year	Blanket project for the purchase of IT hardware for infrastructure including servers, routers, switches, network storage, cyber security and communication systems.
134		SF007	SHARED SERVICES FACILITY SERVICES IMPROVEMENTS BLANKET	9,038,278			9,038,278	21.35184%	1,929,839	CYNTHIA S. PRIETO	Multi-Year	Blanket project for capital improvements to EPE's facilities including the Stanton Tower.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
LINE NO.	FUNCTION	PROJECT	PROJECT DESCRIPTION	TOTAL COMPANY GROSS ADDITIONS JAN 1, 2020 TO SEPT 30, 2025	LESS: POST- BASE YEAR ADDITIONS APPROVED IN 2020 BASE RATE CASE	PLUS: POST-BASE PERIOD ADDITIONS (OCTOBER 2025)	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	TEST YEAR NEW MEXICO JURISDICTIONAL ADJUSTED GROSS ADDITIONS	WITNESS (b)	IN SERVICE DATE	PROJECT BENEFIT	
135	SS224	GENERATION OPERATIONS CMMS PROJECT		8,367,335			8,367,335	21.35184%	1,786,580	JEFF HUGHES	3/15/2021	Implementation of the latest versions of Maximo and WTime, separating capital and O&M work orders for the plants, and adjusting the PowerPlan/ORACLE interface for immediate work order statuses. It included capturing estimated costs for capital work orders, converting Q4 historical data, applying single sign-on functionality, and setting up multiple virtual environments for Maximo and WTime. It also included integration with various systems such as Active Directory, Outlook, and ORACLE, along with creating test procedures, conducting business workshops, and providing training sessions for the Generation Operations team.
136	ST107	ENERGY MANAGEMENT SYSTEM UPGRADE		8,096,644			8,096,644	21.35184%	1,728,783	VICTOR MARTINEZ	1/11/2023	Project to upgrade the EMS software to support EIM.
137	DT030	DISTRIBUTION GENERAL PLANT ACQUISITIONS		6,175,048		188,787	6,363,834	21.35184%	1,358,796	OMAR GALLEGOS	Multi-Year	Blanket project for the purchase of capital tools. Project for the purchase and installation of the customer service and billing software, a cloud-based software.
138	SS112	CUSTOMER SERVICE SYSTEM UPGRADE BLNKT		5,872,159		214,638	6,086,797	21.35184%	1,299,643	CYNTHIA S. PRIETO	Multi-Year	
139	SS276	IMPLEMENT GENERATION OPERATIONS CMMS - PHASE II		4,861,715			4,861,715	21.35184%	1,038,066		5/4/2024	
140	SS239	ADVANCED PATTERN RECOGNITION		4,099,593		108,913	4,208,506	21.35184%	898,593		6/30/2025	
141	SS030	SHARED SERVICES GENERAL ACQUISITION BLANKET		3,463,668		295,946	3,759,614	21.35184%	802,747		Multi-Year	
142	SS246	FABENS CUSTOMER SERVICE CENTER		3,365,391			3,365,391	21.35184%	718,573		11/18/2022	
143	SF144	STANTON TOWER STORM SEWER IMPROVEMENTS		3,341,723			3,341,723	21.35184%	713,519		4/4/2025	
144	ST043	ENERGY MANAGEMENT SYSTEM SUPPORT BLANKET		3,282,596			3,282,596	21.35184%	700,895		Multi-Year	
145	ST041	BUSINESS APPLICATIONS BLANKET		3,133,270			3,133,270	21.35184%	669,011		Multi-Year	
146	SS070	PHYSICAL SECURITY SYSTEMS		3,101,315			3,101,315	21.35184%	662,188		Multi-Year	
147	SS189	PHYSICAL SECURITY IMPROVEMENTS (CIP-014)		2,598,166			2,598,166	21.35184%	554,756		8/18/2020	
148	SS007	EASTSIDE DISTRIBUTION OPERATIONS CENTER FACILITY		2,171,097			2,171,097	21.35184%	463,569		Multi-Year	
149	ST044	INFORMATION SECURITY BLANKET		2,163,880			2,163,880	21.35184%	462,028		Multi-Year	
150	SS280	IMPLEMENT ADVANCED METER SYSTEM DATA REPOSITOR		2,089,273			2,089,273	21.35184%	448,098		Multi-Year	
151	ST108	DEPLOY MULTI-PROTOCOL LABEL SWITCHING		2,022,080			2,022,080	21.35184%	431,751		Multi-Year	
152	SF134	STANTON GENERATOR REPLACEMENT		1,954,080			1,954,080	21.35184%	417,232		5/30/2023	
153	SS231	POWERPLAN SOFTWARE UPGRADE		1,882,570			1,882,570	21.35184%	401,963		9/12/2020	
154	ST113	IMPLEMENT ENTERPRISE HISTORIAN SOFTWARE		1,514,855			1,514,855	21.35184%	323,449		4/30/2022	
155	SS323	GEOGRAPHIC INFORMATION SYSTEM UPGRADE 2023		1,462,804			1,462,804	21.35184%	312,335		6/30/2025	
156	SS311	PANDEMIC READINESS CAPITAL		1,394,068			1,394,068	21.35184%	297,659		6/30/2022	
157	SS229	LAND MANAGEMENT RECORD DIGITIZATION		1,344,323			1,344,323	21.35184%	287,038		Multi-Year	
158	SS105	LIVE LINK SYSTEM SOFTWARE UPGRADES BLANKET		1,323,096			1,323,096	21.35184%	282,505		Multi-Year	
159	SS270	ORACLE UPGRADE V 12.2		1,265,089			1,265,089	21.35184%	270,120		10/18/2021	
160	SF131	EDOC FUEL-HOT MIX ASPHALT PAVEMENT REPLACEMENT		1,156,057			1,156,057	21.35184%	246,839		3/25/2022	
161	SS254	GIS VERSION 10.6.1 SYSTEM UPGRADE		1,134,468			1,134,468	21.35184%	242,230		4/12/2021	
162	SS358	UI PLANNER PHASE 3 IMPLEMENTATION		1,056,415			1,056,415	21.35184%	225,564		7/25/2025	
163	SS161	REPLACE FIRE PUMP (BASEMENT - STANTON)		1,037,949			1,037,949	21.35184%	221,621		2/2/2021	
164	ST116	IMPLEMENT CONFIGURATION CHANGE MANAGEMENT SW		993,199			993,199	21.35184%	212,066		12/13/24	
165	ST114	DEPLOY CYBERSECURITY TO SUBSTATIONS		948,718			948,718	21.35184%	202,569		Multi-Year	
166	ST117	IMPLEMENTATION VOLTAGE STABILITY		854,414			854,414	21.35184%	182,433		07/31/24	
167	SS334	COPPER TRAINING CENTER SOC RELOCATION		821,313			821,313	21.35184%	175,365		8/4/2025	
168	ST103	ENERGY MANAGEMENT SYSTEM SHARED STORAGE		744,313			744,313	21.35184%	158,924		6/8/2020	
169	SC040	INFORMATION TECHNOLOGY COMMUNICATION BLANKET -		729,368			729,368	21.35184%	155,733		Multi-Year	
170	SS222	TIBCO UPGRADE		711,426			711,426	21.35184%	151,903		9/19/2020	
171	SS357	SOC GENERATOR REPLACEMENT		703,980			703,980	21.35184%	150,313		4/15/2025	
172	SS364	OT BACKUP STORAGE AND PERFORMANCE IMPROVEMENT		685,293			685,293	21.35184%	146,323		4/18/2025	
173	SS226	ARM FOR TRANSMISSION & DISTRIBUTION WAVE 2		685,266			685,266	21.35184%	146,317		12/15/2021	
174	SS312	STANTON- PALO VERDE RENOVATION		654,925			654,925	21.35184%	139,838		12/17/2021	
175	SC154	MICROWAVE RADIO UPGRADES-TRUEPOINT		638,548			638,548	21.35184%	136,342		Multi-Year	
176	GG042	GENERATION SYSTEM UPGRADE BLANKET		607,313			607,313	21.35184%	129,673		Multi-Year	
177	SC153	PROTECTION SIGNALING UPGRADES BLANKET		564,608			564,608	21.35184%	120,554		Multi-Year	
178	SS157	STANTON BATHROOM RENOVATIONS		552,848			552,848	21.35184%	118,043		Multi-Year	
179	SS260	INFORMATION TECHNOLOGY SERVICE MANAGEMENT PRO		517,849			517,849	21.35184%	110,570		6/21/2022	
180	SS285	IMPLEMENT AUTOMATION PROCESS IMPROVEMENTS		487,847			487,847	21.35184%	104,164		Multi-Year	
181	SS225	NERC GRC PROJECT		450,329			450,329	21.35184%	96,154		Multi-Year	
182	SS346	IT OPS NETWORK BLANKET		425,105			425,105	21.35184%	90,768		9/1/2025	
183	ST109	IMPLEMENT SUBSTATION CONNECTIVITY NETWORK		424,850			424,850	21.35184%	90,713		Multi-Year	
184	SS256	CASCADE LOAD		424,839			424,839	21.35184%	90,711		12/17/2021	
185	SS315	OUTAGE MANAGEMENT SYSTEM 2023 UPGRADE PROJECT		410,164			410,164	21.35184%	87,578		Multi-Year	
186	SS255	INVENTORY BARCODING SYSTEM - WAREHOUSE		405,463			405,463	21.35184%	86,574		Multi-Year	
187	SC050	OPERATIONAL TECHNOLOGY NETWORK CAPITAL BLANKE		398,351			398,351	21.35184%	85,055		Multi-Year	
188	SS351	SOC - ROOF IMPROVEMENTS		394,904			394,904	21.35184%	84,319		1/26/2024	
189	SS241	WATER STREET OFFICE PARK LOT IMPROVEMENTS		382,821			382,821	21.35184%	81,739		9/22/2021	
190	SS273	STANTON EXTERIOR SIGNAGE		380,008			380,008	21.35184%	81,139		9/30/2021	
191	SS219	STANTON TOWER NEW VOICE CABLING		338,641			338,641	21.35184%	72,306		9/16/2022	
192	SS332	HSC OFFICE IMPROVEMENTS		334,547			334,547	21.35184%	71,432		10/31/2023	
193	SS259	WIRELESS NETWORK SYSTEM UPGRADE		329,224			329,224	21.35184%	70,295		3/15/2021	

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	
			TOTAL COMPANY GROSS ADDITIONS	LESS: POST- BASE YEAR APPROVED IN	PLUS: POST-BASE PERIOD ADDITIONS	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	NEW MEXICO ALLOCATOR	TEST YEAR PERIOD NEW MEXICO JURISDICTIONAL ADJUSTED GROSS ADDITIONS		IN SERVICE		
LINE NO.	FUNCTION	PROJECT	JAN 1, 2020 TO SEPT 30, 2025	2020 BASE RATE CASE	(OCTOBER 2025)				WITNESS (b)	DATE	PROJECT BENEFIT	
194		SF138	STANTON TOWER-BASEMENT & COURTYARD IMPROVEMEN	320,524		320,524	21.35184%	68,438		3/31/2021		
195		SS262	STANTON AUDITORIUM IMPROVEMENTS	311,563		311,563	21.35184%	66,524		7/31/2020		
196		SS326	IMPLEMENT RISK MANAGEMENT & ANALYSIS SYSTEM	303,067		303,067	21.35184%	64,710		4/9/2024		
197		SS151	NEW EASTSIDE DISTRIBUTION OPERATIONS CENTER FACII	282,799		282,799	21.35184%	60,383		3/2/2015		
198		SS240	CONTRACT MANAGEMENT SYSTEM IMPLEMENTATION	275,106		275,106	21.35184%	58,740		11/14/2022		
199		SS314	STANTON -LIGHTING IMPROVEMENTS	271,609		271,609	21.35184%	57,993		12/31/2021		
200		SS264	INTRANET REDESIGN PROJECT	258,992		258,992	21.35184%	55,300		8/31/2021		
201		SC146	VERIFICATION & INTEGRATIONS LAB BLNKT	253,645		253,645	21.35184%	54,158		7/26/2024		
202		SS266	COGNOS DATA STAGE & ANALYTICS UPGRADE	250,537		250,537	21.35184%	53,494		5/31/2021		
203		MT042	METER READING SYSTEM UPGRADE BLANKET	206,666		206,666	21.35184%	44,127		Multi-Year		
204		SS190	SECURITY OPERATIONS CENTER	197,539		197,539	21.35184%	42,178		12/31/2021		
205		ST112	IMPLEMENT RANSOMWARE PROTECTION BACKUPS	196,933		196,933	21.35184%	42,049		8/31/2021		
206		SF114	STANTON TOWER - CARPET REPLACEMENT	193,711		193,711	21.35184%	41,361		3/31/2020		
207		TS108	SYSTEM OPERATIONS BUILDING EXPANSION	190,581		190,581	21.35184%	40,693		12/28/2018		
208		SS333	EOC RESTROOM IMPROVEMENTS	188,960		188,960	21.35184%	40,347		1/19/2024		
209		SS258	DISTR GEN INTERCONNECTION APPLICATION	185,724		185,724	21.35184%	39,656		6/9/2020		
210		ST104	ENERGY MANAGEMENT SYSTEM - INTRUSION DETECTION :	178,602		178,602	21.35184%	38,135		7/31/2020		
211		SS327	IMPLEMENT WORKVIA ESG	168,832		168,832	21.35184%	36,049		2/22/2023		
212		SC155	REMOTE BATTERY MONITORING	152,166		152,166	21.35184%	32,490		Multi-Year		
213		ST102	ENERGY MANAGEMENT SYSTEM ETERRA SOURCE UPGRA	151,775		151,775	21.35184%	32,407		12/11/2019		
214		TT007	TRANSMISSION -FACILITY SERVICES BLANKET	143,176		143,176	21.35184%	30,571		Multi-Year		
215		ST105	ENERGY MANAGEMENT SYSTEM WINDOWS 10 CONSOLES	141,397		141,397	21.35184%	30,191		7/30/2021		
Implementation of Oracle Fusion Applications to replace its legacy ERP, SCM, and HCM systems previously managed through Oracle E Business Suite and UKG UltiPro. As part of this project, the Company also upgraded PowerPlan, its system of record for managing the fixed assets subledger.												
216		SS287	ERP IMPLEMENTATION AND POWER PLAN UPGRADE	139,299		33,839,606	33,978,905	21.35184%	7,255,122	CYNTHIA S. PRIETO	10/6/2025	
217		SS244	KEY MANAGEMENT FLEET SOLUTION IMPLEMENTATION	139,082			139,082	21.35184%	29,697		Multi-Year	
218		ST042	CORPORATE TECHNOLOGY SYSTEM UPGRADE BLANKET	138,512			138,512	21.35184%	29,575		Multi-Year	
219		SS237	EOC FLEET STORAGE BUILDING	126,643			126,643	21.35184%	27,041		2/25/2021	
220		SS284	IMPLEMENT BLACKLINE ACCOUNT RECONCILIATION	118,234			118,234	21.35184%	25,245		9/12/2022	
221		SS261	IMPLEMENT ESRI COLLECTOR CASCADE	115,563			115,563	21.35184%	24,675		8/30/2020	
222		ST106	ENERGY MANAGEMENT SYSTM LOGRHYTHM REFRESH	115,288			115,288	21.35184%	24,616		9/30/2020	
223		SS341	RECYCLING PROGRAM	112,809			112,809	21.35184%	24,087		8/1/2024	
224		VARIOUS	LESS THAN \$100,000	475,068		425,587	900,655	21.35184%	192,306		Multi-Year	
225	GENERAL TOTAL		245,216,017	-	35,073,477	280,289,495		59,846,964				
NUCLEAR PRODUCTION												
226	GP009	PALO VERDE CAPITAL IMPROVEMENTS	218,168,608	(6,349,717)	(172,061)	211,646,830	13.63647%	28,861,156	(a)	VICTOR MARTINEZ		
227	NUCLEAR PRODUCTION TOTAL		218,168,608	(6,349,717)	(172,061)	211,646,830		28,861,156				
OTHER PRODUCTION												
228	GN208	NEWMAN 6 - GAS TURBINE 5	213,982,854		944,260	214,927,114	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS	
229	GC107	COPPER GAS TURBINE - HOT GAS PRESSURE INSPECTION	10,949,923			10,949,923	20.4938%	2,244,055	JEFF HUGHES	5/5/2021	Project to inspect and repair turbine and compressor at Copper generating station.	
230	GC108	COPPER GAS TURBINE REPLACEMENT PARTS (W501B4)	9,711,278			9,711,278	20.4938%	1,990,210	JEFF HUGHES	Multi-Year	Project to procure gas turbine replacement parts for Copper turbine repair.	
231	GM002	MONTANA STATION CAPITAL IMPROVEMENTS BLANKET	8,398,806		416,403	8,815,210	20.4938%	1,806,571	JEFF HUGHES	Multi-Year	Blanket project primarily for capital projects under \$200,000 that do not have individual projects.	
The Copper project converted a planned Hot Gas Path Inspection into a major overhaul of the GE 7EA turbine to address critical reliability needs and restore full production capability. Work included replacing all 17 compressor rows with new coated blades, overhauling the combustion section with new baskets and cross-flame tubes, installing new R1 and R2 turbine blades with significant vane and blade repairs, repairing extensive cracks in the exhaust casing, replacing the thermal baffle, repairing lube oil lines, and overhauling the overspeed trip device. These actions ensure OEM compliance, improve reliability, and prevent forced outages.												
232	GC120	COPPER HOT GAS PATH CAPITAL IMPROVEMENTS	7,830,760		577,610	8,408,369	20.4938%	1,723,194	JEFF HUGHES	7/12/2025		

