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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

RENE F. GONZALEZ

ON BEHALF OF

EL PASO ELECTRIC COMPANY

MARCH 2026

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EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
RENE F. GONZALEZ

I. INTRODUCTION AND QUALIFICATIONS

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rene F. Gonzalez, and my business address is 100 North Stanton Street, El Paso, Texas, 79901.

Q2. HOW ARE YOU EMPLOYED?

A. I am employed by El Paso Electric Company ("EPE" or the "Company") as Supervisor - Rates and Regulatory.

Q3. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS.

A. I hold a bachelor's in business administration with a double major in Economics and Finance from The University of Texas at El Paso and a Master of Arts in Economics with a concentration in Public Utility Policy & Regulation from New Mexico State University ("NMSU").

I have worked with EPE in the Rate Research section of the Regulatory Affairs group since October 2012. I was first hired as an Associate Rate Analyst. In November 2014, I earned a progressive promotion to Staff Financial Analyst and in October of 2016 was promoted to Senior Rate Analyst. Finally, I was promoted to my current position as a Supervisor - Rates and Regulatory, in September 2020.

In addition to my education and professional experience described above, I have attended professional development seminars covering rate design, marginal cost, load research statistical applications, and transmission and distribution systems.

Q4. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES WITH EPE.

A. As Supervisor in the Rate Research section, my responsibility is to supervise the preparation of economic, customer, statistical, and cost studies and analysis; to develop models and methodologies for cost of service, profitability, and pricing studies; and to conduct annualization, jurisdictional and class cost of service studies, and revenue forecasts.

Q5. HAVE YOU PRESENTED TESTIMONY BEFORE UTILITY REGULATORY BODIES?

A. Yes, I have previously filed testimony and testified before the New Mexico Public Regulation Commission ("NMPRC" or "Commission") and the Public Utility Commission of Texas.

II. PURPOSE OF TESTIMONY

Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony presents EPE's adjustments to billing determinants and the computation of Historical Test Year Period revenues at present rates based on those determinants. I also discuss EPE's proposals to revise rate schedules, qualifying services, and attendant billing provisions; the cost of service and rate design of the street and private area lamps, changes to the lighting rate schedules; and updates to miscellaneous service charges.

Q7. ARE YOU SPONSORING ANY EXHIBITS IN YOUR TESTIMONY?

A. Yes. I am sponsoring the following exhibits, which are attached to this testimony:

- Exhibit RFG-1: Adjustment of Base Revenues Summary
- Exhibit RFG-2: 2024 and 2025 Projected Annual Savings
- Exhibit RFG-3: Energy Efficiency Program Annualization Adjustment
- Exhibit RFG-4: Rate No. 18 – FPPCAC Voltage Factors Calculation; and
- Exhibit RFG-5: Miscellaneous Charge Comparison.
- Exhibit RFG-6: Example of Distribution Capacity Reservation Charge

Q8. WHAT RULE 17.9.530 ("RULE 530") SCHEDULES DO YOU SPONSOR OR CO-SPONSOR?

A. I sponsor or co-sponsor Schedule O-2 Proof of Revenue Analysis (at present rates); Schedule O-4 Explanation of proposed changes to existing rate Schedules; and Schedule P-5 Customer Information.

Q9. WERE THE EXHIBITS AND SCHEDULES YOU ARE SPONSORING PREPARED BY YOU OR UNDER YOUR DIRECT SUPERVISION?

A. Yes, they were.

III. ADJUSTMENT TO BASE-RATE REVENUE

A. OVERVIEW

Q10. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my testimony, I discuss EPE's adjustments to its non-fuel operating revenues (i.e., Base, and Other Operating Revenues). These adjustments apply to the New Mexico jurisdiction and are shown in Schedule A-1 as the difference between Base Period (October 1, 2024, through September 30, 2025) and Base Period As Adjusted, the Adjustments column (c). Adjustments to EPE's fuel operating revenues are discussed in the Direct Testimony of EPE witness Adrian Hernandez.

Q11. ARE ADJUSTMENTS TO BASE PERIOD DATA RECOGNIZED FOR A HISTORICAL TEST YEAR PERIOD UNDER NMPRC RULE 530?

A. Yes. The Rule 17.9.530.7.C of the New Mexico Administrative Code ("NMAC") provides the definition of adjustments for general rate cases.

Q12. WHAT TYPE OF ADJUSTMENTS HAVE BEEN MADE TO EPE'S BASE PERIOD DATA TO DETERMINE HISTORICAL TEST YEAR PERIOD BASE REVENUES?

A. In order to ensure that the test year is indicative of what is likely to occur under normal, recurring operating conditions, EPE has annualized and normalized Base Period billing and usage data to determine Historical Test Year Period base revenues at present rates. These adjustments, tabulated in Exhibit RFG-1, are explained below and primarily enumerate the impact of (1) annualizing test year-end customer growth or decline; (2) billing determinants that have been adjusted to reflect normal weather; (3) annualizing the impact of Commission-approved energy efficiency programs implemented during the base period; and (4) other known and measurable changes. The Historical Test Year Period billing and usage data are inputs into the jurisdictional and the class cost-of-service study ("CCOS") allocations and form the basis for the billing determinants on which rates are designed. An explanation for these adjustments is provided later in this section.

The adjustments to other operating revenues are also explained later in this section of my testimony. I co-sponsor workpaper Adj. No. 1 to Schedule A-3, which contains the revenue adjustments I describe in this testimony.

Q13. HOW ARE REVENUES FROM THE SPECIAL RATE CONTRACTS WITH HOLLOMAN AIR FORCE BASE AND NEW MEXICO STATE

UNIVERSITY HANDLED IN THIS FILING?

A. Revenues from the special rate contracts with Holloman Air Force Base and New Mexico State University ("NMSU") are excluded from the per book New Mexico jurisdiction revenues. This is consistent with the handling of all costs related to the EPE-owned solar photovoltaic generation facilities located within Holloman Air Force Base and NMSU. The Special Rate Contract revenues associated with the EPE-owned facilities for both Holloman Air Force Base and NMSU are non-base rate revenues, and therefore, not included in the calculation of base rates or as jurisdictional revenues in New Mexico.

Q14. WERE BILLING AND USAGE ADJUSTMENTS MADE TO ALL JURISDICTIONS SERVED BY EPE?

A. Yes. Adjusting the billing and usage of all jurisdictions served by EPE ensures that the Company's total cost of service is properly allocated to all jurisdictions.

B. ADJUSTMENTS TO BASE REVENUES (SCH. A-1, COLUMN (c), LINE 1)

1. TEST YEAR-END CUSTOMER ANNUALIZATION

Q15. WHAT IS THE TEST YEAR-END CUSTOMER ANNUALIZATION?

A. The year-end customer annualization is the process by which Base Period data are adjusted to account for known and measurable changes in the number of customers or known energy and demand usage changes.

Q16. WHAT IS THE PURPOSE OF CUSTOMER ANNUALIZATIONS?

A. The purpose of annualizing Base Period customers, revenues, sales, and demand is to adjust these items to a level representative of ongoing conditions had the number of customers at the test year-end been served for the entire twelve-month period.

Q17. WHICH RATE CLASSES WERE ANNUALIZED FOR TEST YEAR-END CUSTOMERS?

A. The following New Mexico rate classes exhibited a significant change in total number of customers or energy and demand usage during the Test Year Period, making them subject to an annualization adjustment:

- Residential Service,
- Small General Service,
- General Service,
- Irrigation,
- City and County Service,
- Water, Sewage, and Storm Sewage Pumping Service, and
- Large Power Service.

Some rate classes exhibited less significant changes but were also subject to an annualization adjustment:

- Street Lighting Service,
- Private Area Lighting Service, and
- Seasonal Agricultural Processing.

Q18. WHAT IS THE REVENUE ADJUSTMENT DUE TO THE TEST YEAR-END CUSTOMER ANNUALIZATION ADJUSTMENT?

A. The table below summarizes the adjustment to base revenues at present rates and billing determinants resulting from the test year-end customer annualization adjustment.

Table RFG - 1

Adjustment To:	New Mexico Amount
Base Revenue	$609,421
Billed Kilowatt-Hour (kWh)	9,536,530
Billed Kilowatt (kW)	8,074
Annual Customers	6,767

2. WEATHER NORMALIZATION

Q19. WHY ARE BASE PERIOD BILLING DETERMINANTS AND REVENUE WEATHER NORMALIZED?

A. Base Period billing determinants and revenue are normalized to reflect normal weather conditions.

Q20. WHICH RATE CLASSES WERE WEATHER NORMALIZED?

A. The energy sales of the following New Mexico rate classes were weather normalized:

- Residential Service,
- Small General Service,
- General Service,
- Irrigation Service,
- City and County Service,
- Water, Sewage, and Storm Sewage Pumping Service,
- Military R&D Service, and
- State University Service.

Q21. WHAT IS THE REVENUE ADJUSTMENT DUE TO WEATHER NORMALIZATION?

A. During the Base Period, energy sales were lower than normal by approximately 14 million kWh due to the weather, thus an adjustment to increase base revenue was made. The following table summarizes the adjustment to base revenues at present rates and billing determinants resulting from the weather normalization adjustment.

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Table RFG - 2

Adjustment To:	New Mexico Amount
Base Revenue	$1,231,376
Billed kWh	13,904,903

Q22. WHY IS NO ADJUSTMENT MADE TO BILLED KW FOR WEATHER?

A. The individual customer's non-coincident kW load of heating and cooling equipment is not weather sensitive. Billed kW is based on non-coincident kW load, a minimum kW, or a ratcheted kW amount.

Q23. PLEASE DESCRIBE EPE'S WEATHER NORMALIZATION METHODOLOGY.

A. See the Direct Testimony of EPE witness Enedina Soto for support and a description of the technical approach that EPE's Load Research and Data Analytics team applies in normalizing energy consumption for the effect of weather.

The weather normalization revenue adjustment that I apply is based on the data provided by Ms. Soto. This calculation simply applies the proper energy charge to each rate class's energy sales adjustment.

3. ENERGY EFFICIENCY PROGRAM ANNUALIZATION

Q24. IS THE PROPOSED ENERGY EFFICIENCY ANNUALIZATION

ADJUSTMENT CONSISTENT WITH THE ADJUSTMENT THE COMMISSION APPROVED IN EPE'S MOST RECENT RATE CASE?

A. Yes. The adjustment applied in this filing is the same adjustment applied in EPE's most recent rate case, Case No. 20-00104-UT. EPE's proposed energy efficiency annualization was first approved by the Commission's Final Order in Case No. 15-00127-UT (the "2015 Rate Case") and was calculated in the same manner as proposed in this case.

Q25. PLEASE DESCRIBE THE ADJUSTMENT FOR THE IMPACT OF NEW MEXICO ENERGY EFFICIENCY PROGRAMS.

A. The Efficient Use of Energy Act ("EUEA") requires public utilities to include Commission-approved, cost-effective energy efficiency and load management programs as part of their energy resource portfolios. The programs for the 2024 and 2025 calendar years were approved by the Commission in Case No. 21-00114-UT and Case No. 24-00154-UT. In those filings, the projected kWh annual savings from the installed measures for the 2024 and 2025 program years amounted to 22,075,287 kWh and 17,214,020 kWh, respectively (see Exhibit RFG-2), or an average of 19,644,654 kWh.[1]

[1] See Case No. 21-00114-UT, Exhibit ADM-1, *El Paso Electric's 2022-2024 Energy Efficiency and Load Management Plan*, prepared by Frontier Energy and attached to the Direct Testimony of Amy Martin, and Case No. 24-00154-UT, Exhibit DRN-1, *El Paso Electric's 2025-2027 Energy Efficiency and Load Management Plan,* also prepared by Frontier Energy and attached to the Direct Testimony of Derek R. Neumann.

Preliminary analysis of the installed energy efficiency measures for the months in the 2024 and 2025 program years that fall within the test year for this case show that the actual annual energy savings reflecting full customer participation at the end of the Test Year Period is 8,107,359 kWh. To recognize the impact of the implementation of these energy efficiency programs, energy billing determinants for the New Mexico jurisdiction were annualized by reducing kWh sales by 4,610,825 kWh to reflect kWh savings for the full twelve-month period of the Test Year Period. Actual savings from the installed measures that are included in recorded billed energy during the Base Period are estimated at 3,496,534 kWh. Exhibit RFG-3 provides the detailed calculations of the kWh adjustment for the impact of New Mexico energy efficiency programs.

The table below summarizes the base revenue adjustments at present rates resulting from energy savings brought about by the approved energy efficiency programs.

Table RFG - 3

Adjustment To:	New Mexico Amount
Base Revenue	($213,104)
Billed kWh	(4,610,830)

Q26. WHAT IS THE SOURCE OF INFORMATION FOR THE ENERGY

EFFICIENCY ANNUALIZATION ADJUSTMENT?

A. I obtained the information for the energy efficiency annualization adjustment from EPE's Energy Efficiency Department. The Energy Efficiency Department compiles energy savings based on program expenditures throughout the year, which are then verified by the Commission-approved Measurement and Verification (M&V) Evaluator. As of the writing of this testimony, the annual energy savings from the preliminary analysis of the installed measures for the 2024 program year have been verified by the M&V Evaluator; however, results from the 2025 program year are pending.

4. OTHER KNOWN AND MEASURABLE CHANGES

Q27. WHAT IS THE REVENUE ADJUSTMENT DUE TO OTHER KNOWN AND MEASURABLE CHANGES?

A. Adjustments due to other known and measurable changes are summarized in the following table.

Table RFG - 4

Adjustment To:	New Mexico Amount
Base Revenue	$1,035,691
Billed kWh	9,089,932

Out-of-period adjustments were made to per book data to account for energy recorded during the Base Period that is associated with months outside of the Test Year Period. Due to the seasonal rate structures of some rate classes, out-of-period adjustments are also made to months within the Test Year Period. Out-of-period adjustments are sometimes needed due to missed meter reads or incorrect input of the meter reading data for a month prior to the Test Year Period, which were corrected in bills issued during the Base Period. In addition, adjustments to Base Period bills corrected in months after the Test Year Period ended were reflected in the Historical Test Year Period. Base revenue was increased by $1,035,691 for these out of period adjustments.

