

EL PASO ELECTRIC COMPANY

SCHEDULE NO. RCES
RATE CASE EXPENSE SURCHARGE

APPLICABILITY

This Rate Case Expense Surcharge is applicable to customers taking service under the rate schedules listed below.

TERRITORY

Texas service area.

MONTHLY CHARGE

Pursuant to the Final Order in Docket No. 57568, the Company is authorized to surcharge customers to recover the rate case expenses pursuant to the docket. The surcharge is calculated for each rate class below as either a rate per kilowatt-hour ("kWh") applied to billed energy or as a monthly dollar amount. The surcharge shall appear as a separate line item on the customer's monthly bill titled "Rate Case Expense Surcharge" and shall continue for a surcharge period of twenty-four (24) months from the effective date of this schedule. The amount of any over-recovery or under-recovery of the approved rate case expense surcharge amounts by rate class at the end of the surcharge period shall be immediately included in the deferred fuel balance for that class as a refund or surcharge. Customers entering the Company's system during the surcharge period will receive the surcharge in billings from their entry date. Customers leaving the Company's system during the surcharge period will receive the surcharge through their exit date.

<u>Rate</u>	<u>Rate Schedule</u>	<u>Voltage Level *</u>	<u>Annual Surcharge</u>	<u>Surcharge Factor (\$/kWh) or Monthly Rate (\$)</u>
01	Residential Service	S	\$ 918,465	\$ 0.000361
02	Small General Service	S	124,802	0.000308
07	Outdoor Recreational Lighting Service	S, P	1,530	0.000266
08	Governmental Street Lighting Service	S	10,383	0.000284
09	Governmental Traffic Signal Service	S	300	0.000114
11TU	Municipal Pumping Service - TOU	S, P	25,722	0.000145
15	Electrolytic Refining Service	T (MR)	7,357	613.11
WH	Water Heating Service	S	2,264	0.000623
22	Irrigation Service	S	1,016	0.000225
24	General Service	S, P	304,179	0.000201
25	Large Power Service	S, P	109,868	0.000168
25	Large Power Service	T (MR)	1,402	116.81
26	Petroleum Refinery Service	T (MR)	49,867	4,155.60
28	Area Lighting Service Rate	S	4,511	0.000222
30	Electric Furnace Service	T (MR)	10,315	859.58
31	Military Reservation Service	T (MR)	42,040	3,503.35
34	Cotton Gin Service Service	S, P	268	0.000238
41	City & County Service	S, P	<u>53,280</u>	0.000232
Total Annual Surcharge			<u>\$1,667,568</u>	

Total Rate Case Expenses to be Recovered over 24 months: \$ 3,335,137

(MR) Monthly Rate

* Voltage Levels: S = Secondary, P = Primary, and T = Transmission