LINE NO.	FUNCTION	PROJECT	PROJECT DESCRIPTION	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
				TOTAL COMPANY GROSS ADDITIONS JAN 1, 2020 TO SEPT 30, 2025	LESS: POST- BASE YEAR ADDITIONS APPROVED IN 2020 BASE RATE CASE	PLUS: POST-BASE PERIOD ADDITIONS (OCTOBER 2025)	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS
233	GM115	MPS WAREHOUSE AND ACCESS ROAD		5,503,140			5,503,140			5,503,140	20.4938%	1,127,802	JEFF HUGHES	8/26/2020	A 12,500 square foot warehouse facility will be built to support the Montana Power Plant. It features climate controlled storage for electronics and tools, office and ancillary spaces, and tilt up precast concrete exterior walls. The building also includes a shop equipped with dual cranes for handling heavy MPS equipment, a new and used oil storage room, and a covered canopy area for non climate sensitive materials. Site improvements include extending an access road for large vehicle circulation and relocating the existing MPS parking area to the east side of the building. The facility will allow onsite storage and maintenance of plant components and tools, improving operational efficiency.
234	GM137	MONTANA POWER STATION UNIT 1 - PARTIAL HOT SECTION		4,427,420			4,427,420			4,427,420	20.4938%	907,347		9/27/2022	
235	GN282	NEWMAN UNIT 6 VARIOUS CAPITAL REPLACEMENTS		4,349,566			4,349,566			4,349,566	0.0000%				
236	GM151	MONTANA POWER STATION UNIT 4 PARTIAL HOT SECTION		4,261,584			4,261,584			4,261,584	20.4938%	873,360		5/15/2024	
237	GM129	MONTANA POWER STATION UNIT 2 INTERMEDIATE PRESSURE		4,156,096			4,156,096			4,156,096	20.4938%	851,742		1/15/2024	
238	GM136	MONTANA POWER STATION UNIT 1 INTERMEDIATE PRESSURE		4,082,384			4,082,384			4,082,384	20.4938%	836,636		7/29/2023	
239	GM145	MONTANA POWER STATION PLANT COMMON INTERMEDIATE PRESSURE		3,609,530			3,609,530			3,609,530	20.4938%	739,730		9/25/2022	
240	GN283	NEWMAN UNIT 6 SPARE GENERATOR STEP-UP		3,109,439			3,109,439			3,109,439	0.0000%	-			
241	GM135	MONTANA POWER STATION UNIT 4 INTERMEDIATE PRESSURE		3,086,778			3,086,778			3,086,778	20.4938%	632,598		9/28/2021	
242	GM144	MONTANA POWER STATION PLANT COMMON - HOT SECTION		3,070,642			3,070,642			3,070,642	20.4938%	629,291		9/25/2022	
243	GM105	MONTANA POWER STATION BLACK START SYSTEM		2,782,054			2,782,054			2,782,054	20.4938%	570,149		1/14/2022	
244	GR187	RIO GRANDE UNIT 9 878-168 INTERMEDIATE PRESSURE TURBINE		2,681,356			2,681,356			2,681,356	20.4938%	549,512		9/30/2021	
245	GM128	MONTANA POWER STATION UNIT 3 PARTIAL HOT SECTION		2,646,092			2,646,092			2,646,092	20.4938%	542,285		1/31/2021	
246	GC114	COPPER SILENCER SECTION REPLACEMENT		2,091,270			2,091,270			2,091,270	20.4938%	428,581		3/3/2022	
247	GC113	COPPER GENERATOR STATOR REPLACEMENT		1,822,969			1,822,969			1,822,969	20.4938%	373,596		2/8/2022	
248	GM127	MONTANA POWER STATION SERVICE WATER TANK LINER		1,671,567			1,671,567			1,671,567	20.4938%	342,568		Multi-Year	
249	GC003	GENERATION-COPPER BLANKET		1,571,911			1,571,911			1,571,911	20.4938%	322,144		Multi-Year	
250	GR014	RIO GRANDE CAPITAL IMPROVEMENT BLANKET		1,354,453			1,354,453			1,354,453	20.4938%	277,579		Multi-Year	
251	GR207	RG U9 PARTIAL HOT SECTION REPLACEMENT		1,286,416		543,788	1,830,205			1,830,205	20.4938%	375,078		6/6/2025	
252	GC118	COPPER GRADING DRAINAGE IMPROVEMENTS		1,198,999			1,198,999			1,198,999	20.4938%	245,721		1/30/2025	
253	GR196	RIO GRANDE UNIT 9 TURBINE UPGRADE - SPARE		975,812			975,812			975,812	20.4938%	199,981		3/1/2022	
254	GN284	NEWMAN UNIT 6 SPARE UNIT AUX TRANSFORMER		795,090			795,090			795,090	0.0000%	-			
255	GC119	COPPER GENERATOR STEP-UP TRANSFORMER REPLACEMENT		786,781			786,781			786,781	20.4938%	161,241		6/9/2023	
256	GN317	NEWMAN UNIT 6 GAS TURBINE 5 TEMPERING AIR FAN MOTOR		559,041			559,041			559,041	0.0000%	-			
257	GM132	MONTANA POWER STATION GAS COMPRESSOR CASSEMENT		556,039			556,039			556,039	20.4938%	113,954		6/21/2021	
258	GN003	NEWMAN CAPITAL IMPROVEMENT BLANKET		540,232		131,968	672,200			672,200	20.4938%	137,759		Multi-Year	
259	GN007	GENERATION MONTANA POWER STATION FACILITIES SERVICES		512,373			512,373			512,373	20.4938%	105,005		Multi-Year	
260	GR213	RG9 AMMONIA VAPORIZATION FREE HEAT SYSTEM		465,293			465,293			465,293	20.4938%	95,356		2/3/2025	
261	GM154	MPS U1 AMMONIA VAPORIZATION FREE HEAT SYSTEM		421,761			421,761			421,761	20.4938%	86,435		4/4/2025	
262	GM156	MPS U3 AMMONIA VAPORIZATION FREE HEAT SYSTEM		410,922			410,922			410,922	20.4938%	84,214		5/1/2025	
263	GM157	MPS U4 AMMONIA VAPORIZATION FREE HEAT SYSTEM		409,784			409,784			409,784	20.4938%	83,980		5/2/2025	
264	GM155	MPS U2 AMMONIA VAPORIZATION FREE HEAT SYSTEM		406,907			406,907			406,907	20.4938%	83,391		4/12/2025	
265	GM121	MONTANA POWER UNIT 1 HUMAN MACHINE INTERFACE HARDWARE		385,269			385,269			385,269	20.4938%	78,956		4/9/2025	
266	GC109	COPPER UNINTERRUPTIBLE POWER SUPPLY		348,757			348,757			348,757	20.4938%	71,473		4/8/2022	
267	GM030	GENERATION - MONTANA POWER STATION BLANKET PROJECT		304,774			304,774			304,774	20.4938%	62,460		Multi-Year	
268	GM134	MONTANA POWER STATION CLOSED COOLING WATER AIR COOLERS		297,312			297,312			297,312	20.4938%	60,931		5/27/2022	
269	GM126	MONTANA LIGHTNING PROTECTION INSTALLATION		290,846			290,846			290,846	20.4938%	59,605		2/7/2020	
270	GM133	MONTANA DISTRIBUTIVE CONTROL SYSTEM CIP CYBER IMPROVEMENTS		287,649			287,649			287,649	20.4938%	58,950		12/4/2019	
271	GR186	RIO GRANDE UNIT 9 INSTRUMENT AIR COMPRESSOR UPGRADE		202,314			202,314			202,314	20.4938%	41,462		4/19/2021	
272	GR116	RIO GRANDE UNIT 9 CRITICAL SPARE COMPONENTS		197,751			197,751			197,751	20.4938%	40,527		5/27/2020	
273	GM116	MONTANA POWER STATION BALANCE OF PLANT EQUIPMENT		174,197			174,197			174,197	20.4938%	35,700		12/31/2021	
274	GC115	COPPER CONTINUOUS EMISSION MONITORING SYSTEM UPGRADE		154,574			154,574			154,574	20.4938%	31,678		11/3/2021	
275	GM143	MONTANA POWER STATION UNIT 2 CONTINUOUS EMISSION MONITORING		137,030			137,030			137,030	20.4938%	28,083		8/25/2023	
276	GM140	MONTANA POWER STATION UNIT 1 CONTINUOUS EMISSION MONITORING		136,683			136,683			136,683	20.4938%	28,012		8/25/2023	
277	GM142	MONTANA POWER STATION UNIT 4 CONTINUOUS EMISSION MONITORING		136,470			136,470			136,470	20.4938%	27,968		8/22/2023	
278	GM141	MONTANA POWER STATION UNIT 3 CONTINUOUS EMISSION MONITORING		136,234			136,234			136,234	20.4938%	27,920		8/25/2023	
279	GM131	MONTANA POWER STATION UNIT 4 CATALYST GASKET REPLACEMENT		126,074			126,074			126,074	20.4938%	25,837		5/10/2021	
280	GR192	RIO GRANDE UNIT 9 CONTINUOUS EMISSION MONITORING SYSTEM		125,454			125,454			125,454	20.4938%	25,710		3/1/2023	
281	GM130	MONTANA POWER UNIT 3 CO CATALYST GASKET UPGRADE		117,639			117,639			117,639	20.4938%	24,109		10/26/2020	
282	GR195	RIO GRANDE UNIT 9 TURBINE UPGRADE		105,332			105,332			105,332	20.4938%	21,587		9/30/2022	
283	VARIOUS	LESS THAN \$100,000		113,201			242,725			242,725	20.4938%	49,744		Multi-Year	
284	OTHER PRODUCTION TOTAL			320,254,904	-	2,743,554	322,998,457			322,998,457		20,341,774			
SOLAR PRODUCTION															
285	GS132	2025 UTILITY SCALE SOLAR 100MW (FELINA)		153,834,354			153,834,354			153,834,354	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
286	GS125	TEXAS BUSINESS SOLAR 50MW		0		79,717,883	79,717,883			79,717,883	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS
287	GS124	TEXAS COMMUNITY SOLAR EXPANSION		19,473,965			19,473,965			19,473,965	0%	-	N/A - TEXAS	N/A - TEXAS	N/A - TEXAS

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LINE NO.	FUNCTION	PROJECT	PROJECT DESCRIPTION						WITNESS (b)			
288		GS123	NMSU SOLAR PLUS STORAGE PROJECT	5,602,114		5,602,114	0%	-	RENE GONZALEZ		This project is not included in base rates. Revenues from the special rate contracts are excluded from the per book New Mexico jurisdiction revenues.	
289		GS144	NM RENEWABLE BLANKET CAPITALPROJECT	306,087		306,087	0%	-				
290		GS145	TX RENEWABLE BLANKET CAPITALPROJECT	225,583		225,583	0%	-				
291		GS110	MONTANA SOLAR	12,548	(340,919)	(328,371)	0%	-				
292	SOLAR PRODUCTION TOTAL			179,454,650	-	79,376,964		258,831,614				
STEAM PRODUCTION												
293		GN003	NEWMAN CAPITAL IMPROVEMENT BLANKET	21,589,649		645,551	22,235,200	19.6728%	4,374,286	JEFF HUGHES	4/28/2024	Project for capital improvements at the Newman Power Station including small projects that do not have individual projects assigned.
294		GR150	RIO GRANDE UNIT 8 MAJOR HP/IP TURBINE IMPROVEMENT:	11,183,864			11,183,864	20.4547%	2,287,626	JEFF HUGHES	6/10/2024	Project for the planned scheduled inspection and repair of the turbine at Rio Grande Unit 8.
295		GN276	NEWMAN UNIT 4 GAS TURBINE 1 SPARE TURBINE COMPO	11,029,325			11,029,325	20.4547%	2,256,015	JEFF HUGHES	5/21/2024	Project for the purchase of a spare set of rotating, stationary and combustion components for the gas turbine for Newman Unit 4-Turbine 1.
296		GR014	RIO GRANDE CAPITAL IMPROVEMENT BLANKET	10,988,526		130,963	11,119,489	20.4547%	2,274,458	JEFF HUGHES	Multi-Year	Blanket project capital improvements at the Rio Grande generating station for small projects that do not have individual projects assigned.
297		GN277	NEWMAN UNIT 4 GAS TURBINE 2 SPARE TURBINE COMPO	10,984,688			10,984,688	20.4547%	2,246,885	JEFF HUGHES	Multi-Year	Project for the purchase of a spare set of rotating, stationary and combustion components for the gas turbine for Newman Unit 4-Turbine 2.
298		GN319	NEWMAN UNIT 4 STEAM TURBINE MAJOR - CAPITAL REPLA	10,324,989		505,770	10,830,759	20.4547%	2,215,399	JEFF HUGHES	5/31/2024	Project for the inspection and repair of the turbine of Newman Unit 4.
299		GN321	NEWMAN UNIT 3 MAJOR INSPECTION CAPITAL IMPROVEME	10,233,634			10,233,634	20.4547%	2,093,259	JEFF HUGHES	6/12/2022	Project for the inspection and repair on the Newman Unit 3 turbine and generator.
300		GN210	NEWMAN UNIT 4 GT1 & GT2 IMPROVEMENTS	7,000,184			7,000,184	20.4547%	1,431,867	JEFF HUGHES	10/31/2020	In 2020, this project focused on procuring new turbine blades for GT2 to address reliability concerns and prepare for future maintenance cycles. At the time, existing turbine blades for GT1 and GT2 were a mix of EPE-owned and used blades, with most EPE-owned blades near or beyond their useful life. To ensure continued safe and efficient operation, new blades needed to be manufactured, which required a lead time of over 52 weeks. Procuring new blades was essential to increase reliability, reduce the risk of unit outages caused by blade failure, and support long-term operational performance in alignment with OEM standards.
301		GN301	NEWMAN UNIT 2 DISTRIBUTIVE CONTROL SYSTEM UPGRAI	6,846,629			6,846,629	20.4547%	1,400,457	JEFF HUGHES	6/8/2024	Project to replace the distributive control system for Newman Unit 2.
302		GN289	NEWMAN UNIT 4 GAS TURBINE 2 - 2ND SPARE ROTOR ACQ	6,759,254			6,759,254	20.4547%	1,382,585	JEFF HUGHES	11/19/2023	Project to purchase a spare rotor for Newman Unit 4 - Turbine 2.
303		GN322	NEWMAN UNIT 4 GAS TURBINE1 MAJOR INSPECTION-CAPIT	6,662,338			6,662,338	20.4547%	1,362,761	JEFF HUGHES	5/31/2022	Project for additional expenditures for the inspection and repair of Turbine 1 at Newman Unit 4.
304		GN269	NEWMAN UNIT 4 GAS TURBINE 1 -501B SPARE BLADED RO	6,637,131			6,637,131	20.4547%	1,357,605	JEFF HUGHES	5/27/2024	Project to purchase a spare rotor for Newman Unit 4 - Turbine 1.
305		GN323	NEWMAN UNIT 4 GAS TURBINE2 MAJOR INSPECTION-CAPIT	5,126,412		303,447	5,429,859	20.4547%	1,110,661	JEFF HUGHES	5/21/2024	The GT2 Major Inspection project took place in spring 2024 and included replacing the compressor-turbine rotor, which had reached the OEM-recommended limit of 100,000 equivalent operating hours, along with a full major inspection to meet OEM requirements. The work restored and improved turbine performance, increased reliability, and enhanced operational efficiency, reducing the risk of forced outages and ensuring long-term generation capability.
306		GN243	NEWMAN UNIT 3 AIR PREHEATER ROTOR REPLACEMENT	5,090,851			5,090,851	20.4547%	1,041,318	JEFF HUGHES	5/31/2022	Project to restore the air preheater on Newman Unit 3 to its designed condition.
307		GN186	NEWMAN UNIT 4 STEAM INSTRUMENTATION UPGRADE	3,640,113			3,640,113	20.4547%	744,574		2/10/2021	
308		GN291	NEWMAN UNIT 5 HRSG 3 LOW PRESSURE EVAPORATOR SI	3,316,284			3,316,284	20.4547%	678,336		2/8/2022	
309		GN185	NEWMAN UNIT 4 GAS TURBINE 1 INSTRUMENTATION UPGR	3,307,518			3,307,518	20.4547%	676,543		1/29/2021	
310		GR210	RG U8 TURBINVE VALVE CAPITAL IMPROVEMENTS	3,260,709		357,923	3,618,632	20.4547%	740,180		4/11/2025	
311		GN184	NEWMAN UNIT 4 - GAS TURBINE 2 INSTRUMENTATION UF	3,232,023			3,232,023	20.4547%	661,101		1/11/2021	
312		GN292	NEWMAN UNIT 5 HRSG 4 LOW PRESSURE EVAPORATOR SI	3,222,688			3,222,688	20.4547%	659,191		3/18/2022	
313		GN191	NEWMAN UNIT 4/GAS TURBINE 3 & 4 TURBINE BLADES REP	4,928,252	(1,743,456)		3,184,796	20.4547%	651,440		5/28/2019	
314		GN265	NEWMAN UNIT 5 GAS TURBINE 3 & 4 TURBINE BLADES REP	3,131,270			3,131,270	20.4547%	640,492		4/5/2021	
315		GN325	NW U5 GT3 MAJOR INSPECTION CAPITAL IMPROVEMENTS	2,852,090		180,427	3,032,518	20.4547%	620,292		2/7/2025	
316		GR200	RIO GRANDE UNIT 8 BOILER LOWER SLOPE REPLACEMENT	2,693,027			2,693,027	20.4547%	550,851		4/30/2024	
317		GN314	NW U5 GT3 SPARE PARTS	2,650,141			2,650,141	20.4547%	542,078		2/7/2025	