Q28. ARE THERE ANY OTHER ADJUSTMENTS MADE TO BASE REVENUES?

A. Yes. Unbilled base revenues, which are intended to recognize revenue for estimated consumption yet to be billed in a month, are removed from base revenues. In the current Base Period, EPE recorded $106,807 in unbilled base revenue for New Mexico. This adjustment decreased the amount of recorded base revenue.

5. BASE REVENUE ADJUSTMENT SUMMARY

Q29. WHAT ARE THE HISTORICAL TEST YEAR PERIOD BASE REVENUES RESULTING FROM THESE ADJUSTMENTS?

A. The table below summarizes the New Mexico jurisdiction base revenues at present rates resulting from these adjustments. Please note that Per Book Base Revenue (top line) and Adjusted Base Revenue (last line) include AMS Surcharge revenues and are itemized in Exhibit RFG-1. Additionally, Schedule O-2 Proof of Revenue, at Present Rates, provides the rate by rate details accounting for the adjusted base revenue.

Table RFG - 5

	New Mexico
Per Book Base Revenue *	$136,620,420
Base Revenue Adjustments:	
Test Year-End Customer Annualization	609,421
Weather Normalization	1,231,376
Energy Efficiency Program Impact	(213,104)
Other Known and Measurable Changes	1,035,691
Unbilled Base Revenues	(106,807)
Annualized AMS Surcharge	$784,807
Total Base Revenue Adjustments	$3,341,383
Adjusted Base Revenue (at present rates)	$139,961,803

* Includes unbilled and AMS Surcharge Per Book; excludes NMSU and Holloman Air Force Base special rate contract revenue.

C. ADJUSTMENT TO OTHER OPERATING REVENUES (SCH. A-1, COLUMN (c), LINE 11)

Q30. DESCRIBE THE ADJUSTMENT TO OTHER OPERATING REVENUES?

A. The $228,165 adjustment to increase Other Operating Revenues is the result of two types of adjustments: annualization of miscellaneous charge revenue, and the effect of the change in allocation factors.

Miscellaneous charge revenue annualization increase Other Operating Revenue by $7,057 to remove the effect of an out of period adjustment. The remaining $221,108 adjustment to Other Operating Revenues reflects the effect of the change in allocation factors from per book to adjusted values on Other Operating Revenues. For example, Base Period revenue from rental of electric property is allocated to New Mexico using the per book LABOR allocation factor, which is determined using per book labor expenses. To arrive at the Test Year Period amount of this revenue, the adjusted LABOR allocation factor is applied. The adjusted LABOR allocation factor is determined using test year labor expenses that reflect the known and measurable changes described by EPE witness Steven A. Sierra.

Please note that prior to the two adjustments discussed above, and consistent with the base period adjustment to PVGS operation and maintenance costs (i.e., reduced to reflect the elimination of expenses related to PVGS Unit 3 and 1/3 Common, as described in Adjustment No. 5 by EPE witness Sierra), one-third of revenue related to PVGS sale of surplus effluent water is removed from per book other operating revenues. This adjustment amounted to a reduction in total company per book Other Operating Revenues of $49,387.

IV. RATE SCHEDULE PROVISION REVISIONS

A. OVERVIEW

Q31. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my testimony, I discuss the more significant revisions to EPE's existing rate schedules that are proposed in this proceeding. The changes to the rate schedules are described below and a more detailed discussion about these changes is provided in Schedule O-4. Additionally, redlined versions of the rate schedules are included as a workpaper to Schedule O-4.

Q32. HOW DOES THIS SECTION OF YOUR TESTIMONY RELATE TO THE TESTIMONY OFFERED BY EPE WITNESS MANUEL CARRASCO?

A. I address the proposed changes to the language of all of EPE's rate schedules, as well as the proposed rates and rate structures of four rate schedules: Rate No. 11 – Street Lighting Service, Rate No. 12 – Private Area Lighting Service, Rate No. 15 – Miscellaneous Service Charges, and Rate No. 16 concerning purchases from qualifying facilities which I also address below. The Direct Testimony of EPE witness Manuel Carrasco addresses EPE's rate design proposals and proposed modifications to existing rates and rate structures for all of EPE's rate schedules except for the four rate schedules addressed by me and those in the nature of riders.

Q33. IN ADDITION TO REVISING THE APPLICABLE BASE RATES AND STRUCTURES, IS EPE PROPOSING ANY OTHER SIGNIFICANT CHANGES TO ITS RETAIL RATE SCHEDULES IN THIS RATE CASE?

A. Yes. EPE is proposing language changes to clarify and improve the structure of the rate schedules and better align the language between certain rate schedules applicable in EPE's New Mexico and Texas service territories to ensure consistency in the criteria applied to the electric service in both service territories.

Q34. ARE THERE ANY GLOBAL LANGUAGE CHANGES APPLICABLE TO ALL OR MOST PROPOSED RATE SCHEDULES?

A. Yes. There are five global language changes applicable to all or most of the proposed rate schedules. First, with respect to Distributed Generation ("DG") customers, EPE is adding verbiage establishing the TOD periods in the 'Fuel and Purchased Power' ("FPPCAC") provision.

Second, EPE is proposing to revise the 'Monthly Minimum Charge' provision language to more clearly reflect its application.

The third language change is applicable to several rate schedules that include a primary voltage rate. EPE witness Omar Gallegos testifies that one or more EPE customers with significant load have requested an additional service primary voltage feed and related distribution facilities as a back-up to their initial service feed facilities to ensure a continuous supply of power (i.e., back-up feeder), effectively reserving capacity on EPE's distribution system and limiting access to that capacity to other potential customers. To prevent other customers from subsidizing the costs of such requests, EPE is proposing to implement a Reserved Distribution Capacity Service Charge, which will be billed to customers that make such new requests. Customers will be required to enter into an agreement with the Company for a contracted amount of reserved capacity, in kW, that will be billed until such time that the customer no longer requires a back-up feeder. The Reserved Distribution Capacity Service Charge rate is the same as the primary voltage Demand Charge, under the applicable rate option that the service requiring back-up is billed under.

The fourth language change applicable to most of the proposed rate schedules includes the removal of *applicability* language previously included at the beginning of most tariffs as it is related to the timing of the first bills for usage of TOD rates and the reprogramming of associated meters and was specific to NMPRC Case No. 20-00104-UT.

The fifth and final global change is the removal of the Voluntary Renewable Energy ("VRE") Program Rate No. 32 notations, where applicable, within any tariffs. VRE Program Rate No. 32 was approved for discontinuation, and the tariff was therefore eliminated via Case No. 21-00111-UT, effective January 1, 2022.

I refer to these five language changes as the "broadly applicable language changes" later in my testimony.

Q35. ARE ALL EXISTING RATE SCHEDULES DESCRIBED BELOW?

A. No. Only rate schedules that contain language changes other than broadly applicable language changes described just above and base rates, are included in my testimony below.

Q36. PLEASE SUMMARIZE THE RATE SCHEDULES AND ASSOCIATED DETAILS THAT ARE DESCRIBED BELOW.

A. In aid of the comprehensive testimony that follows, the table below is included as a summary, in order, of the written descriptions provided of the rate schedule language revisions.

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Table RFG - 6

Tariff	*SC	**LC	Proposed New Options/Additions	Rate Amt.
Rate No. 01 Residential Service		X	Low income rider (LIR)	X
Rate No. 03 - Small General Service	X	X	Off-peak demand rider	X
Rate No. 04 - General Service		X	Reserved Distribution Capacity Service Charge	X
Rate No. 07 - City and County Service		X	Reserved Distribution Capacity Service Charge	X
Rate No. 09 - Large Power Service		X	Reserved Distribution Capacity Service Charge	X
Rate No. 10 - Military Research and Development		X		X
Rate No. 16 - Purchased Power			Proposing new super off-peak payment tier	
Rate No. 18 – Fuel and Purchased Power Cost Adjustment Clause (FPPCAC)		X	Includes newly proposed Line Loss Factors	X
Rate No. 26 - State University Service		X		X
Rate No. 29 - Noticed Interruptible Power Service Rate for Large Power Service		X	Open to new customers / economic alternative	X
Rate No. 42 - Experimental Electric Vehicle Charging Rate		X		X
Rate No. 41 - Federal Tax Credit Factor			Eliminate rider	
Rate No. 11 - Street Lighting		X	New Lamps	X
Rate No. 12 - Private Area Lighting		X	New Lamps	X

* Structural Change
** (Tariff) Language Change - Other than Global Changes Applicable to All Tariffs

Q37. PLEASE ITEMIZE RATE SCHEDULES NOT INCLUDED IN THE ABOVE TABLE OR DESCRIBED IN TESTIMONY BELOW.

A. The following rate schedules are not described or included in subsequent testimony as indicated within question 35 above. However, also noted above, a more detailed discussion for all rate schedules is provided in Schedule O-4.

- Rate No. 05 - Irrigation Service,
- Rate No. 08 - Water Pumping Service,
- Rate No. 19 - Seasonal Agricultural Processing Service,
- Rate No. 21 - Supplementary Power Service,
- Rate No. 22 - Backup Power Service,

- Rate No. 23 - Maintenance Power Service,
- Rate No. 24 - Interruptible Power Service,
- Rate No. 25 - Outdoor Recreation Lighting Service,
- Rate No. 30 - Load Retention Rate,
- Rate No. 39 – Economic Development Rate,
- Rate No. 47 – Community Solar Program Credit Rate, and
- Rate No. 47.1 Community Solar Program Administrative Cost Rider.

Rate No. 39 – Economic Development Rate is experiencing no change except for a version update to coincide with the new advice notice. Also, regarding Rate No. 47 – Community Solar Program Credit Rate, please refer to Section O below, for further discussion on this rate schedule.

Q38. HAVE YOU PROVIDED COPIES OF THE PROPOSED RATE SCHEDULES?

A. Yes. Pursuant to 17.1.210 NMAC, EPE's proposed base rates and language changes are presented in the rate schedules attached to Advice No. 317.

B. RATE NO. 01 - RESIDENTIAL SERVICE

Q39. PLEASE DESCRIBE THE EXISTING RATE NO. 01 – RESIDENTIAL SERVICE RATE SCHEDULE.

A. The Rate No. 01 – Residential Service Rate schedule is applicable to single-family residences or individually metered apartments for primarily domestic or home use. The rate schedule includes two monthly rate options: Standard Service Rate and TOD Rate. A clause is included that offers bill protection to customers that elect to take service under the TOD Rate for an initial twelve-month period under that rate option.

The rate schedule also includes a provision for a monthly minimum charge, and it includes reference to other applicable riders, as well as terms and conditions that apply to service under this schedule. A Whole House Electric Vehicle ("WHEV") Rate Rider Incentive Credit is currently offered under the rate schedule.

Q40. HOW HAS THE BILL PROTECTION CLAUSE ENCOURAGED PARTICIPATION IN THE TOD RATE OPTION?

A. Rate No. 01 offers a bill protection clause that removes the risk of severe bill impact in the initial twelve months after a customer switches to the TOD Rate option. If, at the conclusion of the initial 12-month period of service under the TOD rate option, the total billings exceed billings for the same period under the Standard Service rate, the customer may opt to revert to the Standard Service rate. In this event, the Company will reset the customer's account to the Standard Service rate and provide a credit to the customer for the difference in billings under the TOD Rate option and the Standard Service rate for the 12-month review period.

Since EPE's last rate case and effective the test year end (September 30, 2025), approximately 117 customers are participating in the TOD Rate Option.

Q41. OTHER THAN THE BROADLY APPLICABLE LANGUAGE CHANGES, WHAT SIGNIFICANT LANGUAGE CHANGES ARE PROPOSED SPECIFICALLY FOR RATE NO. 01?

A. EPE is proposing to implement a Low-Income Rider ("LIR") provision under Rate Schedule No. 01. The LIR is intended to provide a waiver of the monthly Customer Charge for qualifying customers.

Q42. WHY IS EPE PROPOSING THE LIR?

A. EPE has long had a Low-Income Rider in Texas, designed to function exactly as proposed in this case, where the customer charge, at its prevailing rate, is credited to qualifying low-income residential customers. After 2025 legislative changes in New Mexico that allow the Commission to approve "rates and programs designed to reduce the burden of energy costs on low-income customers", EPE is proposing a low-income rider to assist qualifying low-income residential customers in New Mexico as well as to mirror our Texas jurisdiction.

Q43. HOW ARE RESIDENTIAL CUSTOMERS QUALIFIED FOR ELIGIBILITY FOR THE LIR?

A. Residential customers of record or authorized individuals on an account with EPE who are authorized to receive Supplemental Nutrition Assistance Program ("SNAP") or Low Income Heating Assistance Program ("LIHEAP") benefits in New Mexico, pursuant to the eligibility and assistance requirements of the SNAP and LIHEAP programs, are qualified to receive the LIR. Customers will be identified by EPE using the New Mexico Human Services Department New Mexico Health Care Authority (HCA) client database and for the period of time in which they are authorized for SNAP or LIHEAP assistance, or for twelve (12) months, whichever is less.

C. RATE NO. 03 - SMALL GENERAL SERVICE

Q44. PLEASE DESCRIBE THE EXISTING RATE NO. 03 – SMALL GENERAL SERVICE RATE SCHEDULE.

A. The Rate No. 03 – Small General Service Rate schedule is applicable for service to customers with monthly peak demands less than 50 kW. The rate schedule includes four monthly rate options: Standard Service Rate, Alternative Service Rate (non-demand rate for customers with monthly peak demands less than 15 kW and energy consumption not exceeding 7,000 kWh), Standard TOD Rate, and Alternative TOD Rate. The rate schedule includes a provision for determination of billing demand and for monthly minimum charge, provisions for applicable riders, as well as terms and conditions that apply to service under this schedule. A Whole Service Electric

Vehicle ("WSEV") Rate Rider Incentive Credit is currently offered this rate schedule incentivizing consumption during super off-peak hours crediting participants for energy usage during these hours up to a limit of total energy usage. Finally, as with Rate No. 01, this rate contains a bill protection clause offering bill protection to customers that elect to take service under the TOD Rate for an initial twelve-month period.

