

APPENDIX D

NOTICE OF APPLICATION OF EL PASO ELECTRIC COMPANY TO RECONCILE FUEL COSTS

The petition of El Paso Electric Company (EPE) for authority to reconcile its eligible fuel expenses and revenues for the period of April 1, 2024, through March 31, 2026 (the Reconciliation Period) was filed at the Public Utility Commission of Texas (Commission) on October 2, 2026. The petition has been assigned Docket No. 60363. This petition, if granted, will affect all of EPE's Texas retail customers who pay fixed fuel factors. This petition has no effect on EPE's non-fuel base rates.

During the Reconciliation Period, EPE incurred a total of \$85.3 million in eligible fuel, fuel-related, and purchased power expenses to generate and purchase electric energy for its Texas retail customers. After including the ending balance from EPE's last fuel reconciliation, making necessary adjustments, and accounting for interest, EPE had a cumulative over-recovery balance of \$43.6 million at the conclusion of the Reconciliation Period. EPE seeks to carry forward the cumulative Reconciliation Period fuel over-recovery balance of \$43.6 million into the next reconciliation period beginning April 1, 2026. EPE also requests authorization to recover its reasonable rate case expenses in its next base rate case.

In addition, EPE's filed schedules and data in this proceeding reflect the 2021 loss analysis previously approved by the PUCT in Docket Nos. 54142 and 57568. EPE is proposing new loss factors from the 2024 Analysis of System Losses (2024 Loss Study). Until the proposed loss factors from the 2024 Loss Study have been filed, reviewed, and approved, it is not appropriate to include them in any calculations or schedules used to set rates. EPE proposes that the new loss factors from the 2024 Loss Study be included in the jurisdictional and class over- and under-recovery cost calculations beginning on April 1, 2026, the start of EPE's next reconciliation period.

EPE also proposes approval for the continued use of the Palo Verde performance standards as an objective basis to determine the reasonableness of Palo Verde unit operation.

Persons with questions or who want more information on this petition may contact EPE at 100 N. Stanton, El Paso, Texas 79901, or call 1-800-351-1621, a toll-free number, during normal business hours. When prompted, press the number 7 and extension 4378 to request information concerning the fuel reconciliation. A complete copy of this Petition is available for inspection at the address listed above. Persons who wish to formally participate in this proceeding, or who wish to express their comments concerning this petition should contact the Public Utility Commission of Texas, Office of Customer Protection, P.O. Box 13326, Austin, Texas 78711-3326, or call (512) 936-7120, or toll free at 1-(888)-782-8477. Hearing and speech-impaired individuals with text telephones (TTY) may call (512) 936-7136 or use Relay Texas (toll free) at 1-(800)-735-2989. A deadline for intervention will be established for this proceeding.