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318		GN254	NEWMAN UNIT 5 HRSG3 BOILER FEED WATER CONTROL V	2,258,222			2,258,222	20.4547%	461,913		10/19/2023	
319		GN280	NEWMAN UNIT 5 GAS TURBINE 4 MAJOR OUTAGE CAPITAL	2,165,138			2,165,138	20.4547%	442,873		5/5/2023	
320		GR180	RIO GRANDE UNIT 7 GENERATOR IMPROVEMENTS	2,138,333			2,138,333	20.4547%	437,390		5/22/2020	
321		GN258	NEWMAN UNIT 3 BOILER ECONOMIZER SECTION REPLACEM	1,963,545			1,963,545	20.4547%	401,637		5/15/2021	
322		GR194	RIO GRANDE UNIT 8 BOILER SECONDARY SUPERHEATER F	1,905,208			1,905,208	20.4547%	389,705		9/11/2022	
323		GN007	NEWMAN FACILITIES SERVICES IMPROVEMENTS BLANKET	1,893,918			1,893,918	20.4547%	387,395		Multi-Year	
324		GN192	NEWMAN UNIT 4 GAS TURBINE2 HOT GAS PATH CAPITAL I	1,858,509			1,858,509	20.4547%	380,152		6/7/2020	
325		GN293	NEWMAN UNIT 5 HRGS 3 RH3 LOWER HEADER REPLACEMI	1,663,014			1,663,014	20.4547%	340,165		5/30/2023	
326		GN257	NEWMAN UNIT 3 BOILER REHEAT SECTION REPLACEMENT	1,510,837			1,510,837	20.4547%	309,037		10/30/2020	
327		GN207	NEWMAN UNIT 3 BOILER PARTS REPLACEMENTS	1,483,490			1,483,490	20.4547%	303,443		5/15/2021	
328		GN295	NEWMAN UNIT 5 HRSG 4 BOILER FEED WATER CONTROL V	1,369,634			1,369,634	20.4547%	280,155		5/30/2023	
329		GN294	NEWMAN UNIT 5 HRSG 4 RH3 LOWER HEADER REPLACEMI	1,352,443			1,352,443	20.4547%	276,638		5/30/2023	
330		GN310	NEWMAN UNIT 3 BOILER BIFURCATION REPLACEMENT	1,248,071			1,248,071	20.4547%	255,289		6/6/2023	
331		GN267	NEWMAN UNIT 5 STEAM TURBINE LOW PRESSURE SPARE	1,118,798			1,118,798	20.4547%	228,847		5/4/2023	
332		GN299	NEWMAN UNIT 2 BOILER BIFURCATION REPLACEMENT	1,086,931			1,086,931	20.4547%	222,328		11/23/2022	
333		GN147	U4 STEAM TURBINE NEW VACUUM PUMP SYSTEM	1,068,779			1,068,779	20.4547%	218,615		5/24/2024	
334		GN308	NEWMAN UNIT 4 SAMPLE PANELS UPGRADE	1,045,412			1,045,412	20.4547%	213,836		6/20/2024	
335		GN328	NEWMAN UNIT 5 COMPUTERIZED BASED TRAINING	1,045,200			1,045,200	20.4547%	213,793		1/31/2024	
336		GN327	NEWMAN UNIT 1 CROSSOVER/HPIP GLAND SEAL REPLACE	1,031,601			1,031,601	20.4547%	211,011		2/1/2024	
337		GR184	RIO GRANDE UNIT 8 TURBINE BEARING FIRE SYSTEM INST/	1,014,051			1,014,051	20.4547%	207,421		6/30/2022	
338		GR179	RIO GRANDE UNIT 8 AUTOMATIC VOLTAGE REGULATOR UF	996,491			996,491	20.4547%	203,829		5/15/2022	
339		GN140	NEWMAN UNIT 5 GAS TURBINE 4 WET COMPRESSION UPGI	980,657			980,657	20.4547%	200,590		12/31/2021	
340		GR007	RIO GRANDE FACILITIES SERVICES IMPROVEMENTS BLAN	934,214			934,214	20.4547%	191,091		Multi-Year	
341		GN124	NEWMAN UNIT 4 GAS TURBINE 2 NEW ECONOMIZER / HEAT	865,623			865,623	20.4547%	177,061		6/5/2020	
342		GN128	NEWMAN UNIT 4 GAS TURBINE 2 - NEW LOW PRESSURE SI	850,946			850,946	20.4547%	174,058		6/5/2020	
343		GN187	NW U5 INSTRUMENT AIR COMPRESSOR REPLACEMENT	812,131			812,131	20.4547%	166,119		3/27/2020	
344		GN189	NEWMAN UNIT 4/GAS TURBINE 1 COMBUSTOR INSPECTION	811,704			811,704	20.4547%	166,032		5/15/2020	
345		GN193	NEWMAN UNIT 5 GAS TURBINE 3 HOT GAS PATH CAPITAL II	806,382			806,382	20.4547%	164,943		1/24/2023	
346		GR197	RIO GRANDE UNIT 8 BOILER ARCH TUBE REPLACEMENT	794,776			794,776	20.4547%	162,569		4/30/2022	
347		GN211	NEWMAN UNIT 5IGT3 & GT4 CAP GEAR OIL REPLACEMENT F	790,660			790,660	20.4547%	161,727		2/28/2020	
348		GN195	NEWMAN UNIT 1 - MAJOR VALVE CAPITAL IMPROVEMENTS	768,414			768,414	20.4547%	157,177		5/12/2021	
349		GN190	NEWMAN UNIT 4 GAS TURBINE2 COMBUSTOR IMPROVEME	753,861			753,861	20.4547%	154,200		3/31/2019	
350		GR164	RIO GRANDE UNIT 8 MAIN STEAM HEADER REPLACEMENT	751,615			751,615	20.4547%	153,741		5/6/2022	
351		GN309	NEWMAN UNIT 5 SAMPLE PANELS UPGRADE	693,252			693,252	20.4547%	141,803		6/24/2024	
352		GN320	NEWMAN 3 FIRE	673,716			673,716	20.4547%	137,807		4/29/2024	
353		GR205	RIO GRANDE - CHEMISTRY LAB IMPROVEMENT	673,700			673,700	20.4547%	137,803		6/30/2025	
354		GN266	NEWMAN #4 WELL PUMP & MOTOR REPLACEMENT	634,611			634,611	20.4547%	129,808		5/31/2022	
355		GN220	NEWMAN UNIT 4 HALON FIRE SYSTEM UPGRADE	604,352			604,352	20.4547%	123,618		12/21/2020	
356		GN315	NEWMAN UNIT 4 MECHANICAL SKID FIRE SYSTEM UPGRAD	596,566			596,566	20.4547%	122,026		5/13/2024	
357		GR161	RIO GRANDE ENGINEERING BUILDING EXPANSION	575,717			575,717	20.4547%	117,761		3/17/2023	
358		GR169	RIO GRANDE UNIT 8 DRUM LEVEL UPGRADE	552,543			552,543	20.4547%	113,021		6/23/2021	
359		GN171	NEWMAN COMMON INSTRUMENT AIR COMPRESSOR BACK	511,480			511,480	20.4547%	104,622		5/5/2021	
360		GN226	NEWMAN UNIT 5 CARBON DIOXIDE SYSTEM UPGRADE	501,873			501,873	20.4547%	102,657		9/7/2021	
361		GN268	NEWMAN UNIT 3 BULLNOSE SECTION REPLACEMENT	468,972			468,972	20.4547%	95,927		Multi-Year	
362		GN316	NEWMAN UNIT 1 CROSSOVER BELLOW'S REPLACEMENT	460,577			460,577	20.4547%	94,210		1/24/2023	
363		GN215	NEWMAN OFFICES INTERIOR IMPROVEMENTS	437,149			437,149	20.4547%	89,417		1/28/2022	
364		GN288	NEWMAN COMMON IRRIGATION SYSTEM REPLACEMENT	427,286			427,286	20.4547%	87,400		2/28/2022	
365		GR165	RIO GRANDE WELL WATER PIPING REPLACEMENT	414,141			414,141	20.4547%	84,711		4/20/2020	
366		GN232	NEWMAN DISTRIBUTIVE CONTROL SYSTEM CIP CYBER IMP	402,042			402,042	20.4547%	82,237		3/15/2020	
367		GN229	NEWMAN UNIT 4 GAS TURBINE 1 COMBUSTOR REPLACEME	386,588			386,588	20.4547%	79,075		5/26/2023	
368		GR170	RIO GRANDE EMPLOYEE ACCESS IMPROVEMENTS	372,863			372,863	20.4547%	76,268		12/4/2020	
369		GR183	RIO GRANDE UNIT 8 COMBUSTION TURBINE SWITCHGEAR	349,009			349,009	20.4547%	71,389		6/6/2022	
370		GN239	NEWMAN CONTROL ROOM 1 IMPROVEMENTS	339,808			339,808	20.4547%	69,507		10/31/2021	
371		GR172	RIO GRANDE WELL #2 RELOCATION	337,205			337,205	20.4547%	68,974		3/26/2021	
372		GN223	NEWMAN UNIT 4 UNINTERRUPTIBLE POWER UPGRADE	335,055			335,055	20.4547%	68,534		12/23/2021	
373		GR147	RIO GRANDE UNIT 8 THROTTLE VALVE SEAT REPLACEMEN	331,242			331,242	20.4547%	67,755		6/12/2022	
374		GN198	NEWMAN UNIT 5 HRSG BYPASS VALVE REPLACEMENT	325,847			325,847	20.4547%	66,651		Multi-Year	
375		GN199	NEWMAN UNIT 5 HRSG BYPASS VALVE REPLACEMENT	305,900			305,900	20.4547%	62,571		Multi-Year	
376		GN230	NEWMAN UNIT 4 GAS TURBINE 2 COMBUSTOR REPLACEME	297,625			297,625	20.4547%	60,878		5/24/2023	
377		GR175	RIO GRANDE UNIT 8 4160V SWITCHGEAR BREAKER UPGRA	294,560			294,560	20.4547%	60,251		2/21/2020	
378		GR176	RG U8 FEED WATER REGULATORS UPGRADE	280,768			280,768	20.4547%	57,430		2/20/2020	
379		GN217	NW U2 AUTO VOLTAGE REGULATOR UPGRADE	272,169			272,169	20.4547%	55,671		2/5/2020	
380		GN234	NEWMAN UNIT 4 HRSG 1 MANUAL CHECK VALVE REPLACE	271,505			271,505	20.4547%	55,535		5/30/2023	
381		GN270	NEWMAN UNIT 5 GAS TURBINE 3 CONTINUOUS EMISSION MC	265,705			265,705	20.4547%	54,349		8/31/2023	
382		GN219	NEWMAN UNIT 3 UNINTERRUPTIBLE SUPPLY UPGRADE	258,936			258,936	20.4547%	52,965		2/8/2020	
383		GR204	RIO GRANDE LUNCHROOM IMPROVEMENTS	255,375			255,375	20.4547%	52,236		7/31/2023	
384		GN222	NEWMAN UNIT 2 UNINTERRUPTIBLE POWER UPGRADE	255,156			255,156	20.4547%	52,191		1/17/2020	
385		GN271	NEWMAN UNIT 5 GAS TURBINE 4 CONTINUOUS EMISSION MC	248,750			248,750	20.4547%	50,881		8/31/2023	
386		GN218	NEWMAN UNIT 3 AUTO VOLTAGE REGULATOR UPGRADE	239,116			239,116	20.4547%	48,910		3/3/2020	
387		GR171	RIO GRANDE UNIT 8 AUTO SYNCHRONIZER UPGRADE	228,119			228,119	20.4547%	46,661		6/9/2022	
388		GN238	NEWMAN UNIT 2 LOW PRESSURE TURBINE PACKING REPL	224,659			224,659	20.4547%	45,953		2/3/2020	
389		GN181	NEWMAN UNIT 1 COOLING TOWER SOFT STARTS REPLAC	218,885			218,885	20.4547%	44,772		1/29/2020	
390		GN172	NEWMAN UNIT 1 BENCH BOARD TO DISTRIBUTIVE CONTR	217,912			217,912	20.4547%	44,573		1/24/2020	
391		GN241	NEWMAN ZERO LIQUID DISCHARGE CLARIFIER INS	209,982			209,982	20.4547%	42,951		11/30/2021	