Q45. OTHER THAN THE BROADLY APPLICABLE LANGUAGE CHANGES, WHAT SIGNIFICANT LANGUAGE CHANGES ARE PROPOSED SPECIFICALLY FOR RATE NO. 03?

A. For the Alternative TOD Rate No. 03, EPE is proposing a new Experimental Off-Peak Demand Rate. This proposed change is intended to encourage maximum demand use during the off-peak period. Additional information regarding this proposal can be seen within the Direct Testimony of EPE witness Carrasco.

D. RATE NO. 04 - GENERAL SERVICE

Q46. PLEASE DESCRIBE THE EXISTING RATE NO. 04 – GENERAL SERVICE RATE SCHEDULE.

A. The Rate No. 04 – General Service Rate schedule is applicable for service to customers with monthly peak demands of 50 kW and above but less than 800 kW. The rate schedule includes two monthly rate options: Standard Service Rate and

TOD Rate. The rate schedule also includes provisions for determination of billing demand and power factor and meter voltage adjustments, provisions for applicable riders, as well as terms and conditions that apply to service under this schedule. Both the Standard Service Rate and TOD Rate include rates that are differentiated for service at secondary, primary and transmission voltage levels. The rate schedule currently includes a Thermal Energy Storage ("TES") Rider provision. A WSEV Rate Rider Incentive Credit is also currently offered on this rate schedule.

Q47. IS EPE PROPOSING ANY LANGUAGE CHANGES SPECIFIC TO RATE NO. 04?

A. Yes. Like Rate No. 03, EPE is proposing a new Experimental Off-Peak Demand Rate. Details regarding this proposal can also be seen within the Direct Testimony of EPE witness Carrasco.

E. RATE NO. 07 - CITY AND COUNTY SERVICE

Q48. IS EPE PROPOSING TO CONTINUE OFFERING SERVICE UNDER RATE NO. 07 - CITY AND COUNTY SERVICE?

A. Yes, EPE is proposing to continue offering service under this special rate schedule to existing customers currently taking service under this schedule. This schedule was closed to new customers effective January 2010 following approval of EPE's 2009 Rate Case. Since closure of the rate schedule, all new service which otherwise may have qualified for service on Rate No. 07 has taken service under the other applicable rate schedules.

Q49. PLEASE DESCRIBE THE EXISTING RATE NO. 07 – CITY AND COUNTY SERVICE RATE SCHEDULE.

A. The Rate No. 07 – City and County Service Rate schedule is applicable to public schools and municipal and county customers, except water and sewage facilities. Rate No. 07 is a long-standing rate class that differentiates City and County customers, so called public authority customers, within their own rate class, encompassing a variety of consumption levels or differing sized accounts. The rate schedule contains a single monthly rate option and includes a provision for determination of billing demand, provisions for applicable riders, as well as terms and conditions that apply to service under this schedule. The rate schedule currently includes a Thermal Energy Storage ("TES") Rider provision.

Q50. IS EPE PROPOSING ANY LANGUAGE CHANGES SPECIFIC TO RATE NO. 07?

A. No.

F. RATE NO. 09 - LARGE POWER SERVICE

Q51. PLEASE DESCRIBE THE EXISTING RATE NO. 09 – LARGE POWER

SERVICE RATE SCHEDULE.

A. The Rate No. 09 – Large Power Service Rate schedule is applicable for service to customers with monthly peak demands of 800 kW and above. The rate schedule contains a single monthly time varying rate option and includes provisions for determination of billing demand and power factor and meter voltage adjustments, provisions for applicable riders, as well as terms and conditions that apply to service under this schedule. The rate includes rates that are differentiated for service at secondary, primary and transmission voltage levels. The rate schedule also currently includes a TES Rider provision.

Q52. IS EPE PROPOSING ANY LANGUAGE CHANGES SPECIFIC TO RATE NO. 09?

A. No.

G. MILITARY RESEARCH AND DEVELOPMENT

Q53. PLEASE DESCRIBE THE EXISTING RATE NO. 10 – MILITARY RESEARCH AND DEVELOPMENT POWER RATE SCHEDULE.

A. The Rate No. 10 – Military Research and Development Power Rate schedule is available only to military installations whose primary mission is research and development with a minimum contracted billing demand of 6 MW. Participants are required to contract for service for 10 years. The rate schedule contains two monthly time varying rates, a Standard Service Rate and an Enhanced Service Rate accounting for a photovoltaic ("PV") system. The rate schedule includes provisions for determination of billing demand and temporary off-peak demand and site-specific metering adjustments, provisions for applicable riders, as well as terms and conditions that apply to service under this schedule.

Q54. HOW MANY CUSTOMERS DOES EPE SERVE UNDER RATE NO. 10?

A. EPE has two customers served under Rate No. 10: White Sand Missile Range and Holloman Air Force Base.

Q55. IS EPE PROPOSING ANY LANGUAGE CHANGES SPECIFIC TO RATE NO. 10?

A. No.

H. PURCHASED POWER

Q56. PLEASE DESCRIBE THE EXISTING RATE NO. 16 – PURCHASED POWER SERVICE SCHEDULE.

A. The Rate No. 16 – Purchased Power Service schedule is applicable to qualifying facilities which qualify as small production and cogeneration facilities as defined in Title 18 of the Code of Federal Regulations ("C.F.R."), Part 292, Subpart B, of the final rules issued by the Federal Energy Regulatory Commission to implement Sections 201 and 210 of the Public Utility Regulatory Policy Act of 1978. The schedule includes the energy payment rates, differentiated by voltage, and time-of-day, due to qualifying facilities from EPE for any energy sales to EPE. The methodology for Rate No. 16 was updated to comply with Commission's amended Rule 17.9.570 NMAC, which was adopted on April 20, 2022, in Case No. 20-00175-UT. The current version of Rate No. 16 was approved by Commission Final Order on June 20, 2024, in Case No. 23-00222-UT.

Q57. WHAT CHANGES ARE PROPOSED FOR RATE NO. 16 AND ITS ENERGY PAYMENT RATES?

A. EPE is not proposing changes to Rate No. 16 though it is requesting to add a super off-peak payment tier to better align with the more detailed interval data in use with new Advanced Metering System ("AMS") meters to the energy payment rates resulting from the schedule. Energy payments are updated monthly pursuant to 17.9.570.9(A) and paid consistent with 17.9570.11(B)(1)(a) NMAC (Rule 570). Additionally, a super off-peak tier would help to align with at least one rate treatment associated with the final order for Case No. 24-00113-UT implementing a Time Varying Rate Pilot Program ("TVRPP") for Pilot Residential Time-Varying Rate No. 48 and Pilot Small General Service Time-Varying Rate No. 49.

Q58. WHAT SIGNIFICANT LANGUAGE CHANGES ARE PROPOSED SPECIFICALLY FOR RATE NO. 16?

A. No language changes are proposed for Rate No. 16, rather, EPE's proposal would add a super off-peak payment tier to the monthly tabulation of the purchased power rates. The tabulation and reporting of the monthly amounts are a requirement of the Commission final order in Case No. 23-00222-UT. The calculation of this new payment tier will occur by using the same data in use now, though it will be calculated on the specific time frame defining super off peak which is currently embedded in the calculation of the off-peak rate.

I. FUEL AND PURCHASED POWER COST ADJUSTMENT CLAUSE

Q59. PLEASE DESCRIBE THE EXISTING RATE NO. 18 – FUEL AND PURCHASED POWER COST ADJUSTMENT CLAUSE SCHEDULE.

A. The Rate No. 18 – Fuel and Purchased Power Cost Adjustment Clause ("FPPCAC") schedule applies to all rate schedules that contain a provision for Rate No. 18. Since billable FPPCAC rates are calculated monthly, this rate schedule simply lists the line losses and voltage factor to use in the monthly FPPCAC rate calculation.

Q60. WHAT CHANGES ARE PROPOSED FOR RATE NO. 18 LINE LOSS AND VOLTAGE FACTORS?

A. EPE is proposing to update the line loss factors listed in Rate No. 18. The line loss factors listed in Rate No. 18 reflect the loss factors from the 2021 EPE Line Loss Study, which is discussed in the Direct Testimony of EPE witness Soto and proposed for approval in this filing.

The voltage factors listed in Rate No. 18 are based on these line loss factors, and change based on those loss factors. These voltage factors are used in the calculation of the monthly FPPCAC that is billed to customers. Exhibit RFG-4 provides the calculation of the proposed voltage factors for this schedule.

Q61. WHAT SIGNIFICANT LANGUAGE CHANGES ARE PROPOSED SPECIFICALLY FOR RATE NO. 18?

A. EPE is not proposing any language changes to Rate No. 18.

J. STATE UNIVERSITY SERVICE

Q62. PLEASE DESCRIBE THE EXISTING RATE NO. 26 – STATE UNIVERSITY SERVICE.

A. The Rate No. 26 – State University Service Rate schedule is applicable to any public college or university's main campus with expected monthly demand exceeding 6 MW. The rate schedule contains a single monthly time varying rate option and includes provisions for determination of billing demand and power factor and meter voltage adjustments, provisions for applicable riders, as well as terms and conditions that apply to service under this schedule.

Q63. IS EPE PROPOSING ANY LANGUAGE CHANGES SPECIFIC TO RATE

NO. 26?

A. No.

K. NOTICED INTERRUPTIBLE POWER SERVICE RATE FOR LARGE POWER SERVICE

Q64. PLEASE DESCRIBE THE EXISTING RATE NO. 29 – NOTICED INTERRUPTIBLE POWER SERVICE FOR LARGE POWER CUSTOMERS SCHEDULE.

A. This rate has been closed to new customers through the Commission's Final Order in Case No. 09-00171-UT (the "2009 Rate Case"). EPE is proposing to open the tariff and limit the total company interruptible capacity to 100 MW. The Rate No. 29 – Noticed Interruptible Service Rate for Large Power Service rate schedule is available to current Customers with total connected capacity requirements of at least 1,000 kW and not served at a transmission voltage level. The minimum level of firm demand required from qualifying Customers is 500 kW. This schedule is available only in conjunction with firm service under other applicable rate schedules. The rate schedule contains a single monthly time varying rate option and includes provisions for determination of billing demand and power factor and meter voltage adjustments, provisions for applicable riders, as well as terms and conditions that apply to service under this schedule. The rate includes rates that are differentiated for service at secondary and primary voltage levels.

Interruptible customers effectively provide a capacity resource equal to the difference between their contracted firm service level and their full load requirement. Within 30 minutes of a notice by EPE to interrupt, the customer is required to reduce their demand to their firm service level, subject to penalties provided in the rate schedule.

Q65. HOW MANY CUSTOMERS DOES EPE SERVE UNDER RATE NO. 29?

A. EPE has three customers served under Rate No. 29. These customers provide approximately 1.5 to 2 MW of interruptible capacity.

Q66. WHAT SIGNIFICANT LANGUAGE CHANGES ARE PROPOSED SPECIFICALLY FOR RATE NO. 29?

A. EPE is proposing to increase total company interruptible capacity to 100 MW, by opening the rate schedule to new customers until such load level is achieved. The opening of this rate schedule helps to further EPE's pursuit of demand side opportunities in reducing peak demand.

No other significant language changes are proposed for this rate schedule. Additional information on this proposed change is included in Schedule O-4 and discussed in the Direct Testimony of George Novela.

Q67. WHAT WERE THE RESULTS OF THE MEDIATION REQUESTED FOR

RATE NO. 29 IN THE RECOMMENDED DECISION AND FINAL ORDER OF CASE NO. 20-00104?

A. Pursuant to section XXII decretal paragraphs, item T, of the recommended decision in Case No. 20-00104-UT of EPE's last rate case, EPE filed Case No. 21-00307-UT on December 17, 2021. EPE requested and was appointed a mediator for EPE and interested persons to discuss possible modifications to Rate No. 29, Notice Interruptible Service Rate for Large Power Service, to make it more effective in reducing peak demand.

On June 28, 2022, the Mediator's Report outlining the events and outcome of the mediation were filed with the Commission. As stated in the report, "no agreement as to potential recommendations has been reached, the "mediation" provided an opportunity for the participants to "discuss," as ordered, relatively informally, their various positions". Further the three ratepayers directly subject to Rate No. 29 were notified and had the opportunity to participate in the discussion.

L. EXPERIMENTAL ELECTRIC VEHICLE CHARGING RATE

Q68. PLEASE DESCRIBE THE EXISTING RATE NO. 42 – EXPERIMENTAL ELECTRIC VEHICLE CHARGING RATE SCHEDULE.

A. The Rate No. 42 – Experimental Electric Vehicle Charging Rate schedule is available to new and existing customers. This rate schedule is available, on a voluntary basis, to residential and commercial customers that have a separately metered facility dedicated solely for the charging of electric vehicles.

The rate schedule includes definitions of terms, a monthly rate provision, provisions for applicable riders, as well as terms and conditions that apply to service under this schedule. Additional details are included below in support of the rate and in compliance with the Recommended Decision of Case No. 20-00104-UT, EPE's most recent rate case. Specifically, they address the questions asked in Item V. of the Decretal Paragraphs.

Q69. HOW MANY CUSTOMERS DOES EPE SERVE UNDER RATE NO. 42?

A. This question and answer is provided pursuant to section XXII decretal paragraphs, item V, of the recommended decision in Case No. 20-00104-UT of EPE last rate case.

As of the end of the Test Year Period (September 30, 2025), 38 customers are being served under this rate.

The breakdown by rate class is as follows:

- Residential: 2,
- Commercial & Industrial Small: 23, and
- Public Authority: 13.

Q70. WHAT IS THE MAXIMUM NUMBER OF CUSTOMERS THAT HAVE

RECEIVED SERVICE UNDER RATE NO. 42 AT ANY ONE TIME SINCE THE EFFECTIVE DATE OF THE RATE?