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392	FUNCTION	PROJECT	PROJECT DESCRIPTION						WITNESS (b)		
		GN216	NEWMAN UNIT 4 SOFT STARTERS TO VARIABLE FREQUEN	199,248		199,248	20.4547%	40,756		1/11/2021	
393		GN228	NW U2 GENERATOR PROTECTION RELAY UPGRADE	194,183		194,183	20.4547%	39,719		2/11/2020	
394		GR174	RIO GRANDE PLANT CRANE RAILING UPGRADE	191,870		191,870	20.4547%	39,246		1/21/2020	
395		GR191	RIO GRANDE UNIT 8 CIRCULATING WATER PUMP MOTOR (S	189,959		189,959	20.4547%	38,856		7/22/2022	
396		GR163	RIO GRANDE RACETRACK DRIVE ENTRANCE	177,266		177,266	20.4547%	36,259		7/16/2021	
397		GN236	NEWMAN UNIT 4 HRSG 2 REPLACEMENT MANUAL CHECK V	176,791		176,791	20.4547%	36,162		5/30/2023	
398		GN237	NEWMAN UNIT 4 HRSG 2 REPLACEMENT POWER CHECK V	164,312		164,312	20.4547%	33,610		2/20/2021	
399		GR157	RIO GRANDE UNIT 8 SPARE FORCED DRAFT FAN MOTOR	162,883		162,883	20.4547%	33,317		1/31/2020	
400		GR139	480V & 2300V SYSTEM UPGRADE	158,910		158,910	20.4547%	32,505		4/3/2023	
401		GR190	RIO GRANDE UNIT 8 TURBINE BELLY DRAIN VALVES REPLA	154,845		154,845	20.4547%	31,673		6/3/2022	
402		GN173	NW UNIT 2 BENCH BOARD TO DCS UPGRADE	143,543		143,543	20.4547%	29,361		1/31/2020	
403		GR177	RIO GRANDE DCS CIP CYBER IMPROVEMENTS	139,148		139,148	20.4547%	28,462		12/31/2019	
404		GN278	NEWMAN UNIT 5 GAS TURBINE BOIL FEED PUMP SPARE MC	134,548		134,548	20.4547%	27,521		5/5/2022	
405		GN263	NEWMAN UNIT 4 - GAS TURBINE 1 GENERATOR HYDROGEN	134,077		134,077	20.4547%	27,425		12/1/2020	
406		GR030	GENERATION - RIO GRANDE -CAPITAL IMPROVEMENT BLAN	133,551		133,551	20.4547%	27,317		Multi-Year	
407		GN259	NEWMAN UNIT 3 FEEDWATER REGULATOR KIT REPLACEM	123,128		123,128	20.4547%	25,186		6/1/2021	
408		GN264	NEWMAN UNIT 4 - GAS TURBINE 2 GENERATOR HYDROGEN	122,522		122,522	20.4547%	25,061		12/10/2020	
409		GN279	NEWMAN UNIT 4 HIGH PRESSURE CIRCULATING SPARE PU	120,673		120,673	20.4547%	24,683		8/1/2022	
410		GN343	NW U4/GT1 COMBUSTION INSPECTION CAPITAL IMPROVEM	118,669		118,669	20.4547%	24,273		4/22/2025	
411		GN030	GENERATION NEWMAN GENERAL & INTANGIBLE BLANKET	113,901		113,901	20.4547%	23,298		Multi-Year	
412		GN302	NEWMAN UNIT 5 HRSG 3 DESUPERHEATER REPLACEMENT	108,351		108,351	20.4547%	22,163		4/10/2023	
413		GN303	NEWMAN UNIT 5 HRSG 4 DESUPERHEATER REPLACEMENT	108,351		108,351	20.4547%	22,163		4/10/2023	
414		VARIOUS	LESS THAN \$100,000	234,418	494,359	728,776	20.4547%	149,069		Multi-Year	
415		STEAM PRODUCTION TOTAL		227,086,060	(1,743,456)	2,618,440	227,961,045	46,454,891			
TRANSMISSION											
416	TL302	AIP WOOD TO STEEL STRUCTURES PHASE ONE		41,349,329		41,349,329	23.2303%	9,605,573	OMAR GALLEGOS	12/15/2023	Replacement of 299 wood structures with steel structures due to asset condition and criticality of this 345kV transmission line. Project increases transmission system resilience and reliability.
417	TL245	SEABECK TO SAN FELIPE 115 KV TRANSMISSION LINE		23,858,242	237,710	24,095,953	23.2303%	5,597,562	OMAR GALLEGOS	6/13/2025	The purpose of this project is to construct a new 115kV transmission line from Seabeck Substation to San Felipe Substation, approximately 18.34-miles, of single circuit with a minimum normal and emergency capacity of 380 MVA. This project has been identified in EPE 2024-2033 System Expansion Plan and is part of the East Side Loop Expansion Project and will address projected overload conditions on the EPE system under certain N-1 contingencies.
418	TL295	OTERO 345KV NEW SUBSTATION & TRANSMISSION LINE AC		19,657,560		19,657,560	23.2303%	4,566,510	OMAR GALLEGOS	10/19/2023	Project part of a group of network upgrades required under a large generator interconnection agreement for 120MW of solar power and 50MW of Battery Storage between EPE and Buena Vista/Nextera.
419	TS142	EDDY WINDFARM INTERCONNECTION SUBSTATION		15,909,819		15,909,819	23.2303%	3,695,899	OMAR GALLEGOS	6/20/2020	Project part of a group of network upgrades required under the Service Agreement for Conditional Firm Point-To-Point Transmission Service for 250MW of solar power between EPE and Tucson Electric.
420	TL119	JORNADA - MOONGATE 115KV TRANSMISSION LINE		13,615,691		13,615,691	23.2303%	3,162,966	OMAR GALLEGOS	6/1/2023	This project was needed to connect a new substation, Moongate, to the 115kV transmission system (currently radial), but is part of a larger 115kV loop system currently planned for completion in 2028.
421	TS179	FELINA INTERCONNECTION		12,164,429		12,164,429	0.0000%	-	N/A - TEXAS	N/A - TEXAS	Texas Business Solar. Project part of required network upgrades required under a large generator interconnection agreement for 150MW of solar power.
422	TS148	ROBERTS NEW 115kV INTERCONNECTION SUBSTATION		10,398,636		10,398,636	23.2303%	2,415,634	OMAR GALLEGOS	12/27/2023	This project was required to as part of the generation expansion plan. It included a new breaker and a half substation that received three 115kV transmission lines and the connection to the Newman #6 GSU.
423	TS125	PICANTE 345kV SUBSTATION MODIFICATIONS		9,542,696		9,542,696	23.2303%	2,216,797	OMAR GALLEGOS	10/27/2022	This project was identified as part of EPE's Transmission Expansion Plan to connect Picante substation to one of the Caliente-Amrad 345kV transmission line. This project reconfigured this line to be the Amrad-Picante and Picante-Caliente 345kV transmission lines. This configuration will increase flexibility to do maintenance on these lines, which increases reliability in this area on the 345kV system.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
			TOTAL COMPANY GROSS ADDITIONS JAN 1, 2020 TO SEPT 30, 2025	LESS: POST- BASE YEAR ADDITIONS APPROVED IN 2020 BASE RATE CASE	PLUS: POST-BASE PERIOD ADDITIONS (OCTOBER 2025)	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	NEW MEXICO ALLOCATOR	TEST YEAR PERIOD NEW MEXICO JURISDICTIONAL ADJUSTED GROSS ADDITIONS		IN SERVICE DATE	PROJECT BENEFIT
LINE NO.	FUNCTION	PROJECT	PROJECT DESCRIPTION						WITNESS (b)		
424	TL243	SEABECK - HORIZON 115KV TRANSMISSION LINE		7,865,330		7,865,330	23.2303%	1,827,140	OMAR GALLEGOS	7/8/2025	The purpose of this project is to rebuild and upgrade structures and conductor of EPE's 6800 line from 69kv to 115kV. Utilizing existing and new infrastructure to construct 7.3 miles of single circuit 115KVtransmission line with a minimum normal and emergency capacity rating of 380 MVA. This project has been identified in EPE 2024-2033 System Expansion Plan and is part of the East Side Loop Expansion Project and will address projected overload conditions on the EPE system under certain N-1 contingencies.
425	TL015	TRANSMISSION LINES IMPROVEMENTS AND UPGRADES		7,841,499		7,841,499	23.2303%	1,821,604	OMAR GALLEGOS	Multi-Year	Blanket project used for recurring transmission line improvements. This includes steel channel additions, timber replacements, structure replacements resulting from inspections, and other capital investments related to transmission lines or corridors.
426	TS065	RELAY UPGRADES IN TRANSMISSION SUBSTATIONS		5,827,425		5,827,425	23.2303%	1,353,728	OMAR GALLEGOS	Multi-Year	This blanket project is for the replacement and upgrade of protection control equipment in transmission substations. This equipment provides real time data and responses to system conditions, which improves system reliability.
427	TE100	EMERGENCY TRANSMISSION STRUCTURE REPLACEMENT		5,544,304		5,544,304	23.2303%	1,287,958	OMAR GALLEGOS	Multi-Year	Blanket project to record the emergency replacement of transmission structures due to damage by the public, weather events, and aging infrastructure.
428	TP101	SPRINGERVILLE CIRCUIT BREAKER REPLACEMENT		5,394,983		5,394,983	23.2303%	1,253,271	OMAR GALLEGOS	9/25/2023	This project increased system reliability on a critical import path from Springerville to Macho Springs 345kV line. The project was managed and executed by Tucson Electric and EPE's paid its participant cost share for the upgrade of 18 circuit breakers, 29 disconnect switches, 5 line switches, and related equipment at Springerville substation.
429	TL312	CLINT TO VALLEY LINE UPGRADE		5,218,346		5,218,346	23.2303%	1,212,237	OMAR GALLEGOS	5/24/2024	Per EPE's Transmission System Expansion planning document, reconductor and structure upgrades were needed to meet a normal capacity rating of 111.3 MVA and minimum emergency capacity rating of 148.4 MVA. Project is required to mitigate potential overload conditions under certain planning event contingencies.
430	TL283	TXDOT PHASE 1 LOOP 375 XING UPGRADE		4,032,267		4,032,267	23.2303%	936,708		1/30/2021	
431	TS156	ESCONDIDO 115KV NEW SUBSTATION		4,021,831	163,178	4,185,010	23.2303%	972,190		3/2/2023	
432	TS063	TRANSMISSION SUBSTATION IMPROVEMENTS BLANKET		3,627,951		3,627,951	23.2303%	842,784		Multi-Year	
433	TL282	TXDOT PHASE 1 LOOP 375 XING UPGRADE		3,597,258		3,597,258	23.2303%	835,654		1/30/2021	
434	TL193	LANE TO DIAMOND HEAD LINE (REBUILD)		3,431,699		3,431,699	23.2303%	797,194		12/16/2022	
435	TL293	FABENS TO FELIPE TRANSMISSION LINE UPGRADES		3,357,394		3,357,394	23.2303%	779,933		12/15/2020	
436	TL106	SPARKS-WRANGLER REBUILD		3,068,900		3,068,900	23.2303%	712,915		Multi-Year	
437	TP100	PALO VERDE TRANSMISSION BLANKET		3,056,743		3,056,743	23.2303%	710,091		Multi-Year	
438	TL299	18900 TROWBRIDGE - MARLOW TRANSMISSION LINE UPGR		2,148,539		2,148,539	23.2303%	499,112		2/26/2022	
439	TT080	TRANSMISSION RIGHT OF WAY AND LAND ACQUISITION BL		2,050,373		2,050,373	23.2303%	476,308		Multi-Year	
440	TL313	FE-5 TRANSMISSION LINE		1,798,646		1,798,646	23.2303%	417,831		6/11/2024	
441	TH350	EASTERN INTERCONNECTION PROJECT CAPITAL BLANKET		1,754,857		1,754,857	23.2303%	407,659		Multi-Year	
442	TS168	SUBSTATION SPARE AUTO TRANSFORMERS		1,715,967		1,715,967	23.2303%	398,624		7/23/2023	
443	TH360	SOUTHWEST NEW MEXICO TRANSMISSION BLANKET - SH/		1,609,522		1,609,522	23.2303%	373,897		Multi-Year	
444	TL274	TRANSMISSION LINE ADJUSTMENTS FOR ROBERTS SUBST		1,566,496		1,566,496	23.2303%	363,902		2/22/2023	

(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
				TOTAL COMPANY GROSS ADDITIONS JAN 1, 2020 TO SEPT 30, 2025	LESS: POST- BASE YEAR ADDITIONS APPROVED IN 2020 BASE RATE CASE	PLUS: POST-BASE PERIOD ADDITIONS (OCTOBER 2025)	TEST YEAR PERIOD ADJUSTED TOTAL COMPANY GROSS ADDITIONS	NEW MEXICO ALLOCATOR	TEST YEAR PERIOD NEW MEXICO JURISDICTIONAL ADJUSTED GROSS ADDITIONS	WITNESS (b)	IN SERVICE DATE	PROJECT BENEFIT
LINE NO.	FUNCTION	PROJECT	PROJECT DESCRIPTION									
445		TL254	TALAVERA TRANSMISSION LINE IN AND OUT RECONFIGUR	1,311,904			1,311,904	23.2303%	304,759		10/10/2022	
446		TL253	69KV WOOD POLE REPLACEMENTS ON GATEWAY	1,212,128			1,212,128	23.2303%	281,581		Multi-Year	
447		SS189	PHYSICAL SECURITY IMPROVEMENTS (CIP-014)	1,209,675			1,209,675	23.2303%	281,011		8/18/2020	
448		TS175	MACHO SPRINGERVILLE TSS RELAY REPLACEMENT	1,194,651			1,194,651	23.2303%	277,521		Multi-Year	
449		TL316	LANE TO WRANGLER RECONDUCTOR	1,187,042			1,187,042	23.2303%	275,753		2/27/2025	
450		TL297	DALLAS TRANSMISSION LINE STRUCTURE REPLACEMENT	1,126,991			1,126,991	23.2303%	261,803		Multi-Year	
451		TL273	TRANSMISSION LINE HARDENING	910,981			910,981	23.2303%	211,624		Multi-Year	
452		TL305	8300 TRANSMISSION LINE STRUCTURE REPLACEMENTS	827,457			827,457	23.2303%	192,221		12/22/2021	
453		TS162	AMRAD SUBSTATION 345KV BREAKER REPLACEMENT	815,905			815,905	23.2303%	189,537		3/15/2024	
454		TL236	EXECUTIVE TRANSMISSION LINE IN AND OUT RECONFIGUR	806,191			806,191	23.2303%	187,281		2/25/2020	
455		TS113	30 MVAR CAP ADD FT.BLISS 115KV BUS	779,665			779,665	23.2303%	181,119		5/17/2022	
456		TL186	ARROYO TO JORNADA 115KV LINE RECONDUCTOR AND UF	757,954			757,954	23.2303%	176,075		5/26/2022	
457		TS151	AMRAD STATIC VAR COMPENSATOR CONTROLLER REPLA	753,165			753,165	23.2303%	174,963		Multi-Year	
458		TS150	EMERGENCY/UNPLANNED SUBSTATION EQUIPMENT REPLA	736,185			736,185	23.2303%	171,018		Multi-Year	
459		TS157	NEWMAN 345KV SYNCHRONIZED BREAKER	676,438			676,438	23.2303%	157,139		7/1/2021	
460		TL303	ASCARATE TO CFE STRUCTURE REPLACEMENT	654,772			654,772	23.2303%	152,105		12/29/2021	
461		TS130	NEWMAN 115KV CIRCUIT BREAKER REPLACEMENTS	623,491			623,491	23.2303%	144,839		3/6/2020	
462		TL269	LUNA-DIABLO AND LUNA-AFTON GROUND WIRE ADDITIONS	578,927			578,927	23.2303%	134,486		Multi-Year	
463		TS143	MACHO SPRINGS CIRCUIT BREAKER 2468B REPLACEMENT	556,034			556,034	23.2303%	129,168		6/13/2022	
464		ST109	IMPLEMENT SUBSTATION CONNECTIVITY NETWORK	555,831			555,831	23.2303%	129,121		Multi-Year	
465		TS158	EDDY TIE T2 TRANSFORMER REPLACEMENT	551,511			551,511	23.2303%	128,118		7/2/2020	
466		TS176	GAUNTLET REPLACEMENTS TRANSMISSION SUBSTATION	547,593			547,593	23.2303%	127,208		Multi-Year	
467		TL318	GREENLEE-HIDALGO WOOD TO STEEL PH1	537,802			537,802	23.2303%	124,933		6/19/2024	
468		TS137	NEWMAN ITE CIRCUIT BREAKER 02448B AND 6018B REPLA	512,536			512,536	23.2303%	119,064		2/22/2025	
469		TS132	ORO GRANDE CIRCUIT BREAKER REPLACEMENTS	501,014			501,014	23.2303%	116,387		2/12/2020	
470		TL277	TRIUMPH TRANSMISSION LINE IN AND OUT RECONFIGURAT	467,818			467,818	23.2303%	108,676		4/15/2021	
471		TS155	NEWMAN GROUND GRID ADDITION	459,930			459,930	23.2303%	106,843		6/28/2021	
472		TH166	ARROYO-WEST MESA 345 KV LINE REPLACEMENTS/IMPRO	452,653			452,653	23.2303%	105,153		Multi-Year	
473		TL275	DIABLO - LUNA BLM PERMIT RENEWAL	451,702			451,702	23.2303%	104,932		12/31/2019	
474		TL290	GREENLEE-HIDALGO 35600 LINE IMPROVEMENT	451,304			451,304	23.2303%	104,839		Multi-Year	
475		TS153	ARROYO P.I.R. CIRCUIT BREAKER REPLACEMENT	403,527			403,527	23.2303%	93,740		12/11/2020	
476		TL272	DIABLO-LUNA DEADEND STRUCTURE 9 REPLACEMENT	391,593			391,593	23.2303%	90,968		10/23/2021	
477		SC154	MICROWAVE RADIO UPGRADES-TRUEPOINT	352,866			352,866	23.2303%	81,972		Multi-Year	
478		TT007	TRANSMISSION -FACILITY SERVICES BLANKET	332,410			332,410	23.2303%	77,220		Multi-Year	
479		TS161	AMRAD AUTO TRANSFORMER RELAY REPLACEMENTS	331,658			331,658	23.2303%	77,045		3/15/2024	
480		SC153	PROTECTION SIGNALING UPGRADES BLANKET	313,662			313,662	23.2303%	72,865		Multi-Year	
481		TL194	MOONGATE TO ARROYO TRANSMISSION LINE RECONFIGUI	285,831			285,831	23.2303%	66,399		3/2/2023	
482		TL308	MONTANA POWEER STATION TO CALIENTE LINE UPGRADE	257,091			257,091	23.2303%	59,723		4/20/2023	
483		TS152	LUNA SUBSTATION GROUNDING GRID ADDITION	224,025			224,025	23.2303%	52,042		4/30/2020	
484		TL267	SAN FELIPE - CLINT 69KV TRANSMISSION LINE	196,353			196,353	23.2303%	45,613		6/6/2025	
485		TL319	WE1 TRANSMISSION LINE TAP	159,621			159,621	23.2303%	37,081		6/4/2024	
486		TA100	LUNA TO SPRINGERVILLE RIGHT OF WAY ACQUISITIONS AN	150,381			150,381	23.2303%	34,934		7/1/2019	
487		TH167	AMRAD TO EDDY RIGHT OF WAY ACQUISITION AND RENEW	123,753			123,753	23.2303%	28,748		10/19/2018	
488		TL270	LUNA-SPRINGERVILLE (AIP) NEW ROADS	120,194			120,194	23.2303%	27,922		8/21/2021	
489		TL239	DURAZNO-ASCARATE 115KV TRANSMISSION LINE REBUILD	119,105			119,105	23.2303%	27,668		Multi-Year	
490		VARIOUS	LESS THAN \$100,000	8,288,562	(8,474,746)	259,988	73,804	23.2303%	17,145		Multi-Year	
491		TRANSMISSION TOTAL		259,286,615	(8,474,746)	660,877	251,472,746		55,592,040			
492		TOTAL ADDITIONS TO TEST YEAR PERIOD RATE BASE		\$ 2,302,922,164	\$ (18,574,697)	\$ 132,944,075	\$ 2,417,291,542		\$ 408,441,281	(a)		