A. This question and answer is provided pursuant to section XXII decretal paragraphs, item V, of the recommended decision in Case No. 20-00104-UT of EPE last rate case.

The maximum number of customers served at any point since the inception of the rate is 38, though that number has grown to 41, as of December 31, 2025, post the Test Year Period of this case.

Q71. WHAT IS THE AVERAGE BILL FOR RATE NO. 42 CUSTOMERS?

This question and answer is provided pursuant to section XXII decretal paragraphs, item V, of the recommended decision in Case No. 20-00104-UT of EPE last rate case.

The average bill for all Rate No. 42 customers, for all bills, since the inception of the tariff, is $116.11. The first customer was billed in February 2022. Additional testimony on load data and the load profile of Rate No. 42 customers is found in the Direct Testimony of EPE witness Soto.

Q72. IS EPE PROPOSING ANY LANGUAGE CHANGES SPECIFIC TO RATE NO. 42?

A. Yes. The charging activity operating voltage limitations are eliminated. The latter is being done to allow flexibility that ensures that not only EV chargers but also supporting infrastructure installed for EV chargers such as small lights or cameras can be placed on the same meter. This is also consistent with recent proposed changes for a similar tariff in EPE's Texas jurisdiction.

M. COMMUNITY SOLAR PROGRAM CREDIT RATE

Q73. PLEASE DESCRIBE THE EXISTING RATE NO. 47 – COMMUNITY SOLAR PROGRAM CREDIT RATE SCHEDULE.

A. The Rate No. 47 – Community Solar Program Credit Rate schedule is a voluntary rate schedule available to all rate classes as an alternative to rooftop solar, created to promote participation in renewable energy solutions.

The rate schedule includes definitions of terms, a monthly rate provision, and terms and conditions.

Q74. IS EPE PROPOSING TO REVISE THE FIXED COMMUNITY SOLAR PROGRAM CREDIT RATES OF RATE NO. 47?

A. Not at this time. Appendix A, within the tariff, will be modified to revise the fixed CSP Credit Rates of the tariff. Pursuant to the community solar rule, 17.9.573.20(C), and as agreed to the methodology prescribed by the NMPRC in its Phase II Final Order in Docket No. 23-00071-UT, the Company will calculate the Fixed CSP Credit Rate for each New Mexico retail service rate schedule with every change in base rates after the initial implementation of Rate No. 47 – Community Solar Program Credit Rate. Upon final determination of the cost of service and base rates in this proceeding, EPE will file a modified Rate No. 47 with respect to the fixed CSP Credit Rate of this tariff.

N. RATE SCHEDULES PROPOSED FOR CLOSURE

Q75. IS EPE PROPOSING TO CLOSE ANY RATE SCHEDULES.

A. Yes. EPE proposes the closing of the Federal Tax Credit Factor, Rate No. 41, rate schedule. This rate was originally implemented via final order in Case No. 18-00016-UT with an effective date of May 1, 2018, with a term to be discontinued upon the effective date of rate in EPE's next base rate case. During the subsequent rate case, Case No. 20-00104-UT, the rate was newly revised with an effective date of July 10, 2021, for a new 3-year, 36-month term. This tariff has now run its course and is complete.

O. OTHER RATES

Q76. ARE THERE ANY OTHER RATES NOT INCLUDED FOR DISCUSSION IN THIS TESTIMONY OR ITEMIZED IN THE ANSWER TO QUESTION 37 ABOVE?

A. Yes. Newly approved Pilot Residential Time-Varying Rate No. 48, and Pilot Small General Service Time-Varying Rate No. 49, are not included as they are pilot rates later being evaluated for future update. Also, the Efficient Use of Energy Recovery Factor (EUERF), Renewable Portfolio Standard (RPS) Cost Rider, Rate No. 38, Transportation Electrification Plan (TEP) Cost Rider, Rate No. 44, and Advanced Metering System Rider (AMS), Rate No. 46, are not included as they are each filed individually for annual update or compliance.

V. LAMP LIGHTING COST OF SERVICE AND RATE DESIGN

A. OVERVIEW

Q77. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my testimony, I present the cost of service and rate design for the street and private area lighting rate classes. I also discuss the more significant revisions to EPE's existing lighting rate schedules which are proposed in this proceeding. The more significant changes to these rate schedules are described below and further discussion about changes is provided in Schedule O-4. Additionally, redlined versions of the rate schedules are included as a workpaper to Schedule O-4.

Q78. DESCRIBE THE PROCESS OF PREPARING THE LIGHTING COST OF SERVICE AND THE RATE DESIGN FOR THE LIGHTING RATE CLASSES.

A. The process of preparing the lighting cost of service begins with the results of the

CCOS. Following that, a determination is made, through the revenue distribution analysis, the total amount recovered from each of the lighting rate classes. This amount is the target revenue for the detail analysis involved in the lighting cost of service and rate design. The detail analysis entails the development of the cost of service and rate design at the lamp type level. In the street lighting rate class, there are 47 lamp types and in the private area lighting rate class, there are 41 lamp types. Workpaper O.3 presents the lighting cost of service and rate design for both street and private area lighting rate classes.

B. STREET LIGHTING

Q79. PLEASE DESCRIBE THE EXISTING RATE NO. 11 – STREET LIGHTING SERVICE RATE SCHEDULE.

A. The Rate No. 11 – Street Lighting Service Rate schedule is applicable for any village, town, city, state governmental agency, or private division for street lighting purposes only. The rate schedule includes monthly lamp charges (per fixture) for a variety of lamp types, wattages, and service configurations for Company-owned- and Customer-owned Street lighting systems; and a metered installation rate, which consists of a customer charge and an energy charge. The rate schedule includes provisions for applicable riders; special conditions regarding installation and ownership of facilities, operation and maintenance of the system, conversion of certain types of lamps, services and other appurtenances, and termination and balance due to the Company;

as well as terms and conditions that apply to service under this schedule.

Q80. WHAT CHANGES ARE PROPOSED FOR RATE NO. 11 RATES?

A. EPE is proposing to (1) retain the rate structure described above, (2) to update the lamp charges and the metered rate for full recovery of allocated costs, (3) to increase the number of wattage ranges for the LED street lights, and (4) to add maintenance LED rates for existing city-owned LEDs on EPE Company-owned distribution poles. The CCOS shows that the revenues at current Street Lighting rates necessitate a decrease in non-fuel base revenues, as discussed by EPE witness Carrasco. The lamp charges are designed to approximate the target revenue proposed for this rate class in this proceeding. The customer charge of the metered rate is set to collect all the customer-related costs, net of the directly assigned costs (i.e., Account 373) and the energy charge is revised to capture the remaining targeted revenue requirement of this rate class that is not recovery by the customer and lamp charges.

Schedule O-3 provides a comparison of current and proposed rates for Street Lighting Service.

Q81. WHY IS EPE INCREASING THE NUMBER OF WATTAGE RANGES FOR LED STREET LIGHTSIN RATE NO. 11?

A. EPE is increasing the number of wattage ranges for LED streetlights to accommodate the various and changing types of LEDs being manufactured. As the cost of LED lamps continues to decrease, the Company is finding that it is less expensive to replace older or outdated lamps with LED.

Moreover, as in the past, the Company continues to replace harder to find and discontinued lighting, such as Metal Halide, Mercury Vapor ("MV"), and High-Pressure Sodium ("HPS") bulbs, in favor of LED.

Q82. HOW IS THE COMPANY TRANSITIONING FROM NON-LED LAMPS TO THE NEW LED LAMPS?

A. The Company owns, operates, and maintains all installations billed under Rate No. 11 and continues to expend all non-LED stocked items prior to LED lamps being installed. This is being done based on lamp wattage and availability.

Q83. WHY IS EPE ADDING MAINTENANCE LED RATES FOR EXISTING, CITY-OWNED LEDS ON EPE-OWNED DISTRIBUTION POLES?

A. In Texas EPE services and bills the City of El Paso for maintenance of certain City-owned LED fixtures on EPE-owned poles, as requested, on a case-by-case basis and is establishing formal rates to facilitate an easier billing process, improving operational efficiency.

EPE is proposing to offer this same option in New Mexico. New Lamps are denoted "NEW" on excel column B within the lighting cost of service, Workpaper O.3.

Q84. OTHER THAN THE BROADLY APPLICABLE LANGUAGE CHANGES, WHAT SIGNIFICANT LANGUAGE CHANGES ARE PROPOSED SPECIFICALLY FOR RATE NO. 11?

A. New language has been added to accommodate some flexibility allowing municipalities, including the City of Las Cruces, the use or addition of new appurtenances, attachments, or technology such as video cameras, sensors, or gunshot detection technology, amongst others. Metered lighting accounts will account for energy use of the addition of new City equipment while non-metered accounts will be updated for costs in future cost allocation studies as applicable in a general rate case.

C. PRIVATE AREA LIGHTING

Q85. PLEASE DESCRIBE THE EXISTING RATE NO. 12 – PRIVATE AREA LIGHTING SERVICE.

A. The Rate No. 12 – Private Area Lighting Service Rate schedule is applicable for any customer desiring overhead nighttime lighting service on Company-owned facilities. The rate schedule includes monthly lamp charges (per fixture) for a variety of lamp types, wattages and service configurations for Company-owned lighting systems. Lamp charges are also offered for installations on facilities other than Company-owned poles. The rate schedule includes provisions for applicable riders; facilities provided; conversion of certain types of lamps; as well as terms and conditions, including contract terms, that apply to service under this schedule.

Q86. WHAT CHANGES ARE PROPOSED FOR RATE NO. 12 RATES?

A. The Company is not proposing any changes to the existing structure of the Private Area Lighting rates, although it is updating the lamp charges for full recovery of allocated costs, and implementing a new 10-to-30-watt LED lamp charge. The CCOS shows that the revenues at current Private Area Lighting rates necessitate an increase in non-fuel base revenues, as discussed by EPE witness Carrasco. The lamp charges are designed to approximate the target revenue proposed for this rate class in this proceeding.

Schedule O-3 provides a comparison of current and proposed rates for Area Lighting Service.

Q87. WHY HAS THE COMPANY DECIDED TO ADD ANOTHER LED LAMP CHARGE IN RATE NO. 12?

A. As with street lighting, EPE is accommodating the various and changing types of LEDs being manufactured and replacing more costly older, discontinued, or outdated lamps with less expensive LED.

Q88. HOW IS THE COMPANY TRANSITIONING FROM NON-LED LAMPS TO THE NEW LED LAMPS?

A. The Company owns, operates, and maintains all installations billed under Rate No. 12 and continues to expend all non-LED prior to LED lamps being installed. This is being done based on lamp wattage and availability.

Q89. OTHER THAN THE BROADLY APPLICABLE LANGUAGE CHANGES, WHAT SIGNIFICANT LANGUAGE CHANGES ARE PROPOSED SPECIFICALLY FOR RATE NO. 12?

A. As with Street Lighting, the Private Area Lighting tariff will now include new language to accommodate some flexibility, allowing municipalities, including the City of Las Cruces, the use or addition of new appurtenances, attachments, or technology such as video cameras, sensors, or gunshot detection technology. Metered lighting accounts will account for the addition of new City equipment while non-metered accounts will be updated for costs in future cost allocation studies as applicable in a general rate case.

VI. PROPOSED MISCELLANEOUS SERVICE CHARGES

A. OVERVIEW

Q90. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. In this section of my testimony, I present the development of the miscellaneous charges proposed in this proceeding. I also discuss the more significant revisions to EPE's existing miscellaneous charge rate schedule which are proposed in this proceeding. The more significant changes to this rate schedule are described below and further discussion about changes is provided in Schedule O-4. Additionally, a redlined version of the rate schedule is included as a workpaper to Schedule O4.

Q91. HOW DID EPE DETERMINE IF ANY CHANGES WERE REQUIRED TO ITS CURRENT MISCELLANEOUS SERVICE CHARGES?

A. To determine any potential changes to its approved charges, EPE uses an activity-based costing approach to review the individual charges to determine their continued applicability to customers and their current cost components, to include labor, materials, and overhead. EPE used its supervisory and management staff responsible for a particular activity to review the required time, direct materials, and the number of employees and their job classifications involved in the particular activity including the bargaining unit employees covered under EPE's agreement with International Brotherhood of Electrical Workers ("IBEW") Local Union No. 960 (effective in March 2023). EPE then compared the existing calculations to the new calculations to determine if any change was required. Workpaper WP O.2.1 presents the development of the proposed miscellaneous charges.

B. REVISIONS TO RATE NO. 15

Q92. PLEASE DESCRIBE THE EXISTING RATE NO. 15 – MISCELLANEOUS SERVICE CHARGES SCHEDULE.

A. The Rate No. 15 – Miscellaneous Service Charges schedule is applicable to all customers and lists charges and fees for services performed by EPE that are not at the core of its utility service (i.e., generation/procurement of power, transmission and distribution of the power, metering and billing, administrative support of these functions, etc.).

Q93. IS EPE SEEKING A CHANGE TO ANY OF THE CHARGES FOUND IN ITS CURRENT RATE NO. 15?

A. Yes. EPE's Rate No. 15 currently has thirty-one active service charges applicable to New Mexico jurisdictional customers, including twenty-seven for activities performed within EPE's standard work hours[2] (Standard Rate), two for activities performed outside standard work hours (Non-Standard Rate)[3], and two which are monthly recurring charges. EPE is proposing changes to charges to reflect the current cost of performing these activities.

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[2] For the purpose of applying the proposed miscellaneous service charges in Rate No. 15, standard work hours each week are 7:00 a.m. to 8:00 p.m., Monday through Friday, and 7:00 a.m. to 3:30 p.m. on Saturday, except holidays.

[3] The Non-Standard Rate intends to recover the higher cost of an activity caused by the use personnel during call-out or pre-arranged overtime hours. Call-out overtime is paid at double the regular, straight-time rate; while pre-arranged overtime is paid at one and one-half (1-1/2) the regular, straight-time rate. Both call-out and pre-arranged overtime is paid for a minimum of two hours per day.