(a) Total requested gross additions to plant in service including, 1) gross additions for the period January 1, 2020 through September 30, 2025 (Base Period) excluding amounts included in the Test Year Period plant in service in the 2020 Rate Case and 2) major additions from October 1, 2025 to October 31, 2025 requested as adjustments to Test Year Period rate base.

(b) The EPE witness listed in this column is for projects with a Test Year Period Adjusted Total Company Gross Addition (column g) amount of \$5 million or over. Projects under \$5 million are generally sponsored by Jeff Hughes for generation, Omar Gallegos for transmission and distribution projects, and Cynthia Prieto for general projects.

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
EXHIBIT CSP-2: PALO VERDE REVALUATION
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MAGDALENA RODRIGUEZ
FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025

Amended Filing

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Line
No.

		(a)	(b)	(c)
		<i>Total Company</i>		
		Gross Plant In Service	Accumulated Provision for Depreciation	Net Plant In Service
1	Unit 1	\$ 438,889,195	\$ (173,763,917)	\$ 265,125,278
2	Unit 2	480,024,619	(197,318,244)	282,706,375
3	Unit 3	449,103,462	(169,787,042)	279,316,420
4		<u>\$ 1,368,017,276</u>	<u>\$ (540,869,203)</u>	<u>\$ 827,148,074</u>

		<i>New Mexico</i>		
		Gross Plant In Service	Accumulated Provision for Depreciation	Net Plant In Service
5	Unit 1	\$ 135,252,922	\$ (53,549,000)	\$ 81,703,922
6	Unit 2	147,929,667	(60,807,761)	87,121,906
7	Unit 3	138,400,663	(52,323,442)	86,077,221
8		<u>\$ 421,583,252</u>	<u>\$ (166,680,203)</u>	<u>\$ 254,903,049</u>

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
EXHIBIT CSP-2: PALO VERDE REVALUATION
SPONSOR: CYNTHIA S. PRIETO
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FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025

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Line No.	(a) Balance as of:	(b) Beginning Basis	UNIT 1 Annual Details			(e) Net Addns	(f) Gross Plant Balance
			(c) Additions	(d) Retirements			
1	2/12/96 Revalued Basis	\$ 173,140,000					\$ 173,140,000
2	Dec 31, 1996		\$ 1,402,653	\$ (9,558)	\$ 1,393,095		174,533,095
3	Dec 31, 1997		192,753	-	192,753		174,725,848
4	Dec 31, 1998		3,821,379	(1,703,333)	2,118,046		176,843,894
5	Dec 31, 1999		3,985,122	(77,910)	3,907,212		180,751,106
6	Dec 31, 2000		3,515,998	(1,656,748)	1,859,250		182,610,356
7	Dec 31, 2001		1,831,063	(631,736)	1,199,327		183,809,683
8	Dec 31, 2002		1,554,249	(114,668)	1,439,581		185,249,264
9	Dec 31, 2003		3,364,119	(318,900)	3,045,219		188,294,483
10	Dec 31, 2004		246,266	(759,170)	(512,904)		187,781,579
11	Dec 31, 2005		37,886,399	(4,845,589)	33,040,810		220,822,389
12	Dec 31, 2006		15,691,147	(2,713,937)	12,977,210		233,799,599
13	Dec 31, 2007		3,321,131	(683,150)	2,637,981		236,437,580
14	Dec 31, 2008		8,747,859	(388,507)	8,359,352		244,796,932
15	Dec 31, 2009		5,290,944	(1,453,357)	3,837,587		248,634,519
16	Dec 31, 2010		16,193,250	(1,751,888)	14,441,362		263,075,881
17	Dec 31, 2011		13,123,091	(1,013,005)	12,110,086		275,185,967
18	Dec 31, 2012		9,868,395	(740,950)	9,127,445		284,313,412
19	Dec 31, 2013		10,904,840	(1,401,113)	9,503,727		293,817,139
20	Dec 31, 2014		22,738,064	(284,260)	22,453,804		316,270,943
21	Dec 31, 2015		7,560,264	(1,076,917)	6,483,347		322,754,290
22	Dec 31, 2016		16,110,567	(3,024,078)	13,086,489		335,840,779
23	Dec 31, 2017		16,808,253	(903,597)	15,904,657		351,745,435
24	Dec 31, 2018		7,315,693	(1,326,947)	5,988,746		357,734,181
25	Dec 31, 2019		12,410,416	(1,472,490)	10,937,927		368,672,108
26	Dec 31, 2020		21,475,143	(816,410)	20,658,733		389,330,841
27	Dec 31, 2021		4,575,559	(447,741)	4,127,819		393,458,660
28	Dec 31, 2022		11,489,636	(2,674,542)	8,815,094		402,273,754
29	Dec 31, 2023		15,443,939	(1,017,769)	14,426,170		416,699,924
30	Dec 31, 2024		7,412,426	(1,130,522)	6,281,904		422,981,828
31	9ME September 30, 2025		16,977,139	(843,884)	16,133,255		439,115,083
32	ME October 31, 2025		75,680	(301,568)	(225,888)	\$	438,889,195
33	Totals:		\$ 301,333,438	\$ (35,584,243)	\$ 265,749,195		

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
EXHIBIT CSP-2: PALO VERDE REVALUATION
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MAGDALENA RODRIGUEZ
FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025

Amended Filing

EXHIBIT CSP-2
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	(a)	(b)	(c)	(d)	(e)	(f)
	UNIT 2 Annual Details					
	Beginning Basis	Additions	Retirements	Net Addns	Gross Plant Balance	
2/12/96 Revalued						
34 Basis	\$ 215,285,000				\$	215,285,000
35 Dec 31, 1996		\$ 2,184,331	\$ (9,558)	\$ 2,174,773		217,459,773
36 Dec 31, 1997		323,109	-	323,109		217,782,882
37 Dec 31, 1998		2,520,753	(1,963,046)	557,707		218,340,589
38 Dec 31, 1999		3,525,260	(2,161,421)	1,363,839		219,704,428
39 Dec 31, 2000		3,263,652	(1,525,374)	1,738,278		221,442,706
40 Dec 31, 2001		1,588,008	(181,700)	1,406,309		222,849,014
41 Dec 31, 2002		3,149,792	(631,804)	2,517,988		225,367,003
42 Dec 31, 2003		46,996,783	(3,404,528)	43,592,255		268,959,258
43 Dec 31, 2004		11,418,981	(3,055,177)	8,363,804		277,323,062
44 Dec 31, 2005		1,921,332	(281,665)	1,639,667		278,962,729
45 Dec 31, 2006		3,142,060	(403,297)	2,738,763		281,701,492
46 Dec 31, 2007		2,017,315	(775,300)	1,242,015		282,943,507
47 Dec 31, 2008		6,864,903	(798,438)	6,066,465		289,009,972
48 Dec 31, 2009		4,844,437	(518,255)	4,326,182		293,336,154
49 Dec 31, 2010		19,182,148	(3,409,013)	15,773,135		309,109,289
50 Dec 31, 2011		15,157,506	(1,780,689)	13,376,817		322,486,106
51 Dec 31, 2012		9,037,372	(371,461)	8,665,911		331,152,017
52 Dec 31, 2013		8,847,127	(2,126,659)	6,720,468		337,872,485
53 Dec 31, 2014		18,785,531	(2,436,117)	16,349,414		354,221,899
54 Dec 31, 2015		22,268,426	(657,421)	21,611,005		375,832,904
55 Dec 31, 2016		7,803,646	(1,855,112)	5,948,534		381,781,438
56 Dec 31, 2017		14,321,477	(971,770)	13,349,707		395,131,145
57 Dec 31, 2018		16,451,755	(1,688,043)	14,763,712		409,894,857
58 Dec 31, 2019		9,840,362	(1,417,380)	8,422,982		418,317,839
59 Dec 31, 2020		14,185,620	(787,502)	13,398,118		431,715,957
60 Dec 31, 2021		6,379,903	(536,159)	5,843,743		437,559,701
61 Dec 31, 2022		10,011,616	(2,976,032)	7,035,584		444,595,284
62 Dec 31, 2023		16,677,285	(970,104)	15,707,181		460,302,466
63 Dec 31, 2024		16,848,416	(1,270,546)	15,577,870		475,880,336
64 9ME September 30, 2025		5,352,125	(1,071,290)	4,280,835		480,161,171
65 ME October 31, 2025		(128,684)	(7,868)	(136,552)	\$	480,024,619
66 Totals:		\$ 304,782,349	\$ (40,042,730)	\$ 264,739,619		

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
EXHIBIT CSP-2: PALO VERDE REVALUATION
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MAGDALENA RODRIGUEZ
FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025

Amended Filing

EXHIBIT CSP-2
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	(a)	(b)	(c)	(d)	(e)	(f)
	UNIT 3 Annual Details					
	Beginning Basis	Additions	Retirements	Net Addns	Gross Plant Balance	
67	2/12/96 Revalued Basis	\$ 173,904,000				\$ 173,904,000
68	Dec 31, 1996	2,785,565	(9,558)	2,776,007		176,680,007
69	Dec 31, 1997	1,417,752	-	1,417,752		178,097,759
70	Dec 31, 1998	1,374,518	(1,268,778)	105,740		178,203,499
71	Dec 31, 1999	1,592,379	(84,293)	1,508,086		179,711,585
72	Dec 31, 2000	3,113,943	(1,580,066)	1,533,877		181,245,462
73	Dec 31, 2001	2,440,935	(438,877)	2,002,058		183,247,520
74	Dec 31, 2002	1,949,130	(104,085)	1,845,045		185,092,565
75	Dec 31, 2003	4,838,657	(481,461)	4,357,196		189,449,761
76	Dec 31, 2004	1,508,674	(398,899)	1,109,775		190,559,536
77	Dec 31, 2005	1,936,384	(1,255,935)	680,449		191,239,985
78	Dec 31, 2006	4,150,173	(345,139)	3,805,034		195,045,019
79	Dec 31, 2007	1,397,916	(193,599)	1,204,317		196,249,336
80	Dec 31, 2008	56,999,385	(7,502,223)	49,497,162		245,746,498
81	Dec 31, 2009	7,998,258	(1,197,560)	6,800,698		252,547,196
82	Dec 31, 2010	16,786,084	(1,495,222)	15,290,862		267,838,058
83	Dec 31, 2011	12,531,698	(1,009,527)	11,522,171		279,360,229
84	Dec 31, 2012	8,946,576	(1,054,898)	7,891,678		287,251,907
85	Dec 31, 2013	8,926,778	(1,165,255)	7,761,523		295,013,430
86	Dec 31, 2014	18,767,949	(595,845)	18,172,104		313,185,534
87	Dec 31, 2015	16,980,246	(1,297,394)	15,682,852		328,868,385
88	Dec 31, 2016	12,140,734	(166,721)	11,974,013		340,842,399
89	Dec 31, 2017	14,454,623	(1,354,917)	13,099,706		353,942,105
90	Dec 31, 2018	14,634,942	(1,531,682)	13,103,261		367,045,366
91	Dec 31, 2019	18,840,766	(566,011)	18,274,755		385,320,121
92	Dec 31, 2020	7,901,432	(1,325,878)	6,575,555		391,895,675
93	Dec 31, 2021	12,016,148	(434,770)	11,581,378		403,477,053
94	Dec 31, 2022	14,063,511	(2,167,591)	11,895,920		415,372,973
95	Dec 31, 2023	21,333,505	(1,878,283)	19,455,222		434,828,195
96	Dec 31, 2024	13,392,619	(1,083,830)	12,308,789		447,136,985
97	9ME September 30, 2025	2,632,584	(471,106)	2,161,478		449,298,463
98	ME October 31, 2025	(119,058)	(75,943)	(195,001)	\$	449,103,462
99	Totals:	\$ 307,734,808	\$ (32,535,346)	\$ 275,199,462		

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
EXHIBIT CSP-2: PALO VERDE REVALUATION
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MAGDALENA RODRIGUEZ
FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025