Q94. WHAT ARE THE CHANGES EPE IS SEEKING TO ITS CURRENT MISCELLANEOUS SERVICE CHARGES?

A. Based on EPE's review of current charges, EPE determined it will propose significant increases (i.e., exceeding 20%) to fourteen (14) of the charges, significant decreases (i.e., exceeding 20 percent) to eight of its miscellaneous service charges, add four new charges, and remove one charge.

Of these charges, four of them are the same charges previously revised as a part of EPE's Compliance Advice Notice 301 pursuant to the Commission's Order Adopting Certification of Stipulation ("Final Order"), issued November 2, 2022, in Case No. 21-00269-UT. Specifically, these four charges were previously reduced, and further reduced here, in evaluation of adjustments that reflects the costs of opt-out and the various miscellaneous fees using the new, system standard metering technologies introduced in the Advanced Meter System ("AMS"). They are the (1) "New Service Start - Field Activity Required (Standard)", (2) the "Non-Pay Reconnect Charge @ Meter (Up to 200 amps or single-phase) (Standard)", the (3) "Non-Pay Reconnect Charge @ Pole (Up to 200 amps or single-phase)", and (4) the "Out of Cycle Meter Reading Charge (Standard)". These Items are on lines 2, 17, 19, and 31 of WP O.2.1 of the Table of Contents tab.

Overall, anticipated rate year revenues reflect a net reduction of approximately $241 thousand in Miscellaneous revenues. Increases in revenue resulting from all individual miscellaneous charge increases, reflect approximately

$38,173, where only six of the fourteen charges experiencing significant increase had any activity in the test year, while total miscellaneous charge decreases amount to $279 thousand, as seen on page 1 of WP O.2.2.

Q95. PLEASE DESCRIBE THE CHANGES TO THE MISCELLANEOUS CHARGES REQUIRING A PROPOSED SIGNIFICANT PERCENTAGE INCREASE.

A. Miscellaneous charges experiencing a significant percentage increase are itemized below.

1. New Service Start - No Field Activity Required charge is proposed to increase $4.75 or (58.33) percent.
2. New Service Start - Field Activity Required (Non-Standard Rate) charge is proposed to increase $22.50 or (40.63) percent.
3. Monthly Fee for Opt-Out Metering Service charge is proposed to increase $10.00 or (48.81) percent.
4. One-Time Fee for Opt-Out Service (Digital Non-Communicating Meter before advanced meter installed) charge is proposed to increase $112.50 or (45.03) percent.
5. One-Time Fee for Opt-Out Service (Digital Non-Communicating Meter after advanced meter installed) charge is proposed to increase $145.50 or (38.31) percent.

6. Energy Diversion Charge is proposed to increase $349.00 or (19.93) percent.
7. Meter Seal Replacement Charge is proposed to increase $14.25 or (29.55) percent.
8. No Access to Equipment Charge - Field Activity Required is proposed to increase $23.25 or (55.00) percent.
9. No Access to Equipment Charge - Enhanced Field Activity Required is proposed to increase $41.00 or (24.24) percent.
10. "No Light" Service Call Charge (Standard Rate) is proposed to increase $36.25 or (20.83) percent.
11. "No Light" Service Call Charge (Non-Standard Rate) is proposed to increase $304.00 or (20.16) percent.
12. Pulse Metering Equipment Repair charge is proposed to increase $92.50 or (20.13) percent.
13. Requested Meter Test Charge (Three Phase) is proposed to increase $179.75 or (20.64) percent; and,
14. Out of Cycle Meter Reading Charge is proposed to increase $23.00 or (64.29) percent.

Q96. PLEASE DESCRIBE THE CHANGES TO THE MISCELLANEOUS CHARGES REQUIRING A PROPOSED SIGNIFICANT PERCENTAGE DECREASE.

A. Due to a combination of improved operational efficiencies and changes related to the implementation of AMS meters, significant reductions are observed for these charges. Each change is itemized below.

1. The New Service Start – Field Activity Required (Standard) charge is proposed to decrease $3.50 or (65.85) percent.
2. The One-Time Fee for Opt-Out Service (Keep Existing Meter) charge is proposed to decrease $26.00 or (36.04) percent.
3. The Non-Pay Reconnect Charge @ Meter (Up to 200 amps or single-phase) (Standard) is proposed to decrease $4.75 or (77.91) percent.
4. The Non-Pay Reconnect Charge @ Meter (Up to 200 amps or single-phase) is proposed to decrease to $22.50 or (35.71) percent.
5. The Non-Pay Reconnect Charge @ Pole (Up to 200 amps or single-phase) is proposed to decrease to $80.50 or (48.73) percent.
6. The Returned Payment Charge is proposed to decrease $10.00 or (52.38) percent.
7. The Special Billing Analysis Charge is proposed to decrease $43.25 or (41.55) percent; and,
8. The Out of Cycle Meter Reading Charge (Standard) is proposed to decrease $3.00 or (65.71) percent.

Details, including the current charges, the proposed charges, the variance between the two, and the relative percentage change can be seen in WP O.2.1, within the TOC-Charges tab.

Q97. IS EPE PROPOSING TO DELETE ANY MISCELLANEOUS SERVICE CHARGES FROM RATE NO. 15?

A. Yes.

Q98. WHAT RATES IS EPE PROPOSING TO DELETE?

A. In consultation with EPE's operations personnel, it was determined that the cost of reconnections at a pole do not differ based on type of meter installed at a premise. As such, the Non-Pay Reconnect Charge @ Pole (up to 200 amps or single-phase) is being removed as is the language related to amperage and AC power phases for the remaining Non-Pay Reconnect Charge @ Pole. That is, a truck roll is required regardless of the meter type because the initial disconnection and subsequent reconnection occurs at the pole, not at the meter. Thus, the Non-Pay Reconnect at Pole Charge for Standard Metering Service should be equal to Non-Standard Meter Service. This deletion is notated and included in the redline tariff of the Miscellaneous Service Charges, Rate No. 15.

Q99. IS EPE PROPOSING TO ADD ANY MISCELLANEOUS SERVICE CHARGES TO RATE NO. 15?

A. Yes. EPE is proposing to add four new miscellaneous service charges.

Two of the new charges, named "Customer Initiated Lighting Reconnect/Disconnect" and "Customer Initiated Lighting Reconnect/Disconnect Additional Time", are further described below. This includes a proposed new charge for $205.75 based on a two-hour work minimum. The second charge is for any request requiring additional work beyond the minimum and will amount to an additional charge of $139.75.

Additionally, EPE is proposing the addition of two other charges, a Facilities Plus Rental Charge, and a Transmission Facilities Charge, discussed in the testimony of EPE witness Carrasco.

Q100. PLEASE DESCRIBE THE TWO NEW DISCONNECT/RECONNECT SERVICE CHARGES.

A. EPE has experienced an increasing demand for the service of intentional disconnection and subsequent reconnection of private area lighting, often for seasonal holiday displays and other such events. Historically, these occurrences were infrequent and addressed as part of the maintenance function of the lighting department. These requests have grown such that very specific requests with particular time frames now necessitate a change to account for the overhead, coordination, and scheduling involved. This service was recently added to the proposed miscellaneous rates in Texas and is similarly being proposed in New

Mexico for the consistency of electric service offered in both service territories.

Q101. DOES THE REVISION OF MISCELLANEOUS SERVICE CHARGES HAVE ANY OTHER IMPACT?

A. Yes. Changes to Rate No. 15 impact Form 42 - Advance Metering System Opt-Out Acknowledgement Form. Form 42 is updated for impacted pricing, and the second revised form is included as a part of this filing.

C. MISCELLANEOUS CHARGE REVENUE

Q102. ARE THE PROPOSED MISCELLANEOUS SERVICE CHARGES COMPARABLE TO THOSE CHARGED BY OTHER INVESTOR-OWNED UTILITIES OPERATING IN NEW MEXICO?

A. Yes. EPE compared its current miscellaneous service charges, with similar charges currently in effect from those of Public Service Company of New Mexico ("PNM") and Southwestern Public Service Company ("SPS"), as well as EPE's Texas service territory. For the similar charges that exist, EPE found that its proposed charges are generally comparable with two exceptions: (1) EPE's charges involving non-standard rates (after business hours, weekends and holidays) are not comparable, and (2) EPE's requested Energy Diversion charge is higher. Without the determinants and calculations from the utilities surveyed, EPE cannot make a true comparison. However, EPE's charges reflect EPE's attempt to capture all costs related to the provision of the particular service, especially where EPE participates in the investigation, correction and prosecution of energy theft and the restoration of authorized service for activities that can adversely impact EPE customers and pose a dangerous situation. Exhibit RFG-5 includes this comparison.

Q103. WHAT IS THE EXPECTED CHANGE IN REVENUE FROM MISCELLANEOUS CHARGES AS A RESULT OF THE UPDATED CALCULATIONS?

A. EPE has calculated a reduction in miscellaneous charge revenue of nearly $241 thousand because of the updated calculations, as shown in workpaper WP O.2.2. Most of the reduction is due to operational efficiencies that EPE has implemented, particularly as it relates to AMS. For example, the combination of operational efficiency and self service access provided to customers provides for a reduction in the New Service Start – Field Activity Required charge, thus revenue is reduced by approximately $106 thousand for only this activity. Another example is the Non-Pay Reconnect Charge @ Meter (Up to 200 amps or single-phase) (Standard), where the use of AMS smart meter technology greatly reduces costs and resource allocation. The change in revenue of this activity accounts for an additional $132 thousand in reduced charges to customers.

VII. RULES, REGULATIONS, AND LINE EXTENSION POLICY

Q104. IS EPE SEEKING A CHANGE TO ANY OF THE EPE'S RULES, REGULATIONS, OR LINE EXTENSION POLICY?

A. Yes, EPE is proposing to replace Rule No. 8 – Line Extension, the line extension policy, and Rule No. 13 - Increase or Decrease of Connected Load. Please refer to EPE witness Gallegos for a full detail discussion on the changes to the line extension policy and Rule No. 13.

Q105. PLEASE ELABORATE ON HOW THE PROPOSED DISTRIBUTION CAPACITY RESERVATION CHARGE DISCUSSED BY EPE WITNESS GALLEGOS WILL BE CALCULATED.

A. In his direct testimony, Mr. Gallegos discusses how EPE is experiencing a significant increase in the number of service requests for loads approaching or exceeding 1 MW and, in a few instances, exceeding 10 MW. Mr. Gallegos then describes four scenarios and the proposed solutions to each of those. One of those scenarios is addressed under the changes to several rate schedules above with the addition of a Reserved Distribution Capacity Service Charge. To address large load requests, one of the other scenarios discussed by Mr. Gallegos, is the implementation of a Distribution Capacity Reservation Charge within EPE's line extension policy to help reduce the risk to the Company and its customers of becoming burdened with costs of infrastructure constructed for loads that may not come online for multiple months or possibly never.

The proposed Distribution Capacity Reservation Charge will be applied to anticipated loads exceeding the installed transformer's capacity, minimum of 750 kVA, and based on the amount of load that a developer requests reservation of capacity for. EPE is proposing using what amounts to twelve months of demand charges under the retail rate applicable to the customer for the requested load to assess this Capacity Reservation Charge. For example, if a developer requests capacity at 2,500 kVA for its facility and the minimum load is 750 kVA in the first twelve months of the facility, then a Distribution Capacity Reservation Charge of $344,820 will be assessed to the developer (see Exhibit RFG-6).

VIII. <u>SUMMARY AND CONCLUSION</u>

Q106. PLEASE SUMMARIZE YOUR TESTIMONY.

A. In my testimony, I described the process by which billing determinants and revenues were adjusted to reflect normal, recurring operating conditions during the base period. This revenue adjustment process resulted in test period, total non-fuel base revenue of $139.9 million for the New Mexico jurisdiction, an increase of $3.3 million from per book base revenue. The difference between this base revenue of $139.9 million and the result of EPE's cost of service analysis, as discussed in the Direct Testimony of EPE witness Hernandez, is the base rate revenue deficiency that is the basis of EPE's requested rate change.

In addition, I discussed EPE's more significant proposals to revise the language of its rate schedules. I presented the lamp lighting cost of service and rate design and the revisions to the related street and private area lighting rate schedules. Finally, I discussed the update to the miscellaneous service charges which result in a decrease in the requested Other Operating Revenue of approximately $241 thousand.

Q107. IN YOUR OPINION, ARE THE BASE REVENUE ADJUSTMENTS AND THE TARIFF LANGUAGE CHANGES DESCRIBED ABOVE FAIR AND REASONABLE?

A. Yes, they are. The proposed adjustments are necessary to restate base period information at a level that reasonably represents sales, customers, demands, and revenues for the rate year. The language changes to EPE's tariffs are proposed to clarify and improve the structure of the rate schedules and better align the language between certain rate schedules applicable in EPE's New Mexico and Texas jurisdictions and to ensure consistency in the criteria applied to the electric service in both service territories. Finally, most generally applicable rate schedules include bill protection clauses to encourage participation in the TOD rate options of those schedules.