Amended Filing

EXHIBIT CSP-2
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Line No	(a) Balance as of:	(b) Beginning Balance	(c) Depreciation Expense	(d) Unit 1 Annual Activity		(e) Cost of Removal	(f) Salvage	(g) Ending Balance
				Retirements				
1	Sept 30 - Dec 31, 1996	\$ -	\$ (1,498,591)	\$ 9,558		\$ 34,537	\$ (4,944)	\$ (1,459,440)
2	1997	(1,459,440)	(6,021,825)	-		69,435	(1,777)	(7,413,607)
3	1998	(7,413,607)	(6,064,490)	1,703,333		47,194	(12,078)	(11,739,648)
4	1999	(11,739,648)	(6,178,852)	77,910		124,453	3,284	(17,712,853)
5	2000	(17,712,853)	(6,291,175)	1,656,748		51,772	(5,468)	(22,300,976)
6	2001	(22,300,976)	(6,353,346)	631,736		396,412	(4,292)	(27,630,466)
7	2002	(27,630,466)	(6,409,627)	114,668		9,796	(19,476)	(33,935,105)
8	2003	(33,935,105)	(6,510,132)	318,900		75,868	(6,844)	(40,057,313)
9	2004	(40,057,313)	(6,567,129)	759,170		50,236	(3,308)	(45,818,344)
10	2005	(45,818,344)	(7,380,937)	4,845,589		2,357,572	(4,386)	(46,000,506)
11	2006	(46,000,506)	(8,548,464)	2,713,937		253,908	(3,025)	(51,584,150)
12	2007	(51,584,150)	(8,963,246)	683,150		322,359	(5,468)	(59,547,355)
13	2008	(59,547,355)	(9,282,387)	388,507		80,282	(36,783)	(68,397,736)
14	2009	(68,397,736)	(9,648,176)	1,453,357		236,367	(2,577)	(76,358,765)
15	2010	(76,358,765)	(7,937,235)	1,751,888		579,962	(4,403)	(81,968,553)
16	2011	(81,968,553)	(6,009,386)	1,013,005		512,310	(6,054)	(86,458,678)
17	2012	(86,458,678)	(6,325,770)	740,950		99,590	(337,076)	(92,280,984)
18	2013	(92,280,984)	(6,612,560)	1,401,113		459,372	(356,323)	(97,389,382)
19	2014	(97,389,382)	(7,123,213)	284,260		492,332	-	(103,736,003)
20	2015	(103,736,003)	(6,557,399)	1,076,917		284,133	(451,514)	(109,383,865)
21	2016	(109,383,865)	(6,541,917)	3,024,078		1,375,652	(6,118)	(111,532,170)
22	2017	(111,532,170)	(7,050,270)	903,597		661,136	(43,345)	(117,061,052)
23	2018	(117,061,052)	(7,447,976)	1,326,947		467,184	(455,779)	(123,170,676)
24	2019	(123,170,676)	(7,767,198)	1,472,490		372,231	26,136	(129,067,017)
25	2020	(129,067,017)	(8,386,435)	816,410		774,815	(1,690,426)	(137,552,653)
26	2021	(137,552,653)	(8,891,635)	447,741		476,815	(198,494)	(145,718,226)
27	2022	(145,718,226)	(9,166,870)	2,674,542		764,862	(95,030)	(151,540,723)
28	2023	(151,540,723)	(9,682,988)	1,017,769		422,371	(43,200)	(159,826,772)
29	2024	(159,826,772)	(10,163,908)	1,130,522		772,116	(621,503)	(168,709,546)
30	2025	(168,709,546)	(8,032,257)	1,145,452		2,336,401	(503,968)	(173,763,917)
31	Totals		<u>\$ (219,415,394)</u>	<u>\$ 35,584,243</u>		<u>\$ 14,961,473</u>	<u>\$ (4,894,239)</u>	

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
EXHIBIT CSP-2: PALO VERDE REVALUATION
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MAGDALENA RODRIGUEZ
FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025

Amended Filing

EXHIBIT CSP-2
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	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line No	Balance as of:	Beginning Balance	Unit 2 Annual Activity				Ending Balance
			Depreciation Expense	Retirements	Cost of Removal	Salvage	
32	Sept 30 -						
33	Dec 31, 1996	\$ -	\$ (1,803,103)	\$ 9,558	\$ 654	\$ (4,944)	\$ (1,797,835)
34	1997	(1,797,835)	(7,254,230)	-	(46)	(1,777)	(9,053,888)
35	1998	(9,053,888)	(7,269,760)	1,963,046	90,742	(12,078)	(14,281,938)
36	1999	(14,281,938)	(7,304,975)	2,161,421	16,874	3,284	(19,405,334)
37	2000	(19,405,334)	(7,363,660)	1,525,374	32,504	(5,468)	(25,216,584)
38	2001	(25,216,584)	(7,425,215)	181,700	77,047	(4,292)	(32,387,344)
39	2002	(32,387,344)	(7,505,799)	631,804	412,380	(19,476)	(38,868,435)
40	2003	(38,868,435)	(8,505,915)	3,404,528	16,539	(6,844)	(43,960,127)
41	2004	(43,960,127)	(9,643,658)	3,055,177	2,179,878	(3,101)	(48,371,831)
42	2005	(48,371,831)	(9,872,785)	281,665	155,645	(4,386)	(57,811,692)
43	2006	(57,811,692)	(9,980,293)	403,297	62,900	(3,025)	(67,328,813)
44	2007	(67,328,813)	(10,081,447)	775,300	213,099	(5,468)	(76,427,329)
45	2008	(76,427,329)	(10,282,644)	798,438	162,064	(36,783)	(85,786,254)
46	2009	(85,786,254)	(10,578,398)	518,255	162,617	(2,577)	(95,686,357)
47	2010	(95,686,357)	(8,804,610)	3,409,013	713,451	(4,403)	(100,372,906)
48	2011	(100,372,906)	(6,781,720)	1,780,689	451,610	(6,054)	(104,928,381)
49	2012	(104,928,381)	(7,100,258)	371,461	319,622	(367,375)	(111,704,932)
50	2013	(111,704,932)	(7,329,523)	2,126,659	645,913	(651,635)	(116,913,517)
51	2014	(116,913,517)	(7,686,809)	2,436,117	882,572	(631,068)	(121,912,705)
52	2015	(121,912,705)	(7,153,158)	657,421	554,573	(7,391)	(127,861,259)
53	2016	(127,861,259)	(7,219,621)	1,855,112	363,238	(1,223,122)	(134,085,651)
54	2017	(134,085,651)	(7,548,461)	971,770	715,427	(83,156)	(140,030,071)
55	2018	(140,030,071)	(8,044,312)	1,688,043	388,401	(62,579)	(146,060,518)
56	2019	(146,060,518)	(8,468,128)	1,417,380	651,240	(60,631)	(152,520,657)
57	2020	(152,520,657)	(8,882,244)	787,502	854,718	(946,773)	(160,707,455)
58	2021	(160,707,455)	(9,261,642)	536,159	1,076,694	(278,296)	(168,634,538)
59	2022	(168,634,538)	(9,526,102)	2,976,032	423,527	(634,004)	(175,395,086)
60	2023	(175,395,086)	(10,013,199)	970,104	953,419	(277,801)	(183,762,562)
61	2024	(183,762,562)	(10,712,975)	1,270,546	1,985,847	(210,094)	(191,429,239)
62	2025	(191,429,239)	(8,383,000)	1,079,158	1,337,386	77,450	\$ (197,318,244)
62	Totals		\$ (247,787,644)	\$ 40,042,730	\$ 15,900,536	\$ (5,473,866)	

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
EXHIBIT CSP-2: PALO VERDE REVALUATION
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MAGDALENA RODRIGUEZ
FOR THE BASE PERIOD ENDED SEPTEMBER 30, 2025

Amended Filing

EXHIBIT CSP-2
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	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line No	Balance as of:	Beginning Balance	Unit 3 Annual Activity				Ending Balance
			Depreciation Expense	Retirements	Cost of Removal	Salvage	
	Sept 30 -						
	Dec 31, 1996	\$ -	\$ (1,413,645)	\$ 9,558	\$ 17,724	\$ (4,944)	\$ (1,391,307)
63	1997	(1,391,307)	(5,722,984)	-	109	(1,777)	(7,115,959)
64	1998	(7,115,959)	(5,748,436)	1,268,778	88,404	(12,078)	(11,519,291)
65	1999	(11,519,291)	(5,777,189)	84,293	46,169	3,284	(17,162,734)
66	2000	(17,162,734)	(5,832,524)	1,580,066	29,850	(5,468)	(21,390,810)
67	2001	(21,390,810)	(5,899,430)	438,877	313,889	(4,292)	(26,541,766)
68	2002	(26,541,766)	(5,974,832)	104,085	87,216	(19,476)	(32,344,773)
69	2003	(32,344,773)	(6,102,508)	481,461	25,182	(6,844)	(37,947,482)
70	2004	(37,947,482)	(6,217,409)	398,899	12,046	(3,101)	(43,757,047)
71	2005	(43,757,047)	(6,256,999)	1,255,935	312,381	(4,386)	(48,450,116)
72	2006	(48,450,116)	(6,363,060)	345,139	94,853	(382,951)	(54,756,135)
73	2007	(54,756,135)	(6,483,764)	193,599	223,440	(5,468)	(60,828,328)
74	2008	(60,828,328)	(7,816,429)	7,502,223	3,344,634	(36,783)	(57,834,683)
75	2009	(57,834,683)	(9,307,894)	1,197,560	289,700	(2,577)	(65,657,894)
76	2010	(65,657,894)	(7,771,248)	1,495,222	693,043	(4,403)	(71,245,279)
77	2006	(71,245,279)	(5,928,777)	1,009,527	104,363	(6,054)	(76,066,220)
78	2007	(76,066,220)	(6,201,545)	1,054,898	556,754	(119,965)	(80,776,079)
79	2008	(80,776,079)	(6,428,424)	1,165,255	539,095	(758,037)	(86,258,189)
80	2009	(86,258,189)	(6,817,899)	595,845	46,161	-	(92,434,082)
81	2010	(92,434,082)	(6,455,058)	1,297,394	627,669	(452,293)	(97,416,370)
82	2011	(97,416,370)	(6,588,272)	166,721	865,333	(35,658)	(103,008,246)
83	2012	(103,008,246)	(6,993,583)	1,354,917	381,432	(21,552)	(108,287,031)
84	2013	(108,287,031)	(7,431,282)	1,531,682	949,883	(3,423,654)	(116,660,403)
85	2014	(116,660,403)	(7,973,581)	566,011	691,271	(37,462)	(123,414,163)
86	2015	(123,414,163)	(8,418,265)	1,325,878	663,298	(1,943,877)	(131,787,128)
87	2016	(131,787,128)	(8,755,384)	434,770	(383,952)	(383,952)	(140,875,646)
88	2017	(140,875,646)	(9,208,008)	2,167,591	1,162,552	(349,167)	(147,102,678)
89	2018	(147,102,678)	(9,836,765)	1,878,283	607,937	(383,952)	(154,837,175)
90	2019	(154,837,175)	(10,500,156)	1,083,830	1,005,576	(299,741)	(163,547,665)
91	2025	(163,547,665)	(8,111,193)	547,049	1,385,791	(61,023)	\$ (169,787,042)
92	Totals		\$ (208,336,543)	\$ 32,535,346	\$ 14,781,806	\$ (8,767,651)	

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
								Oct-Dec 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
UNIT 1 Annual Details																									
	Beginning	Additions	Retirements	Net Additions																					
1	Basic	\$173,140,000						\$ 1,492,586	\$5,970,345	\$5,970,345	\$5,970,345	\$5,970,345	\$5,970,345	\$5,970,345	\$5,970,345	\$5,970,345	\$5,970,345	\$5,970,345	\$5,970,345	\$5,970,345	\$5,970,345	\$4,751,907	\$3,533,469	\$3,533,469	\$3,533,469
2	1996	1,402,653	\$ (9,558)	\$ 1,393,095				6,005	48,038	48,038	48,038	48,038	48,038	48,038	48,038	48,038	48,038	48,038	48,038	48,038	48,038	38,235	28,431	28,431	28,431
3	1997	192,753		192,753					3,442	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	6,884	5,450	4,016	4,016	4,016
4	1998	3,821,379	(1,703,333)	2,118,046						39,223	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446	78,446	61,756	45,065	45,065	45,065
5	1999	3,985,122	(77,910)	3,907,212							75,139	150,277	150,277	150,277	150,277	150,277	150,277	150,277	150,277	150,277	150,277	117,608	84,939	84,939	84,939
6	2000	3,515,998	(1,656,748)	1,859,250								37,185	74,370	74,370	74,370	74,370	74,370	74,370	74,370	74,370	74,370	57,844	41,317	41,317	41,317
7	2001	1,831,063	(631,736)	1,199,327									24,986	49,972	49,972	49,972	49,972	49,972	49,972	49,972	49,972	38,615	27,257	27,257	27,257
8	2002	1,554,249	(114,668)	1,439,581										31,295	62,590	62,590	62,590	62,590	62,590	62,590	62,590	48,035	33,479	33,479	33,479
9	2003	3,364,119	(318,900)	3,045,219											69,210	138,419	138,419	138,419	138,419	138,419	138,419	105,462	72,505	72,505	72,505
10	2004	246,266	(759,170)	(512,904)												(12,212)	(24,424)	(24,424)	(24,424)	(24,424)	(24,424)	(18,467)	(12,510)	(12,510)	(12,510)
11	2005	37,886,399	(4,845,589)	33,040,810													826,020	1,652,041	1,652,041	1,652,041	1,652,041	1,239,031	826,020	826,020	826,020
12	2006	15,691,147	(2,713,937)	12,977,210														1,652,041	1,652,041	1,652,041	1,652,041	507,880	332,749	332,749	332,749
13	2007	3,321,131	(683,150)	2,637,981														341,506	683,011	683,011	683,011	507,880	332,749	332,749	332,749
14	2008	8,747,859	(388,507)	8,359,352															73,277	146,555	146,555	107,988	69,421	69,421	69,421
15	2009	5,290,944	(1,453,357)	3,837,587																	245,863	491,727	358,828	225,928	225,928
16	2010	16,193,250	(1,751,888)	14,441,362																		119,925	173,225	106,600	106,600
17	2011	13,123,091	(1,013,005)	12,110,086																			343,842	412,610	412,610
18	2012	9,868,395	(740,950)	9,127,445																				178,090	356,179
19	2013	10,904,840	(1,401,113)	9,503,727																					356,179
20	2014	22,738,064	(284,260)	22,453,804																					138,295
21	2015	7,560,264	(1,076,917)	6,483,347																					148,496
22	2016	16,110,567	(3,024,078)	13,086,489																					
23	2017	16,808,253	(903,597)	15,904,657																					
24	2018	7,315,693	(1,326,947)	5,988,746																					
25	2019	12,410,416	(1,472,490)	10,937,927																					
26	2020	21,475,143	(816,410)	20,658,733																					
27	2021	4,575,559	(447,741)	4,127,819																					
28	2022	11,489,636	(2,674,542)	8,815,094																					
29	2023	15,443,939	(1,017,769)	14,426,170																					
30	2024	7,412,426	(1,130,522)	6,281,904																					
31	9ME SEPT OCT 2025	16,977,139	(843,884)	16,133,255																					
32	2025	75,680	(301,568)	(225,888)																					
33		\$301,333,438	\$ (35,584,243)	\$ 265,749,195				\$ 1,498,591	\$6,021,825	\$6,064,490	\$6,178,852	\$6,291,175	\$6,353,346	\$6,409,627	\$6,510,132	\$6,567,129	\$7,380,937	\$8,548,464	\$ 8,963,246	\$ 9,282,387	\$ 9,648,176	\$7,937,235	\$6,009,386	\$6,325,770	\$6,612,560