Q108. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2025
ADJUSTMENT OF BASE REVENUES SUMMARY

Amended Filing

Line	Rate Description (a)	Rate (b)	Per Book (c)	AMS Surcharge Per Book (d)	Out of Period kWh Adjustments (e)	Other kW Adjustments (f)	Adjusted Per Book (g)	Customer kWh Adjustments (h)	Customer kW Adjustments (i)	Customer Ct. Adjustments (j)
					kWh/kW/Customers					
	Firm Service									
1	Residential Service	01	**840,169,451**		(536,441)	-	839,633,010	2,490,310	-	4,708
2	Small General Service	03	**208,659,640**		(411,399)	-	208,248,241	(676,449)	(12,563)	1,416
3	General Service	04	**298,439,217**		(889,676)	-	297,549,541	4,228,023	13,430	109
4	Irrigation Service	05	**47,023,143**		(190,166)	-	46,832,977	(356,986)	-	(77)
5	City and County Service	07	**56,396,983**		(187,478)	-	56,209,505	(296,410)	(1,676)	(4)
6	Municipal Pumping	08	**40,532,009**		(236,589)	-	40,295,420	(170,849)	-	(12)
7	Large Power Service	09	**155,049,493**		40,210	-	155,089,703	4,004,185	8,884	11
8	M R & D Option A	10	**63,589,385**		-1	-	63,589,384	-	-	-
9	M R & D Option B	10	**54,137,039**		3,176,805	-	57,313,844	-	-	-
10	Municipal Street Lights	11	**2,391,910**		-	-	2,391,910	27,850	-	21
11	Area Lighting	12	**4,623,132**		(257)	-	4,622,875	18,905	-	585
12	Seasonal Agricultural Processing	19	**10,868,326**		(49,452)	-	10,818,874	274,842	-	15
13	Outdoor Recreational Lighting	25	**645,261**		-	-	645,261	(6,890)	-	(5)
14	State University Service	26	**28,171,015**		8,374,376	-	36,545,391	-	-	-
	Total Firm Service		**1,810,696,004**		9,089,932	-	1,819,785,936	9,536,530	8,074	6,767
	Non-Firm Service									
15	Large Power Interruptible Service	29	**7,848,573**		-	-	7,848,573	-	-	-
	Total Firm and Non-Firm Service		**1,818,544,577**		9,089,932	-	1,827,634,509	9,536,530	8,074	6,767

Exhibit RFG-1
Page 1 of 4

Amended Filing

Line	(a) Rate Description	(b) Rate	(c) Per Book	(k) Annualized AMS Surcharge	(l) Annualized	(m) kWh Weather Adjustments	(n) Energy Efficiency kWh Adjustments	(o) Weather Normalized
						kWh/kW/Customers		
	Firm Service							
1	Residential Service	01	**840,169,451**		**842,123,320**	9,321,905	(2,061,857)	**849,383,368**
2	Small General Service	03	**208,659,640**		**207,571,792**	1,077,149	(1,479,052)	**207,169,889**
3	General Service	04	**298,439,217**		**301,777,564**	1,338,705	(519,429)	**302,596,840**
4	Irrigation Service	05	**47,023,143**		**46,475,991**	331,476	-	**46,807,467**
5	City and County Service	07	**56,396,983**		**55,913,095**	126,744	(244,985)	**55,794,854**
6	Municipal Pumping	08	**40,532,009**		**40,124,571**	319,195	-	**40,443,766**
7	Large Power Service	09	**155,049,493**		**159,093,888**	-	(304,884)	**158,789,004**
8	M R & D Option A	10	**63,589,385**		**63,589,384**	610,591	-	**64,199,975**
9	M R & D Option B	10	**54,137,039**		**57,313,844**	551,994	-	**57,865,838**
10	Municipal Street Lights	11	**2,391,910**		**2,419,760**	-	-	**2,419,760**
11	Area Lighting	12	**4,623,132**		**4,641,780**	-	-	**4,641,780**
12	Seasonal Agricultural Processing	19	**10,868,326**		**11,093,716**	-	-	**11,093,716**
13	Outdoor Recreational Lighting	25	**645,261**		**638,371**	-	-	**638,371**
14	State University Service	26	**28,171,015**		**36,545,391**	227,144	(623)	**36,771,912**
	Total Firm Service		**1,810,696,004**		**1,829,322,466**	13,904,903	(4,610,830)	**1,838,616,539**
	Non-Firm Service							
15	Large Power Interruptible Service	29	**7,848,573**		**7,848,573**	-	-	**7,848,573**
	Total Firm and Non-Firm Service		**1,818,544,577**		**1,837,171,039**	13,904,903	(4,610,830)	**1,846,465,112**

Exhibit RFG-1
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EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2025
ADJUSTMENT OF BASE REVENUES SUMMARY

Amended Filing

	Rate Description	Rate	Base (Non-Fuel) Revenues							
			Per Book	AMS Surcharge Per Book	Out of Period kWh Adjustments	Other kW Adjustments	Adjusted Per Book	Customer kWh Adjustments	Customer kW Adjustments	Total Customer Adjustments
	Firm Service									
16	Residential Service	01	**$ 68,709,063**	$ 2,790,226	$ 503	$ -	$ 71,499,793	$ 106,733	$ -	$ 106,733
17	Small General Service	03	**20,224,853**	386,096	318,254	-	20,929,203	$ 125,703	(133,839)	(8,136)
18	General Service	04	**18,903,540**	48,054	629,022	-	19,580,616	100,870	266,171	367,041
19	Irrigation Service	05	**3,308,557**	39,013	(15,111)	-	3,332,459	(13,200)	-	(13,200)
20	City and County Service	07	**4,296,396**	32,455	123,940	-	4,452,791	(4,072)	(21,285)	(25,357)
21	Municipal Pumping	08	**2,069,010**	13,865	(14,832)	-	2,068,042	(8,479)	-	(8,479)
22	Large Power Service	09	**7,447,057**	2,888	-	-	7,449,945	89,735	53,796	143,531
23	M R & D Option A	10	**2,524,725**	-	(0)	-	2,524,725	-	-	-
24	M R & D Option B	10	**1,520,599**	-	-	-	1,520,599	-	-	-
25	Municipal Street Lights	11	**339,365**	1,286	-	-	340,651	6,528	-	6,528
26	Area Lighting	12	**903,518**	-	(56)	-	903,462	12,726	-	12,726
27	Seasonal Agricultural Processing	19	**1,087,624**	3,557	(6,029)	-	1,085,151	28,671	-	28,671
28	Outdoor Recreational Lighting	25	**57,994**	1,631	-	-	59,625	(637)	-	(637)
29	State University Service	26	**1,802,062**	181	-	-	1,802,242	-	-	-
	Total Firm Service		**$ 133,194,361** *	$ 3,319,252	$ 1,035,691	$ -	$ 137,549,304	$ 444,577	$ 164,843	$ 609,421
	Non-Firm Service									
30	Large Power Interruptible Service	29	**132,576**	-	-	-	132,576	-	-	-
31	Total Firm and Non-Firm Service		**$ 133,326,937**	$ 3,319,252	$ 1,035,691	$ -	$ 137,681,880	$ 444,577	$ 164,843	$ 609,421

* Reconciliation to Schedule A-1	
Total Firm Service Revenue	$ 133,194,361
Add Unbilled Base Revenues	106,807
AMI Surcharge Revenue	3,319,252
Subtotal	$ 136,620,420
Schedule A-1, Per Book Firm Base Revenue	136,620,420
Difference	$ (0)

Amounts may not add or tie to other exhibits and or workpapers due to rounding.

Exhibit RFG-1
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Amended Filing

	Rate Description	Rate	Per Book	Annualized AMS Surcharge	Annualized	kWh Weather Adjustments	Energy Efficiency kWh Adjustments	Weather Normalized
			Base (Non-Fuel) Revenues					
	Firm Service							
16	Residential Service	01	**$ 68,709,063**	$ 656,028	**$ 72,262,554**	$ 986,666	$ (127,332)	**$ 73,121,887**
17	Small General Service	03	**20,224,853**	95,487	**21,016,553**	107,574	(70,979)	**21,053,149**
18	General Service	04	**18,903,540**	11,872	**19,959,528**	57,165	(6,079)	**20,010,614**
19	Irrigation Service	05	**3,308,557**	8,674	**3,327,933**	27,941	-	**3,355,874**
20	City and County Service	07	**4,296,396**	7,217	**4,434,652**	9,341	(5,714)	**4,438,278**
21	Municipal Pumping	08	**2,069,010**	3,135	**2,062,698**	19,055	-	**2,081,753**
22	Large Power Service	09	**7,447,057**	732	**7,594,208**	-	(2,994)	**7,591,214**
23	M R & D Option A	10	**2,524,725**		**2,524,725**	12,916	-	**2,537,641**
24	M R & D Option B	10	**1,520,599**		**1,520,599**	8,550	-	**1,529,148**
25	Municipal Street Lights	11	**339,365**	331	**347,510**	-	-	**347,510**
26	Area Lighting	12	**903,518**		**916,187**	-	-	**916,187**
27	Seasonal Agricultural Processing	19	**1,087,624**	929	**1,114,752**	-	-	**1,114,752**
28	Outdoor Recreational Lighting	25	**57,994**	359	**59,347**	-	-	**59,347**
29	State University Service	26	**1,802,062**	43	**1,802,285**	2,168	(6)	**1,804,448**
	Total Firm Service		**$ 133,194,361**	$ 784,807	**$ 138,943,531**	$ 1,231,376	$ (213,104)	**$ 139,961,803**
	Non-Firm Service							
30	Large Power Interruptible Service	29	**132,576**	-	**132,576**	-	-	**132,576**
31	Total Firm and Non-Firm Service		**$ 133,326,937**	$ 784,807	**$ 139,076,108**	$ 1,231,376	$ (213,104)	**$ 140,094,380**

* Reconciliation to Schedule A-1	
Total Firm Service Revenue	$ 133,194,361
Add Unbilled Base Revenues	106,807
AMI Surcharge Revenue	3,319,252
Subtotal	$ 136,620,420
Schedule A-1, Per Book Firm Base Revenue	136,620,420
Difference	$ (0)

Amounts may not add or tie to other exhibits and or workpapers due t

Exhibit RFG-1
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Table 8. 2024 Projected Impacts*

Year	Annual Participants[8]	Annual kW	Annual kWh	Annual Rebate Costs ($)	Annual Admin Costs ($)	Total Annual Costs ($)
2024	172,631	15,005	22,075,287	$4,051,440	$2,458,620	$6,510,060
2025		5,219	20,704,633			
2026		5,218	20,697,232			
2027		5,218	20,697,232			
2028		5,109	20,394,077			
2029		5,094	20,272,120			
2030		5,094	20,272,120			
2031		5,088	20,221,111			
2032		5,088	20,221,111			
2033		5,088	20,220,667			
2034		4,967	18,698,644			
2035		4,911	18,609,679			
2036		4,013	12,710,305			
2037		4,006	12,651,754			
2038		4,006	12,651,617			
2039		1,823	9,003,337			
2040		1,542	6,791,227			
2041		1,542	6,791,227			
2042		1,353	6,034,974			
2043		1,353	6,034,974			
2044		516	1,195,923			
2045		224	455,424			
2046		224	455,424			
2047		70	110,084			
2048		70	110,084			
2049		34	24,610			
2050		34	24,610			
2051		34	24,610			
2052		34	24,610			
2053		34	24,610			
Lifetime kWh			**318,203,317**			

*Due to rounding, totals may not match the sum of individual parts as summarized in this table.

Progress towards Goal

The amended EUEA requires investor-owned electric utilities to achieve no less than five percent reduction of total 2020 retail kilowatt-hour sales over the period of 2021 to 2025. The 2025 target may be reduced by the Commission if a utility cannot achieve the target within the three percent to five percent funding level prescribed by the EUEA. EPE's total retail sales to applicable customer classes was

[8] For some programs, the number of program participants may represent the projected number of homes or businesses participating in a program. For others, the number of participants may represent the number of installed measures or number of completed projects (which consists of various measure mixes and quantities). Please see the program descriptions for details

overall portfolio is presented in the last row of each table. Projected savings per measure are detailed in the individual program sections of this EE/LM Plan.

Table 6. 2025 Projected Impacts[4]

Year	Annual Participants[5]	Annual kW	Annual kWh	Annual Rebate Costs ($)	Annual Admin Costs ($)	Total Annual Costs ($)
2025	153,135	15,806	17,214,020	$4,055,352	$2,739,360	$6.794,712
2026	-	3,866	16,073,429	-	-	-
2027	-	3,862	15,995,466	-	-	-
2028	-	3,624	15,711,251	-	-	-
2029	-	3,624	15,709,657	-	-	-
2030	-	3,624	15,700,990	-	-	-
2031	-	3,624	15,700,990	-	-	-
2032	-	3,597	15,508,241	-	-	-
2033	-	3,597	15,496,426	-	-	-
2034	-	3,584	15,414,236	-	-	-
2035	-	2,967	10,417,029	-	-	-
2036	-	2,909	9,952,166	-	-	-
2037	-	2,840	9,417,995	-	-	-
2038	-	2,819	9,204,527	-	-	-
2039	-	2,487	7,192,934	-	-	-
2040	-	823	3,687,804	-	-	-
2041	-	716	2,452,995	-	-	-
2042	-	716	2,452,995	-	-	-
2043	-	532	2,166,969	-	-	-
2044	-	531	2,165,106	-	-	-
2045	-	352	2,059,712	-	-	-
2046	-	352	2,059,712	-	-	-
2047	-	352	2,059,712	-	-	-
2048	-	295	1,804,571	-	-	-
2049	-	295	1,804,571	-	-	-
2050	-	238	1,376,259	-	-	-
2051	-	238	1,376,259	-	-	-
2052	-	238	1,376,259	-	-	-
2053	-	238	1,376,259	-	-	-
2054	-	238	1,376,259	-	-	-
2055	-	33	194,856	-	-	-
2056	-	-	-	-	-	-
2057	-	-	-	-	-	-
		Lifetime kWh	**234,499,651**			

[4] Due to rounding, totals may not match the sum of individual parts as summarized in this table.

[5] For some programs, the number of program participants may represent the projected number of homes or businesses participating in a program. For others, the number of participants may represent the number of installed measures or number of completed projects, which consists of various measure mixes and quantities. Please see the program descriptions for details

	[1] 2024/2025 NM Energy Efficiency Programs	JUNE 2024	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUNE 2025	JULY 2025	AUG 2025	SEP 2025	Total 2024/2025
	Commercial Comprehensive Program	-	59,871	361,761	7,314	-	-	150,596	148,348	3,032	170,238	1,013,932	140,432	-	2,055,524
	Commercial Load Management Program	-	-	-	9,115	-	-	-	-	-	-	-	-	-	9,115
Residential	Energy Star New Homes Program	30,014	65,884	26,096	17,515	-	-	79,884	71,071	34,174	43,975	39,175	109,935	-	487,709
Residential	Energy$mart Program	13,917	4,023	2,253	3,991	-	-	-	-	-	-	-	-	-	10,267
Residential	EnergySaver Program	57,804	78,464	-	-	-	-	-	31,097	359,430	-	-	406,969	-	875,960
Residential	Residential Comprehensive Program	211,597	154,170	66,559	-	-	44,450	30,279	73,350	113,207	45,299	169,171	21,094	53,431	771,009
Residential	Residential Products Program 2	82,362	263,947	152,371	229,496	-	-	-	-	-	-	251,401	-	383,729	1,280,943
Residential	Residential Load Management Program	-	2,551	90,775	7,654	-	638	-	8,293	9,516	6,157	4,478	6,717	1,120	137,900
Residential	Residential Marketplace Program	21,081	8,991	3,938	17,776	-	6,462	-	12,799	11,001	13,816	6,996	29,802	-	111,582
	SCORE Plus Program	168,136	123,288	76,858	1,434,935	-	7,933	100,929	969	-	48,515	365,647	665,351	-	2,824,424
Residential	Smart Students Program	-	136,114	9,100	25,104	-	-	-	-	-	-	-	-	-	170,318
	Total:	**584,911**	**897,304**	**789,711**	**1,752,899**	**-**	**59,483**	**361,688**	**345,927**	**530,360**	**328,000**	**1,850,800**	**1,380,300**	**438,280**	**8,734,751**
	Commercial Comprehensive Program	(4,221)	51,873	82,020	82,630	-	-	12,550	24,912	25,165	39,352	123,846	135,549	135,549	713,446
	Commercial Load Management Program	(312)	(312)	(312)	448	-	-	-	-	-	-	-	-	-	(176)
	Energy Star New Homes Program	10,390	23,796	25,971	27,431	-	-	6,657	12,580	15,428	19,093	22,358	31,519	31,519	216,352
	Energy$mart Program	3,024	6,476	6,664	6,997	-	-	-	-	-	-	-	-	-	20,137
	EnergySaver Program	27,429	48,898	48,898	48,898	-	-	-	2,591	32,543	32,543	32,543	66,457	66,457	379,828
	Residential Comprehensive Program	1,691	52,317	57,864	57,864	-	3,704	6,227	12,339	21,773	25,548	39,646	41,404	45,857	364,543
	Residential Products Program 2	(13,949)	37,547	50,245	69,370	-	-	-	-	-	-	20,950	20,950	52,927	251,989
	Residential Load Management Program	(4,216)	(1,877)	5,688	6,326	-	53	53	744	1,537	2,050	2,423	2,983	3,076	23,056
	Residential Marketplace Program	7,349	11,002	11,330	12,811	-	539	539	1,606	2,523	3,674	4,257	6,741	6,741	61,763
	SCORE Plus Program	49,112	334,536	340,941	460,519	-	661	9,072	9,153	9,153	13,196	43,667	99,113	99,113	1,419,124
	Smart Students Program	2,923	14,288	15,046	17,138	-	-	-	-	-	-	-	-	-	46,472
	Total	**79,220**	**578,544**	**644,355**	**790,432**	**-**	**4,957**	**35,098**	**63,925**	**108,122**	**135,456**	**289,690**	**404,716**	**441,239**	**3,496,534**
	Commercial Comprehensive Program	86,850	30,756	609	(1)	135,548	135,548	122,998	110,636	110,383	96,196	11,702	(1)	(1)	754,373
	Commercial Load Management Program	759	759	759	(1)	-	-	-	-	-	-	-	-	-	1,517
	Energy Star New Homes Program	17,041	3,635	1,460	-	31,518	31,518	24,861	18,938	16,090	12,425	9,160	(1)	(1)	149,603
	Energy$mart Program	3,973	521	333	0	-	-	-	-	-	-	-	-	-	854
	EnergySaver Program	21,468	(1)	(1)	(1)	66,458	66,458	66,458	63,867	33,915	33,915	33,915	1	1	364,985
	Residential Comprehensive Program	56,174	5,548	1	1	45,857	42,153	39,630	33,518	24,084	20,309	6,211	4,453	-	221,765
	Residential Products Program 2	83,317	31,821	19,123	(2)	52,927	52,927	52,927	52,927	52,927	52,927	31,977	31,977	-	432,458
	Residential Load Management Program	10,541	8,202	637	(1)	3,077	3,024	3,024	2,333	1,540	1,027	654	94	1	23,612
	Residential Marketplace Program	5,463	1,810	1,482	1	6,740	6,201	6,201	5,134	4,217	3,066	2,483	(1)	(1)	37,331
	SCORE Plus Program	411,407	125,982	119,577	(1)	99,112	98,451	90,040	89,959	89,959	85,916	55,445	(1)	(1)	854,438
	Smart Students Program	14,215	2,850	2,092	-	-	-	-	-	-	-	-	-	-	4,942
	Total	**711,208**	**211,883**	**146,072**	**(5)**	**441,237**	**436,280**	**406,139**	**377,312**	**333,115**	**305,781**	**151,547**	**36,521**	**(2)**	**2,845,878**
	Total	**790,428**	**790,427**	**790,427**	**790,427**	**441,237**	**441,237**	**441,237**	**441,237**	**441,237**	**441,237**	**441,237**	**441,237**	**441,237**	**6,342,412**

[1] Negative numerical data in the May column is related to annual recorded adjustments received by EPE's independent program evaluator

[2] Previously referred to as the Residential Ligting Program

EL PASO ELECTRIC COMPANY
2026 NEW MEXICO RATE CASE FILING
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2025
ENERGY EFFICIENCY SAVING BY PROGRAM AND MONTH

Amended Filing

2024/2025 NM Energy Efficiency Programs				Program Participation Energy Savings Reported Per Month													
Programs	2024 Reported and Verified Annual Energy Savings (kWh)	2025 Reported, but Unverified Annual Energy Savings (kWh)	MAY 2024	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUNE 2025	JULY 2025	AUG 2025	SEP 2025		Total
Commercial Comprehensive Program	991,548	1,626,576	(4,221)	51,873	82,020	82,630	-	-	12,550	24,912	25,165	39,352	123,846	135,549	135,549		713,446
Commercial Load Management Program	5,364	-	(312)	(312)	(312)	448	-	-	-	-	-	-	-	-	-		(176)
Energy Star New Homes Program	329,172	378,216	7,889	23,796	25,971	27,431	-	-	6,657	12,580	15,428	19,093	22,358	31,519	31,519		216,352
Energy$mart Program	83,964	-	1,864	6,476	6,664	6,997	-	-	-	-	-	-	-	-	-		20,137
EnergySaver Program	586,764	797,496	22,612	48,898	48,898	48,898	-	-	-	2,591	32,543	32,543	32,543	66,457	66,457		379,828
Residential Comprehensive Program	694,380	550,284	(15,942)	52,317	57,864	57,864	-	3,704	6,227	12,339	21,773	25,548	39,646	41,404	45,857		364,543
Residential Products Program 2	832,416	635,124	(20,812)	37,547	50,245	69,370	-	-	-	-	-	-	20,950	20,950	52,927		251,989
Residential Load Management Program	75,900	36,924	(4,216)	(1,877)	5,688	6,326	-	53	53	744	1,537	2,050	2,423	2,983	3,076		23,056
Residential Marketplace Program	153,744	80,878	5,592	11,002	11,330	12,811	-	539	539	1,606	2,523	3,674	4,257	6,741	6,741		61,763
SCORE Plus Program	5,526,223	1,189,344	35,101	334,536	340,941	460,519	-	661	9,072	9,153	9,153	13,196	43,667	99,113	99,113		1,419,124
Smart Students Program	205,656	-	2,923	14,288	15,046	17,138	-	-	-	-	-	-	-	-	-		46,472
Total	9,485,131	5,294,841	30,478	578,544	644,355	790,432	-	4,957	35,098	63,925	108,122	135,456	289,690	404,716	441,239		3,496,534
Annualization Adjustment			759,950	800,198	734,387	588,310	441,237	436,280	406,139	377,312	333,115	305,781	151,547	36,521	(2)		4,610,825
Full Participation Energy Savings Per Month			790,428	1,378,742	1,378,742	1,378,742	441,237	441,237	441,237	441,237	441,237	441,237	441,237	441,237	441,237		8,107,359

[2]Previously referred to as the Residential Ligting Program

EXHIBIT RFG-3
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2024/2025 Energy Efficiency Program Annualization Adjustment Per Month

	Programs	2025 kWh Savings @ Full Participation through Sept 2025	APR 2024	OCT 2024 1	NOV 2024 2	DEC 2024 3	JAN 2025 4	FEB 2025 5	MAR 2025 6	APR 2025 7	MAY 2025 8	JUNE 2025 9	JULY 2025 10	AUG 2025 11	SEP 2025 12	Total 2024/2025
	Commercial Comprehensive Program	180,731	75,338	211,487	181,340	180,730	135,548	135,548	122,998	110,636	110,383	96,196	11,702	(1)	(1)	1,296,566
	Commercial Load Management Program	-	447	759	759	(1)	-	-	-	-	-	-	-	-	-	1,517
Residential	Energy Star New Homes Program	42,024	11,725	45,659	43,484	42,024	31,518	31,518	24,861	18,938	16,090	12,425	9,160	(1)	(1)	275,675
Residential	Energy$mart Program	-	5,530	521	333	0	-	-	-	-	-	-	-	-	-	854
Residential	EnergySaver Program	88,611	40,158	88,610	88,610	88,610	66,458	66,458	66,458	63,867	33,915	33,915	33,915	1	1	630,818
Residential	Residential Comprehensive Program	61,142	42,866	66,690	61,143	61,143	45,857	42,153	39,630	33,518	24,084	20,309	6,211	4,453	-	405,191
Residential	Residential Products Program [2]	70,570	67,050	102,391	89,693	70,568	52,927	52,927	52,927	52,927	52,927	52,927	31,977	31,977	-	644,168
Residential	Residential Load Management Program	4,102	5,634	12,304	4,739	4,101	3,077	3,024	3,024	2,333	1,540	1,027	654	94	1	35,918
Residential	Residential Marketplace Program	8,986	2,258	10,796	10,468	8,987	6,740	6,201	6,201	5,134	4,217	3,066	2,483	(1)	(1)	64,291
	SCORE Plus Program	132,149	336,537	258,131	251,726	132,148	99,112	98,451	90,040	89,959	89,959	85,916	55,445	(1)	(1)	1,250,885
Res	Smart Students Program	-	14,394	2,850	2,092	-	-	-	-	-	-	-	-	-	-	4,942
	Total	588,315	601,937	800,198	734,387	588,310	441,237	436,280	406,139	377,312	333,115	305,781	151,547	36,521	(2)	4,610,825

Residential Programs Expected kWh Savings Allocation per Month

Adjustment To:	Rate	APR 2024	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUNE 2025	JULY 2025	AUG 2025	SEP 2025	Total
Residential	1	173,655	329,821	300,562	275,433	206,577	202,281	193,101	176,717	132,773	123,669	84,400	36,523	-	2,061,857
Total:		173,655	329,821	300,562	275,433	206,577	202,281	193,101	176,717	132,773	123,669	84,400	36,523	-	2,061,857

SCORE PLUS Program Expected kWh Savings Allocation per Month

Adjustment To (Secondary Voltage):	Rate	APR 2024	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUNE 2025	JULY 2025	AUG 2025	SEP 2025	Total
Small Gen Svc - Std	3		25,385	24,755	12,995	9,747	9,682	8,855	8,847	8,847	8,449	5,452	-	-	123,014
Small Gen Svc - Alt	3		28,558	27,849	14,620	10,965	10,892	9,961	9,952	9,952	9,505	6,134	-	-	138,388
General Service	4		90,904	88,648	46,537	34,903	34,671	31,709	31,680	31,680	30,256	19,526	-	-	440,514
City/County	7	8,551	50,242	48,995	25,721	19,291	19,162	17,525	17,509	17,509	16,722	10,792	-	-	243,468
Large Power	9	10,708	62,915	61,354	32,209	24,157	23,996	21,946	21,926	21,926	20,941	13,514	-	-	304,884
State University	26	22	128	125	66	49	49	45	45	45	43	28	-	-	623
Total:		19,281	258,132	251,726	132,148	99,112	98,452	90,041	89,959	89,959	85,916	55,446	-	-	1,250,891

Commercial Comprehensive Expected kWh Savings Allocation per Month

Adjustment To (Secondary Voltage):	Rate	APR 2024	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUNE 2025	JULY 2025	AUG 2025	SEP 2025	Total
Small Gen Svc - Std	3	3,709,191	93,466	80,143	79,873	59,905	59,905	54,359	48,895	48,783	42,513	5,172	(0)	(0)	573,013
Small Gen Svc - Alt	3	4,172,816	105,149	90,160	89,857	67,393	67,393	61,153	55,007	54,881	47,827	5,818	(0)	(0)	644,636
Gen Service	4	510,840	12,872	11,037	11,000	8,250	8,250	7,486	6,734	6,719	5,855	712	(0)	(0)	78,917
Total:		8,392,847	211,487	181,340	180,730	135,548	135,548	122,998	110,636	110,383	96,196	11,702	(1)	(1)	1,296,566

Commercial Load Management Expected kWh Savings Allocation per Month

Adjustment To (Secondary Voltage):	Rate	APR 2024	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUNE 2025	JULY 2025	AUG 2025	SEP 2025	Total
City/County	7	4,418	759	759	(1)	-	-	-	-	-	-	-	-	-	1,517
Total:		4,418	759	759	(1)	-	-	-	-	-	-	-	-	-	1,517
Total		**8,590,201**	**800,199**	**734,387**	**588,310**	**441,237**	**436,281**	**406,140**	**377,312**	**333,115**	**305,781**	**151,548**	**36,522**	**(1)**	**4,610,831**