34 Net Book Value at October 31, 2025: \$ 438,889,195

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)	
								Oct-Dec 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
		UNIT 2 Annual Details																								
		Additions	Retirements	Net Additions																						
35	Beginning Basis	\$215,285,000			\$	1,794,042	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$7,176,167	\$5,740,934	\$4,305,700	\$4,305,700	\$4,305,700	
36	1996	2,184,331	\$ (9,558)	\$ 2,174,773	\$	9,062	72,492	72,492	72,492	72,492	72,492	72,492	72,492	72,492	72,492	72,492	72,492	72,492	72,492	72,492	72,492	57,994	43,495	43,495	43,495	
37	1997	323,109	-	323,109			5,571	11,142	11,142	11,142	11,142	11,142	11,142	11,142	11,142	11,142	11,142	11,142	11,142	11,142	11,142	8,868	6,594	6,594	6,594	
38	1998	2,520,753	(1,963,046)	557,707				9,959	19,918	19,918	19,918	19,918	19,918	19,918	19,918	19,918	19,918	19,918	19,918	19,918	19,918	15,769	11,619	11,619	11,619	
39	1999	3,525,260	(2,161,421)	1,363,839					25,256	50,513	50,513	50,513	50,513	50,513	50,513	50,513	50,513	50,513	50,513	50,513	50,513	39,766	29,018	29,018	29,018	
40	2000	3,263,652	(1,525,374)	1,738,278						33,428	66,857	66,857	66,857	66,857	66,857	66,857	66,857	66,857	66,857	66,857	66,857	52,323	37,789	37,789	37,789	
41	2001	1,588,008	(181,700)	1,406,308							28,126	56,252	56,252	56,252	56,252	56,252	56,252	56,252	56,252	56,252	56,252	43,752	31,251	31,251	31,251	
42	2002	3,149,792	(631,804)	2,517,988									52,458		104,916	104,916	104,916	104,916	104,916	104,916	104,916	81,072	57,227	57,227	57,227	
43	2003	46,996,783	(3,404,528)	43,592,255											947,658	1,895,315	1,895,315	1,895,315	1,895,315	1,895,315	1,895,315	1,895,315	1,454,544	1,013,773	1,013,773	1,013,773
44	2004	11,418,981	(3,055,177)	8,363,804												190,086	380,173	380,173	380,173	380,173	380,173	289,656	199,138	199,138	199,138	
45	2005	1,921,332	(281,665)	1,639,667													39,040	78,079	78,079	78,079	78,079	59,036	39,992	39,992	39,992	
46	2006	3,142,060	(403,297)	2,738,763														68,469	136,938	136,938	136,938	102,704	68,469	68,469	68,469	
47	2007	2,017,315	(775,300)	1,242,015															32,685	65,369	65,369	48,608	31,847	31,847	31,847	
48	2008	6,864,903	(798,438)	6,066,465																		168,513	337,026	248,335	159,644	
49	2009	4,844,437	(518,255)	4,326,182																			127,241	185,703	116,924	
50	2010	19,182,148	(3,409,013)	15,773,135																				375,551	438,143	438,143
51	2011	15,157,506	(1,780,689)	13,376,817																					191,097	382,195
52	2012	9,037,372	(371,461)	8,665,911																						127,440
53	2013	8,847,127	(2,126,659)	6,720,468																						101,825
54	2014	18,785,531	(2,436,117)	16,349,414																						
55	2015	22,268,426	(657,421)	21,611,005																						
56	2016	7,803,646	(1,855,112)	5,948,534																						
57	2017	14,321,477	(971,770)	13,349,707																						
58	2018	16,451,755	(1,688,043)	14,763,712																						
59	2019	9,840,362	(1,417,380)	8,422,982																						
60	2020	14,185,620	(787,502)	13,398,118																						
61	2021	6,379,903	(536,159)	5,843,743																						
62	2022	10,011,616	(2,976,032)	7,035,584																						
63	2023	16,677,285	(970,104)	15,707,181																						
64	2024	16,848,416	(1,270,546)	15,577,870																						
65	9ME SEPT 2025	5,352,125	(1,071,290)	4,280,835																						
66	2025	(128,684)	(7,868)	(136,552)																						
67		\$304,782,349	\$ (40,042,730)	\$ 264,739,619	\$	1,803,103	\$7,254,230	\$7,269,760	\$7,304,975	\$7,363,660	\$7,425,215	\$7,505,799	\$8,505,915	\$9,643,658	\$9,872,785	\$9,980,293	\$10,081,447	\$10,282,644	\$10,578,398	\$8,804,610	\$6,781,720	\$7,100,258	\$7,329,523			

68 Net Book Value at October 31, 2025: **\$ 480,024,619**

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
								Oct-Dec 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
UNIT 3 Annual Details																									
		Additions	Retirements		Net Additions																				
69	Beginning Basis	\$173,904,000				\$	1,402,452	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$5,609,806	\$4,509,844	\$3,409,882	\$3,409,882	\$3,409,882
70	1996	2,785,565	\$	(9,558)	\$ 2,776,007	\$	11,194	89,549	89,549	89,549	89,549	89,549	89,549	89,549	89,549	89,549	89,549	89,549	89,549	89,549	89,549	71,991	54,432	54,432	54,432
71	1997	1,417,752		-	1,417,752			23,629	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	37,807	28,355	28,355	28,355
72	1998	1,374,518		(1,268,778)	105,740				47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	47,258	37,807	28,355	28,355	28,355
73	1999	1,592,379		(84,293)	1,508,086				1,823	3,646	3,646	3,646	3,646	3,646	3,646	3,646	3,646	3,646	3,646	3,646	3,646	2,902	2,158	2,158	2,158
74	2000	3,113,943		(1,580,066)	1,533,877					26,930	53,860	53,860	53,860	53,860	53,860	53,860	53,860	53,860	53,860	53,860	53,860	42,639	31,418	31,418	31,418
75	2001	2,440,935		(438,877)	2,002,058						28,405	56,810	56,810	56,810	56,810	56,810	56,810	56,810	56,810	56,810	56,810	44,723	32,636	32,636	32,636
76	2002	1,949,130		(104,085)	1,845,045							56,810	56,810	56,810	56,810	56,810	56,810	56,810	56,810	56,810	56,810	44,723	32,636	32,636	32,636
77	2003	4,838,657		(481,461)	4,357,196							38,501	77,002	77,002	77,002	77,002	77,002	77,002	77,002	77,002	77,002	60,263	43,523	43,523	43,523
78	2004	1,508,674		(398,899)	1,109,775								36,901	73,802	73,802	73,802	73,802	73,802	73,802	73,802	73,802	57,402	41,001	41,001	41,001
79	2005	1,936,384		(1,255,935)	680,449									90,775	181,550	181,550	181,550	181,550	181,550	181,550	181,550	140,289	99,027	99,027	99,027
80	2006	4,150,173		(345,139)	3,805,034										24,126	48,251	48,251	48,251	48,251	48,251	48,251	37,030	25,809	25,809	25,809
81	2007	1,397,916		(193,599)	1,204,317											15,465	30,930	30,930	30,930	30,930	30,930	23,566	16,201	16,201	16,201
82	2008	56,999,385		(7,502,223)	49,497,162												90,596	181,192	181,192	181,192	181,192	136,999	92,806	92,806	92,806
83	2009	7,998,258		(1,197,560)	6,800,698													30,108	60,216	60,216	60,216	45,162	30,108	30,108	30,108
84	2010	16,786,084		(1,495,222)	15,290,862														1,302,557	2,605,114	1,937,136	1,269,158	1,269,158	1,269,158	
85	2011	12,531,698		(1,009,527)	11,522,171															188,908	278,392	178,966	178,966	178,966	
86	2012	8,946,576		(1,054,898)	7,891,678																345,106	413,267	413,267	413,267	
87	2013	8,926,778		(1,165,255)	7,761,523																	160,030	320,060	320,060	
88	2014	18,767,949		(595,845)	18,172,104																		112,738	225,477	
89	2015	16,980,246		(1,297,394)	15,682,852																			114,140	
90	2016	12,140,734		(166,721)	11,974,013																				
91	2017	14,454,623		(1,354,917)	13,099,706																				
92	2018	14,634,942		(1,531,682)	13,103,261																				
93	2019	18,840,766		(566,011)	18,274,755																				
94	2020	7,901,432		(1,325,878)	6,575,555																				
95	2021	12,016,148		(434,770)	11,581,378																				
96	2022	14,063,511		(2,167,591)	11,895,920																				
97	2023	21,333,505		(1,878,283)	19,455,222																				
98	2024	13,392,619		(1,083,830)	12,308,789																				
99	9ME SEPT 2025	2,632,584		(471,106)	2,161,478																				
100	ME OCT 2025	(119,058)		(75,943)	(195,001)																				
101		\$307,734,808		\$ (32,535,346)	\$ 275,199,462		\$	1,413,645	\$5,722,984	\$5,748,436	\$5,777,189	\$5,832,524	\$5,899,430	\$5,974,832	\$6,102,508	\$6,217,409	\$6,256,999	\$6,363,060	\$6,483,764	\$7,816,429	\$9,307,894	\$7,771,248	\$5,928,777	\$6,201,545	\$6,428,424

102 Net Book Value at October 31, 2025: **\$ 449,103,462**

Annualized Expense		
103	PV Unit 1	\$ 11,085,968
104	PV Unit 2	11,256,004
105	PV Unit 3	10,643,288
106		\$ 33,185,260
		Depreciation Expense

EXHIBIT CSP-2
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34 Net Book Value at October 31, 2025:	\$ 438,889,195	Accumulated Dep @ 09/30/25	\$ 219,415,394
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34 Net Book Value at October 31, 2025:

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(z)	(aa)	(ab)	(ac)	(ad)	(ae)	(af)	(ag)	(ah)	(ai)	(aj)	(ak)	(al)	(am)	(an)
							2014	Jan-Mar 2015	A/D	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Annual Expense
UNIT 2 Annual Details																					
	Additions	Retirements	Net Additions																		
35 Beginning Basis	\$215,285,000					\$4,305,700	\$1,076,425	\$119,124,371	\$2,320,255	\$3,093,673	\$3,093,673	\$3,093,673	\$3,093,673	\$3,093,673	\$3,093,673	\$3,093,673	\$3,093,673	\$3,093,673	\$3,093,673	\$2,320,255	\$3,093,673
36 1996	2,184,331	\$ (9,558)	\$ 2,174,773	43,495	10,874	1,194,305	23,658	31,544	31,544	31,544	31,544	31,544	31,544	31,544	31,544	31,544	31,544	31,544	31,544	23,658	31,544
37 1997	323,109	-	323,109	6,594	1,649	176,168	3,545	4,727	4,727	4,727	4,727	4,727	4,727	4,727	4,727	4,727	4,727	4,727	4,727	3,545	4,727
38 1998	2,520,753	(1,963,046)	557,707	11,619	2,905	294,206	6,358	8,477	8,477	8,477	8,477	8,477	8,477	8,477	8,477	8,477	8,477	8,477	8,477	6,358	8,477
39 1999	3,525,260	(2,161,421)	1,363,839	29,018	7,255	693,478	16,175	21,567	21,567	21,567	21,567	21,567	21,567	21,567	21,567	21,567	21,567	21,567	21,567	16,175	21,567
40 2000	3,263,652	(1,525,374)	1,738,278	37,789	9,447	848,067	21,480	28,640	28,640	28,640	28,640	28,640	28,640	28,640	28,640	28,640	28,640	28,640	28,640	21,480	28,640
41 2001	1,588,008	(181,700)	1,406,309	31,251	7,813	654,710	18,135	24,180	24,180	24,180	24,180	24,180	24,180	24,180	24,180	24,180	24,180	24,180	24,180	18,135	24,180
42 2002	3,149,792	(631,804)	2,517,988	57,227	14,307	1,111,156	33,945	45,260	45,260	45,260	45,260	45,260	45,260	45,260	45,260	45,260	45,260	45,260	45,260	33,945	45,260
43 2003	46,996,783	(3,404,528)	43,592,255	1,013,773	253,443	18,082,627	615,521	820,694	820,694	820,694	820,694	820,694	820,694	820,694	820,694	820,694	820,694	820,694	820,694	615,521	820,694
44 2004	11,418,981	(3,055,177)	8,363,804	199,138	49,785	3,226,943	123,947	165,263	165,263	165,263	165,263	165,263	165,263	165,263	165,263	165,263	165,263	165,263	165,263	123,947	165,263
45 2005	1,921,332	(281,665)	1,639,667	39,992	9,998	580,358	25,560	34,080	34,080	34,080	34,080	34,080	34,080	34,080	34,080	34,080	34,080	34,080	34,080	25,560	34,080
46 2006	3,142,060	(403,297)	2,738,763	68,469	17,117	872,980	45,020	60,026	60,026	60,026	60,026	60,026	60,026	60,026	60,026	60,026	60,026	60,026	60,026	45,020	60,026
47 2007	2,017,315	(775,300)	1,242,015	31,847	7,962	347,381	21,587	28,782	28,782	28,782	28,782	28,782	28,782	28,782	28,782	28,782	28,782	28,782	28,782	21,587	28,782
48 2008	6,864,903	(798,438)	6,066,465	159,644	39,911	1,432,361	111,816	149,088	149,088	149,088	149,088	149,088	149,088	149,088	149,088	149,088	149,088	149,088	149,088	111,816	149,088
49 2009	4,844,437	(518,255)	4,326,182	116,924	29,231	809,871	84,845	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	113,127	84,845	113,127
50 2010	19,182,148	(3,409,013)	15,773,135	438,143	109,536	2,237,659	326,597	435,462	435,462	435,462	435,462	435,462	435,462	435,462	435,462	435,462	435,462	435,462	435,462	326,597	435,462
51 2011	15,157,506	(1,780,689)	13,376,817	382,195	95,549	1,433,231	288,186	384,248	384,248	384,248	384,248	384,248	384,248	384,248	384,248	384,248	384,248	384,248	384,248	288,186	384,248
52 2012	9,037,372	(371,461)	8,665,911	254,880	63,720	700,920	192,187	256,249	256,249	256,249	256,249	256,249	256,249	256,249	256,249	256,249	256,249	256,249	256,249	192,187	256,249
53 2013	8,847,127	(2,126,659)	6,720,468	203,651	50,913	356,389	153,559	204,745	204,745	204,745	204,745	204,745	204,745	204,745	204,745	204,745	204,745	204,745	204,745	153,559	204,745
54 2014	18,785,531	(2,436,117)	16,349,414	255,460	127,730	383,190	385,248	513,664	513,664	513,664	513,664	513,664	513,664	513,664	513,664	513,664	513,664	513,664	513,664	385,248	513,664
55 2015	22,268,426	(657,421)	21,611,005					698,071	698,071	698,071	698,071	698,071	698,071	698,071	698,071	698,071	698,071	698,071	698,071		698,071
56 2016	7,803,646	(1,855,112)	5,948,534					199,340	199,340	199,340	199,340	199,340	199,340	199,340	199,340	199,340	199,340	199,340	199,340		199,340
57 2017	14,321,477	(971,770)	13,349,707					98,054	98,054	98,054	98,054	98,054	98,054	98,054	98,054	98,054	98,054	98,054	98,054		98,054
58 2018	16,451,755	(1,688,043)	14,763,712																		
59 2019	9,840,362	(1,417,380)	8,422,982																		
60 2020	14,185,620	(787,502)	13,398,118																		
61 2021	6,379,903	(536,159)	5,843,743																		
62 2022	10,011,616	(2,976,032)	7,035,584																		
63 2023	16,677,285	(970,104)	15,707,181																		
64 2024	16,848,416	(1,270,546)	15,577,870																		
9ME																					
SEPT																					
65 2025	5,352,125	(1,071,290)	4,280,835																	75,251	200,667
OCT																					
66 2025	(128,684)	(7,868)	(136,552)																	(267)	(6,401)
67	\$304,782,349	\$ (40,042,730)	\$ 264,739,619	\$7,686,809	\$2,072,708	\$154,647,511	\$5,080,450	\$7,219,621	\$7,548,461	\$8,044,312	\$8,468,128	\$8,882,244	\$9,261,642	\$9,526,102	\$10,013,199	\$10,712,975	\$8,383,000	\$11,256,004			

68 Net Book Value at October 31, 2025:

\$ 480,024,619

Accumulated Dep @ 09/30/25

\$ 247,787,644

Line No.						(z)	(aa)	(ab)	(ac)	(ad)	(ae)	(af)	(ag)	(ah)	(ai)	(aj)	(ak)	(al)	(am)	(an)	
	(a)	(b)	(c)	(d)	(e)	(f)	Jan-Mar		Apr-Dec											Annual Expense	
							2014	2015	A/D	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
UNIT 3 Annual Details																					
		Additions		Retirements		Net Additions															
69	Beginning Basis	\$173,904,000					\$ 3,409,882	\$ 852,471	\$ 93,331,772	\$ 1,849,854	\$ 2,466,472	\$ 2,466,472	\$ 2,466,472	\$ 2,466,472	\$ 2,466,472	\$ 2,466,472	\$ 2,466,472	\$ 2,466,472	\$ 1,849,854	\$ 2,466,472	
70	1996	2,785,565	\$	(9,558)	\$ 2,776,007	54,432	13,608		1,478,657	29,786	39,714	39,714	39,714	39,714	39,714	39,714	39,714	39,714	29,786	39,714	
71	1997	1,417,752		-	1,417,752	28,355	7,089		749,040	15,353	20,471	20,471	20,471	20,471	20,471	20,471	20,471	20,471	15,353	20,471	
72	1998	1,374,518		(1,268,778)	105,740	2,158	540		54,003	1,188	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,584	1,188	1,584	
73	1999	1,592,379		(84,293)	1,508,086	31,418	7,855		741,696	17,596	23,461	23,461	23,461	23,461	23,461	23,461	23,461	23,461	17,596	23,461	
74	2000	3,113,943		(1,580,066)	1,533,877	32,636	8,159		723,121	18,614	24,819	24,819	24,819	24,819	24,819	24,819	24,819	24,819	18,614	24,819	
75	2001	2,440,935		(438,877)	2,002,058	43,523	10,881		899,752	25,308	33,744	33,744	33,744	33,744	33,744	33,744	33,744	33,744	25,308	33,744	
76	2002	1,949,130		(104,085)	1,845,045	41,001	10,250		785,171	24,334	32,445	32,445	32,445	32,445	32,445	32,445	32,445	32,445	24,334	32,445	
77	2003	4,838,657		(481,461)	4,357,196	99,027	24,757		1,741,228	60,060	80,080	80,080	80,080	80,080	80,080	80,080	80,080	80,080	60,060	80,080	
78	2004	1,508,674		(398,899)	1,109,775	25,809	6,452		412,099	16,018	21,357	21,357	21,357	21,357	21,357	21,357	21,357	21,357	16,018	21,357	
79	2005	1,936,384		(1,255,935)	680,449	16,201	4,050		231,605	10,305	13,740	13,740	13,740	13,740	13,740	13,740	13,740	13,740	10,305	13,740	
80	2006	4,150,173		(345,139)	3,805,034	92,806	23,202		1,165,597	60,599	80,798	80,798	80,798	80,798	80,798	80,798	80,798	80,798	60,599	80,798	
81	2007	1,397,916		(193,599)	1,204,317	30,108	7,527		323,661	20,219	26,959	26,959	26,959	26,959	26,959	26,959	26,959	26,959	20,219	26,959	
82	2008	56,999,385		(7,502,223)	49,497,162	1,269,158	317,290		11,238,729	878,374	1,171,165	1,171,165	1,171,165	1,171,165	1,171,165	1,171,165	1,171,165	1,171,165	878,374	1,171,165	
83	2009	7,998,258		(1,197,560)	6,800,698	178,966	44,742		1,227,905	127,946	170,594	170,594	170,594	170,594	170,594	170,594	170,594	170,594	127,946	170,594	
84	2010	16,786,084		(1,495,222)	15,290,862	413,267	103,317		2,101,491	302,814	403,752	403,752	403,752	403,752	403,752	403,752	403,752	403,752	302,814	403,752	
85	2011	12,531,698		(1,009,527)	11,522,171	320,060	80,015		1,200,225	236,981	315,975	315,975	315,975	315,975	315,975	315,975	315,975	315,975	236,981	315,975	
86	2012	8,946,576		(1,054,898)	7,891,678	225,477	56,369		620,061	166,949	222,598	222,598	222,598	222,598	222,598	222,598	222,598	222,598	166,949	222,598	
87	2013	8,926,778		(1,165,255)	7,761,523	228,280	57,070		399,490	169,025	225,366	225,366	225,366	225,366	225,366	225,366	225,366	225,366	169,025	225,366	
88	2014	18,767,949		(595,845)	18,172,104	275,335	137,668		413,003	407,730	543,640	543,640	543,640	543,640	543,640	543,640	543,640	543,640	407,730	543,640	
89	2015	16,980,246		(1,297,394)	15,682,852	61,261			181,438	481,958	481,958	481,958	481,958	481,958	481,958	481,958	481,958	481,958	361,469	481,958	
90	2016	12,140,734		(166,721)	11,974,013				-	-	187,580	381,038	381,038	381,038	381,038	381,038	381,038	381,038	285,779	381,038	
91	2017	14,454,623		(1,354,917)	13,099,706							211,853	430,558	430,558	430,558	430,558	430,558	430,558	322,919	430,558	
92	2018	14,634,942		(1,531,682)	13,103,261								218,994	445,307	445,307	445,307	445,307	445,307	333,980	445,307	
93	2019	18,840,766		(566,011)	18,274,755									315,986	642,900	642,900	642,900	642,900	482,175	642,900	
94	2020	7,901,432		(1,325,878)	6,575,555										117,770	642,900	642,900	642,900	179,819	642,900	
95	2021	12,016,148		(434,770)	11,581,378												239,758	239,758	438,255	438,255	
96	2022	14,063,511		(2,167,591)	11,895,920												215,131	438,255	467,856	467,856	
97	2023	21,333,505		(1,878,283)	19,455,222													229,500	390,401	796,469	
98	2024	13,392,619		(1,083,830)	12,308,789															257,323	
99	9ME SEPT 2025	2,632,584		(471,106)	2,161,478															35,369	
100	ME OCT 2025	(119,058)		(75,943)	(195,001)															(354)	
101		\$307,734,808		\$ (32,535,346)	\$ 275,199,462		\$ 6,817,899	\$ 1,834,570	\$ 119,899,565	\$ 4,620,488	\$ 6,588,272	\$ 6,993,583	\$ 7,431,282	\$ 7,973,581	\$ 8,418,265	\$ 8,755,384	\$ 9,208,008	\$ 9,836,765	\$ 10,500,156	\$ 8,111,193	
																				\$ 10,843,288	

102 Net Book Value at October 31, 2025:

\$ 449,103,462

\$ 208,336,543

Annualized Expense		
PV Unit 1	\$	11,085,968
PV Unit 2		11,256,004
PV Unit 3		10,843,288
	\$	33,185,260
Depreciation Exp.		

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
EXHIBIT CSP-3: COSTS RELATED TO COVID-19 PANDEMIC - TOTAL COMPANY AND JURISDICTIONAL
SPONSOR: CYNTHIA S. PRIETO
PREPARER: ASHLEY ARAGON
FOR THE BASE AND TEST YEAR PERIODS ENDED SEPTEMBER 30, 2025

Amended Filing

EXHIBIT CSP-3
PAGE 1 OF 2

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		COSTS RELATED TO THE COVID-19 PANDEMIC								
		TOTAL COMPANY								
Line No.	Description	March 11 to April 30, 2020	Calendar Year 2021	Calendar Year 2022	January - May 2023	Total COVID-19 Costs	Test Year Adjustment	Total Company Test Year COVID-19 Costs	New Mexico Jurisdictional Allocator (9)	New Mexico Jurisdictional Allocation
1	Palo Verde Costs (1)	\$ 1,546,839	\$ 535,015	\$ -	\$ -	\$ 2,081,854	\$ -	\$ 2,081,854	17.5286%	\$ 364,920
2	Operational Support (2)	336,900	254,221	14,475	1,362	606,958	-	606,958	20.4365%	124,041
3	Safety (3)	1,262,305	568,191	19,883	-	1,850,379	-	1,850,379	20.4365%	378,153
4	Customer (4)	143,595	-	-	-	143,595	-	143,595	23.3616%	33,546
5	Medical Costs (5)	544,456	406,635	(186,372)	177	764,896	-	764,896	20.4365%	156,318
6	Information Technology (6)	119,125	-	-	-	119,125	-	119,125	20.4365%	24,345
7	Bad debt expense (7)	4,016,101	7,283,000	5,184,000	1,736,114	18,219,215	(4,646,000) (A)	13,573,215	21.6953%	2,944,750
8	Total non-labor impacts	7,969,321	9,047,063	5,031,986	1,737,653	23,786,023	(4,646,000)	19,140,023		4,026,072
9	Labor (8)	1,700,575	360,274	46,509	-	2,107,358	-	2,107,358	20.4365%	430,670
10	Labor related allocations	1,244,616	220,577	33,303	-	1,498,496	-	1,498,496	20.4365%	306,240
11	Total labor impacts	2,945,191	580,851	79,812	-	3,605,854	-			736,910
12	Total	<u>\$ 10,914,512</u>	<u>\$ 9,627,913</u>	<u>\$ 5,111,798</u>	<u>\$ 1,737,653</u>	<u>\$ 27,391,876</u>	<u>\$ (4,646,000)</u>	<u>\$ 19,140,023</u>		<u>\$ 4,762,983</u>

Notes:

- (1) O&M charges from Arizona Public Service Company identified as related to the COVID-19 pandemic.
 - (2) Security, medical consulting, food and accommodations (i.e. beds, freezers, washers, dryers, televisions) required due to the COVID-19 pandemic.
 - (3) Additional personal protective equipment, janitorial services, and disinfectants required due to the COVID-19 pandemic.
 - (4) Mailings and other notices sent to customers related to the COVID-19 pandemic.
 - (5) Medical claims and testing costs identified related to the COVID-19 pandemic.
 - (6) Additional third party support, software (webex and cell service), and computer peripherals (headsets, printers, cables) required due to the COVID-19 pandemic.
 - (7) Additional bad debt expense related to the COVID-19 pandemic calculated using the increase in the arrears risk rate over the 2017-2019 average rate.
 - (8) Labor costs relate to regular time and overtime for COVID-19 pandemic related activities.
 - (9) NM Allocators from 2020 NM Rate Case.
- (A) Adjustment due to decrease in bad debt expense attributed to COVID-19 recorded by EPE from June to November 2023, outside of the time period requested by New Mexico Commission.

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
EXHIBIT CSP-3: AVAILABLE SUBSIDIES AND THE POTENTIAL OF COST SAVINGS RELATED TO THE COVID-19
PANDEMIC - TOTAL COMPANY AND JURISDICTIONAL
SPONSOR: CYNTHIA S. PRIETO
PREPARER: ASHLEY ARAGON
FOR THE BASE AND TEST YEAR PERIODS ENDED SEPTEMBER 30, 2025

Amended Filing

EXHIBIT CSP-3
PAGE 2 OF 2

(a)		(b)	(c)	(d)	(e)	(f)	(g)	(h)
		COST SAVINGS RELATED TO THE COVID-19 PANDEMIC						
		TOTAL COMPANY						
Line No.	Description	March 11 to April 30, 2020	Calendar Year 2021	Calendar Year 2022	January - May 2023	Total COVID-19 Costs	New Mexico Jurisdictional Allocator (9)	New Mexico Jurisdictional Allocation
1	Federal and State Subsidies (1)	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
2	Savings due to "work at home" provisions (2)	248,749	262,931	254,632	71,350	837,662	20.4365%	171,189
3	Labor cost savings for furloughed employees (3)	-	-	-	-	-		-
4	Savings due to closure or reduced activities at utility offices, payment centers, and other facilities (4)	-	-	-	-	-		-
5	Savings due to reduced fuel & maintenance costs associated with reduced activity of line personnel (5)	-	-	-	-	-		-
6	Total excluding Other	248,749	262,931	254,632	71,350	837,662		171,189
7	Palo Verde Savings (6)	1,034,900	787,600	-	-	1,822,500	17.5286%	319,459
8	Training & travel related savings (7)	519,976	415,081	27,809	-	962,866	20.4365%	196,776
9	Total Other (8)	1,554,876	1,202,681	27,809	-	2,785,366		516,235
10	Total	<u>\$ 1,803,625</u>	<u>\$ 1,465,612</u>	<u>\$ 282,441</u>	<u>\$ 71,350</u>	<u>\$ 3,623,028</u>		<u>\$ 687,424</u>

Notes:

- (1) EPE took advantage of the CARES Act by deferring the payment of certain payroll taxes from March 2020 through December 2020. This deferral was repaid in two payments in December 2021 and December 2022 and therefore did not result in permanent savings. EPE was not eligible for any federal or state subsidies related to the COVID-19 pandemic.
- (2) EPE calculated potential cost savings for office supplies by comparing costs incurred in the same periods in 2019 to costs incurred in the COVID-19 pandemic period.
- (3) EPE did not furlough any of its employees during the COVID-19 pandemic period.
- (4) EPE did not incur savings related to reduced activity at utility offices, payment centers and other facilities. Facilities were closed to walk-in customers in April 2021 and May 2021, but drive through and drop box services continued and EPE did not reduce staff at these facilities. In February 2023, EPE closed the offices permanently to walk-in customers, including drive through and drop box services. However, EPE did not reduce staff at these facilities as the staff was reassigned to work from home to assist customers through phone, email, and chat.
- (5) EPE did not identify savings due to reduced fuel and maintenance costs associated with reduced activity of line personnel; but rather believes there was an increase in such costs.
- (6) Potential savings related to deferral of spring outage support costs at Palo Verde Generating Station due to the COVID-19 pandemic in April and May 2020. EPE's share of site travel savings for 2020 and 2021 identified by Arizona Public Service Company. Arizona Public Service Company has not identified any costs or savings related to Covid-19 in 2022 or 2023.
- (7) EPE calculated potential cost savings for travel and training by comparing costs incurred in the same periods in 2019 to costs incurred in the COVID-19 pandemic period.
- (8) EPE did not incur any other miscellaneous costs savings beyond those documented in this exhibit.
- (9) NM Allocators from 2020 NM Rate Case.

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
EXHIBIT CSP-4: CALCULATION OF UNCOLLECTIBLE EXPENSE RATIO
SPONSOR: CYNTHIA S. PRIETO
PREPARER: ASHLEY ARAGON
FOR THE BASE PERIOD AND TEST YEAR PERIOD ENDED SEPTEMBER 30, 2025

Ameded Filing

EXHIBIT CSP-4
PAGE 1 OF 1

	(a)	(b)	(c)	(d)	(f)	(g)	(h)	(i)	(j)
									Net
Line No.	Month	Revenue (A)	Total Uncollectible Amount (B)	COVID-19 Uncollectible Amount (C)	Net Uncollectible Expense without COVID-19	Net Bad Debt Write-Offs	Net Bad Debt Attributed to COVID-19 (C)	Net Bad Debt Write-Offs Without COVID-19	Uncollectible Expense Ratio (As a % of Revenue)
1	2017	\$ 829,989,407	\$ 3,146,083	\$ -	\$ 3,146,083	\$ 2,996,790	\$ -	\$ 2,996,790	0.37905%
2	2018	782,412,526	2,827,184	-	2,827,184	3,084,544	-	3,084,544	0.36134%
3	2019	745,642,088	2,196,040	-	2,196,040	2,462,369	-	2,462,369	0.29452%
4	3 Year Average (2017 to 2019)								0.34644%
5	2021	849,225,355	10,058,631	7,283,000	2,775,631	3,952,362	1,666,000	2,286,362	0.32684%
6	2022	1,010,465,283	7,720,664	5,185,000	2,535,664	4,183,947	1,605,000	2,578,947	0.25094%
7	2023	882,821,297	2,248,149	(2,909,886)	5,158,035	4,107,613	1,389,000	2,718,613	0.58427%
8	2024	926,353,588	4,646,904	-	4,646,904	4,134,561	-	4,134,561	0.50163%
9	Base Period 10/1/2024 to 9/30/2025	930,810,264	695,275	-	695,275	1,726,398	-	1,726,398	0.07470%
10	Average (2023-9/2025)								0.38687%

Notes:

(A) Revenues reflect actual billed revenues and do not include deferred fuel, unbilled revenue, or provision for

(B) Total uncollectible expense includes expense recorded to the Regulatory Asset attributable to COVID-19 .

(C) These amounts were attributed to COVID-19 and are are therefore excluded from uncollectible expense in requested base rates.

Note: Amounts may not add or tie to other schedules due to rounding.

Amended Filing
BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF EL PASO ELECTRIC COMPANY FOR)
REVISION OF ITS RETAIL ELECTRIC)
RATES PURSUANT TO ADVICE NOTICE)
NO. 317)**

Case No. 25-00082-UT

**DECLARATION OF CYNTHIA S. PRIETO IN SUPPORT OF THE FOREGOING
AMENDED FILING DIRECT TESTIMONY**

I, ***Cynthia S. Prieto***, pursuant to Rule 1-011 NMRA, state as follows:

1. I affirm in writing under penalty of perjury under the laws of the State of New Mexico that the following statements are true and correct.

2. I am over 18 years of age and have personal knowledge of the facts stated herein. I am employed by El Paso Electric Company ("EPE" or "the Company") as the *Vice President and Controller*.

3. I have reviewed the foregoing Amended Filing Direct Testimony of Cynthia S. Prieto, and the exhibits, schedules, and workpapers sponsored by me and I confirm, to the best of my knowledge, that those materials are complete, accurate, internally consistent, and consistent with the Amended Application.

4. The foregoing Amended Filing Direct Testimony of Cynthia S. Prieto, together with all exhibits sponsored therein and attached thereto, is true and accurate based on my knowledge and belief.

5. I submit this Declaration, based upon my personal knowledge and upon information and belief, in support of EPE's ***Amended Application for Revisions of Its Retail Electric Rates Pursuant to Advice Notice No. 317***.

Amended Filing

FURTHER, DECLARANT SAYETH NAUGHT.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 6, 2026.

/s/Cynthia S. Prieto
CYNTHIA S. PRIETO