Totals Expected kWh Savings Allocation

Adjustment To (Secondary Voltage):	Rate	APR 2024	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUNE 2025	JULY 2025	AUG 2025	SEP 2025	Total
Residential	1	173,655	329,821	300,562	275,433	206,577	202,281	193,101	176,717	132,773	123,669	84,400	36,523	-	2,061,857
Small Gen Svc - Std	3	7,882,007	118,851	104,898	92,868	69,652	69,587	63,214	57,742	57,630	50,962	10,624	(0)	(0)	696,027
Small Gen Svc - Alt	3	7,882,007	133,707	118,009	104,477	78,358	78,285	71,114	64,959	64,833	57,332	11,952	(0)	(0)	783,024
General Service	4	510,840	103,776	99,685	57,537	43,153	42,921	39,195	38,414	38,399	36,111	20,238	(0)	(0)	519,431
City/County	7	12,969	51,001	49,754	25,720	19,291	19,162	17,525	17,509	17,509	16,722	10,792	-	-	244,985
Large Power	9	10,708	62,915	61,354	32,209	24,157	23,996	21,946	21,926	21,926	20,941	13,514	-	-	304,884
State University	26	10,708	128	125	66	49	49	45	45	45	43	28	-	-	623
		16,482,894	**800,199**	**734,387**	**588,310**	**441,237**	**436,281**	**406,140**	**377,312**	**333,115**	**305,781**	**151,548**	**36,522**	**(1)**	**4,610,831**
		(7,892,693)	-	-	-	-	-	-	-	-	-	-	-	-	-

Annualization of kWh of Small General Service Rate Class Options

Annualized kWh	Rate	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUNE 2025	JULY 2025	AUG 2025	SEP 2025	Total
Small Gen Svc - Std	3	8,246,858	6,853,466	5,719,369	6,464,044	6,713,950	5,988,025	7,102,540	7,889,567	9,968,505	11,171,970	11,383,626	10,593,784	98,095,704
Small Gen Svc - Alt	3	8,971,196	8,098,848	7,210,433	8,597,010	8,731,947	7,005,239	7,457,169	8,080,464	10,134,617	12,123,320	12,454,406	11,492,446	110,357,095
		17,218,054	14,952,314	12,929,802	15,061,054	15,445,897	12,993,264	14,559,709	15,970,031	20,103,122	23,295,290	23,838,032	22,086,230	208,452,799

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[2] Previously referred to as the Residential Ligting Program

Amended Filing

Program	N-01	N-03	N-04	N-07	N-09	N-26	TOTAL
Commercial Comprehensive Program	$ -	$ 126,200.18	$ 8,179.18	$ -	$ -	$ -	$ 134,379.36
Commercial Load Management Program	$ -	$ -	$ -	$ 20,309.70	$ -	$ -	20,309.70
Energy Star New Homes Program	$ 133,715.25	$ -	$ -	$ -	$ -	$ -	133,715.25
Energy$mart Program	$ 27,955.69	$ -	$ -	$ -	$ -	$ -	27,955.69
EnergySaver Program	$ 324,261.56	$ -	$ -	$ -	$ -	$ -	324,261.56
Residential Comprehensive Program	$ 282,466.30	$ -	$ -	$ -	$ -	$ -	282,466.30
Residential Products Program 2	$ 204,860.83	$ -	$ -	$ -	$ -	$ -	204,860.83
Residential Load Management Program	$ 123,725.00	$ -	$ -	$ -	$ -	$ -	123,725.00
Residential Marketplace Program	$ 20,012.84	$ -	$ -	$ -	$ -	$ -	20,012.84
SCORE Plus Program	$ -	$ 165,564.74	$ 279,011.09	$ 154,205.95	$ 193,105.43	$ 393.54	792,280.75
Smart Students Program	$ 91,775.66	$ -	$ -	$ -	$ -	$ -	91,775.66
	$ 1,208,773.13	$ 291,764.92	$ 287,190.27	$ 174,515.65	$ 193,105.43	$ 393.54	$ 2,155,742.94

Percentage by Rate Class:							
Commercial Comprehensive Program	-	0.94	0.06	-	-	-	1.00
Commercial Load Management Program	-	-	-	1.00	-	-	1.00
SCORE Plus Program	-	0.21	0.35	0.19	0.24	0.00	1.00

[2]Previously referred to as the Residential Ligting Program

Line	New Mexico Voltage Loss Multipliers	(a) Line Loss By Voltage Level	(b) NM Average Line Loss *	(c) Voltage Factor
1	Secondary:	0.07403	0.068682	100.5004
2	Primary:	0.04670	0.068682	97.9431
3	Transmission, 69 kV:	0.02850	0.068682	96.2400
4	Transmission, 115 kV:	0.02565	0.068682	95.9734

		Adjusted Total New Mexico Energy
	At Source	1,973,284,188
	At Meter	1,846,465,110
*	Average Line Loss	0.068682

Source: O 1.4

EL PASO ELECTRIC COMPANY
2025 NEW MEXICO RATE CASE FILING
SCHEDULE M-03: ANALYSIS OF SYSTEM LOSSES STUDY
SPONSOR: ENEDINA SOTO
PREPARER: ERIC GALVAN
FOR THE TEST YEAR PERIOD ENDED SEPTEMBER 30, 2024 SCHEDULE M-03

El Paso Electric Company
2021 Analysis of System Losses

The loss factor calculation is simply the input required (line 45) divided by the metered sales (line 2).

Table 2 below expands the Table 1 to include a separation of the transmission voltage range to identify a range of 115 kV to 500 kV and a separate 69 kV level for possible use in the Company's studies.

TABLE 2
Loss Factors at Sales (Metered) Level

Voltage Level of Service	w/ GSU* (a)	w/o GSU* (b)	Delivery (c)
Demand (kW)			
Transmission[4] (115 kV)	1.02557	1.02377	N/A
Primary Substation (115 kV)**	1.03147	1.02966	1.00575
Transmission (69 kV)	1.02941	1.02752	N/A
Primary Substation (69 kV)**	1.03533	1.03343	1.00575
Primary	1.06117	1.05931	1.02496
Secondary	1.08208	1.08018	1.01971
Energy (kWh)			
Transmission[4] (115 kV)	1.02565	1.02344	N/A
Primary Substation (115 kV)	1.03248	1.03047	1.00666
Transmission (69 kV)	1.02850	1.02619	N/A
Primary Substation (69 kV)	1.03535	1.03302	1.00666
Primary	1.04670	1.04444	1.01096
Secondary	1.07403	1.07172	1.02611
Losses – Net System Input[5]		6.14% MWh 7.04% MW	
Losses – Net System Output[6]		6.54% MWh 7.58% MW	

**Generation Step Up Transformers*
***Primary Substation Multiplier from Exhibit 8*
MW 1.00575 MWH 1.00666

An overview of the loss study is shown on Figure 1 on the next page. Figure 2 simply illustrates the major components that must be considered in a loss analysis.

[4] Reflects results from Appendix A for 500 kV, 345 kV, and 115 kV.
[5] Net system input equals firm sales plus losses, Company use less non-requirement sales and related losses. See Appendix B, Exhibit 1, for their calculations.
[6] Net system output uses losses divided by output or sales data as a reference.

4

EL PASO ELECTRIC
2026 NEW MEXICO RATE CASE
PROPOSED CHANGES IN MISCELLANEOUS CHARGES
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2025
SPONSOR: RENE F. GONZALEZ
PREPARER: ALEXIS MESTA

Amended Filing

					---- Regulated Utilities ----		
Line	Billing Code	Description	EPE Current Charges (1)	EPE Proposed Charges (2)	PNM Current Charges (3)	SPS Current Charges (4)	TNMP Current Charges (5)
1	NMSSRC	New Service Start - No Field Activity Required	$ 3.00	$ 4.75	-----	-----	-----
2	NMRCCMD	New Service Start - Field Activity Required (Standard)	$ 10.25	$ 3.50	$ 12.00	-----	$ 1.50
3	NMANCC	New Service Start - Field Activity Required (Non-Standard Rate)	$ 16.00	$ 22.50	$ 23.00	-----	$ 36.00
4	NMNSC	New Service Start - No Existing Meter (Standard Rate)	$ 49.00	$ 56.75	-----	-----	-----
5	NMNSCOT	New Service Start - No Existing Meter (Non-Standard Rate)	$ 262.00	$ 312.25	-----	-----	-----
6	NOOMS	Monthly Fee for Opt-Out Metering Service	$ 6.72	$ 10.00	-----	-----	$ 48.00
7	NMOOINSP	One-Time Fee for Opt-Out Service (Keep Existing Meter)	$ 40.65	$ 26.00	-----	-----	$ 72.00
8	NMOOINNC	One-Time Fee for Opt-Out Service (Digital Non-Communicating Meter before advanced meter installed)	$ 77.57	$ 112.50	-----	-----	$ 156.00
9	NMOOINAM	One-Time Fee for Opt-Out Service (Digital Non-Communicating Meter after advanced meter installed)	$ 105.20	$ 145.50	-----	-----	$ 221.00
10	NMED	Energy Diversion Charge	$ 291.00	$ 349.00	$ 125.00 (a)	$ 200.00 (b)	At cost (d)
11	NEDD	Energy Diversion With Damage Charge	$ 484.00	$ 521.00	$ 125.00 (a)	$ 200.00 (b)	At cost (d)
12	NMMSRC	Meter Seal Replacement Charge	$ 11.00	$ 14.25	-----	-----	$ 30.00
13	NMNAMF	No Access to Equipment Charge - Field Activity Required	$ 15.00	$ 23.25	-----	-----	$ 68.00
14	NMNAME	No Access to Equipment Charge - Enhanced Field Activity Required	$ 33.00	$ 41.00	-----	-----	$ 68.00
15	NMNLSCC	"No Light" Service Call Charge (Standard Rate)	$ 30.00	$ 36.25	-----	-----	-----
16	NMNLSCOT	"No Light" Service Call Charge (Non-Standard Rate)	$ 253.00	$ 304.00	-----	-----	-----
17	NMNPRCM	Non-Pay Reconnect Charge @ Meter (Up to 200 amps or single-phase) (Standard)	$ 21.50	$ 4.75	-----	-----	$ 1.50
18	NMNPRC	Non-Pay Reconnect Charge @ Meter (Up to 200 amps or single-phase)	$ 35.00	$ 22.50	$ 23.00	$ 50.00	$ 101.00
19	NMNPRPC	Non-Pay Reconnect Charge @ Pole	$ 157.00	$ 80.50	$ 30.00	-----	-----
20	NMPULSIN	Pulse Metering Equipment Installation	$ 277.00	$ 280.25	-----	At cost	$ 340.00
21	NMPULSRP	Pulse Metering Equipment Repair	$ 77.00	$ 92.50	-----	At cost	-----
22	NMRC	Returned Payment Charge	$ 21.00	$ 10.00	$ 33.00	$ 16.00	$ 25.00
23	NMRMTCSP	Requested Meter Test Charge (Single Phase)	$ 69.00	$ 81.75	$ 31.00	At cost	$ 181.00
24	NMRMTTP	Requested Meter Test Charge (Three Phase)	$ 149.00	$ 179.75	$ 31.00	At cost	$ 181.00
25	NMTOHCC	Temporary Overhead Connection Charge	$ 180.00	$ 207.00	$ 270.00	At cost	-----
26	NMTUGCC	Temporary Underground Connection Charge	$ 180.00	$ 207.00	$ 64.00	At cost	-----
27	NMUCRNS	Unable to Connect Requested New Underground/Overhead Svc	$ 77.00	$ 86.75	-----	-----	-----
28	NMFRC	Facilities Rental Charge (Monthly) *NEW*	0.7818%	1.3548%	-----	2.0000% (c)	-----
29	NMSBAC	Special Billing Analysis Charge	$ 74.00	$ 43.25	-----	$ 10.00	-----
30	NMNRMC	Non-Routine Miscellaneous Service Charge (AT COST)	At Cost	At Cost	-----	At cost	-----
31	NMOCMAMS	Out of Cycle Meter Reading Charge (Standard)	$ 8.75	$ 3.00	-----	$40.00	-----
32	NMOCMRC	Out of Cycle Meter Reading Charge	$ 14.00	$ 23.00	-----	$ 40.00	-----
33	NMLRD	Customer Initiated Lighting Reconnect/Disconnect *NEW*	$ -	$ 205.75	-----	-----	-----
34	NMLRD2	Customer Initiated Lighting Reconnect/Disconnect Additional Time *NEW*	$ -	$ 139.75	-----	-----	-----

Notes:

(1) From the EPE Miscellaneous Service Charges Tariff (15th Revised No. 15, Advice Notice 310, effective 07/12/2025).
(2) From the proposed EPE Miscellaneous Service Charges Tariff (16th Revised Rate No. 15) and associated workpapers.
(3) From PNM Special Charges Tariff No. 16, Advice Notice 641, effective 07/1/2025 per Case No. 24-00089-UT.
(4) From SPS (Xcel Energy) Miscellaneous Charges Tariff No. 26, Advice Notice 274, effective 09/27/2018 per Case No. 17-00255-UT).
(5) From Texas-New Mexico Power Company (TNMP) Discretionary Service Charges, effective 01/01/2019.
(a) Represents the business hours charge. There is an additional charge for the cost of damages.
(b) Represents the business hours charge. The non-business hours charge is $225.00. Cost of damages additional.
(c) Percentage per month applied to net reproduction cost of facilities
(d) Charges may include delivery charges, costs for meter testing, repair or replacement of the meter and associated equipment.

Example of Distribution Capacity Reservation Charge

Requested Capacity		2,500	kVA
Minimum Load		750	kVA
Excess Capacity		1,750	kVA
Rate Schedule No. 25 Applicable Demand Charge			
Summer Demand Charge	$	20.26	per kW, per month (Jun - Sep)
Non-Summer Demand Charge	$	14.50	per kW, per month (Oct - May)
Distribution Capacity Reservation Charge	**$**	**344,820.00**	

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 RENE F. GONZALEZ IN SUPPORT OF THE FOREGOING AMENDED FILING DIRECT TESTIMONY

I, ***Rene F. Gonzalez***, 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 *Supervisor – Rates and Regulatory*.

3. I have reviewed the foregoing Amended Filing Direct Testimony of Rene F. Gonzalez, 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 Rene F. Gonzalez, 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/Rene F. Gonzalez
RENE F. GONZALEZ