

EL PASO ELECTRIC COMPANY

SCHEDULE NO. 33

ECONOMIC DEVELOPMENT RATE RIDER

APPLICABILITY

This rate schedule is available for the additional maximum demand of an existing Customer or for the total maximum demand of a new Customer. The minimum monthly billing demand for any Customer to be eligible for service under this rate schedule must be at least 500 kilowatts (kW). The Economic Development Rate Rider ("EDR") is only available to Customers who take service or would otherwise qualify to take service under Rate Schedules No. 15 Electrolytic Refining Service, No. 24 General Service, No. 25 Large Power Service, No. 26 Petroleum Refinery Service and No. 30 Electric Furnace Rate. A new Customer must not have taken electric service from the Company in New Mexico or Texas within the twelve (12) consecutive months prior to requesting the EDR. An existing Customer must have taken electric service from the Company for a period of at least twelve (12) consecutive months prior to requesting the EDR and must have a proposed incremental demand of at least 100 kW.

This rate schedule is available for the additional demand of existing businesses or new businesses and industries in the following targeted sectors:

- Basic manufacturing industries, for example, industries which manufacture a product for sale or resale, but does not include construction;
- Regional warehousing and distribution facilities;
- Scientific and industrial research and development facilities;
- Data centers, including network hubs and server farms;
- Corporate relocations to the Company's service area, where the Corporation takes electric service in its own name;
- Correctional facilities; and
- Non-retail facilities receiving tax abatements.

With the exception of data centers, including network hubs and server farms, new and existing customers taking service under this rate schedule and not qualifying under the Load Retention Applicability Provision must permanently increase employment by a minimum of two (2) full-time employees per 100 kW of new or additional load. The Customer must furnish the Company with a notarized affidavit from an officer, owner or other appropriate official of the Customer identifying the number of Qualifying Employees directly associated with the new or increased connected load. The Customer must also furnish the Company with similar affidavits stating the actual number of Qualifying Employees as of December 31 of each year that this rate schedule is in effect. Such subsequent written affidavits will be submitted to the Company no later than January 31 of the following year.

Data centers, including network hubs and server farms, who are new and existing customers not qualifying under the Load Retention Provision must qualify for, and have received, economic incentives from the applicable governmental entity pursuant to Chapters 380 or 381 of the Texas Local Government Code. The Customer must furnish the Company a

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notarized affidavit from an officer, owner or other appropriate official of the Customer identifying the economic incentives provided pursuant to Chapter 380 and/or Chapter 381 of the Texas Local Government Code as well as documentation from the applicable governmental entity confirming such incentives associated with the new or increased connected load. The Customer must also furnish the Company similar affidavits and documents from the applicable governmental entity stating the continued provision of economic incentives as of December 31 of each year that this rate schedule is in effect. Such subsequent written affidavits will be submitted to the Company no later than January 31 of the following year.

Customers not qualifying under the Load Retention Provision must also furnish the Company with a notarized affidavit from an officer, owner, or other official responsible for the decision that resulted in the new load or addition thereto, confirming that availability of this rate schedule was an important contributing factor in the Customer's decision to add the new or additional load. The Company reserves the right to verify the statements included in each Customer's affidavit.

This rate schedule is not available to Customers who have another source of power on-site which can be substituted for the Company's service unless the other source of power is maintained solely for use in case of interruption of Company's service. Renewable generation resources separately contracted for with the Company may be integrated with retail service by new Customers.

LOAD RETENTION APPLICABILITY PROVISION

This rate schedule is also available to Customers that have taken service from the Company for a period of at least twelve (12) consecutive months, have a minimum monthly demand of at least 500 kW and are served under the rate schedules identified above, which meet the following criteria:

1. The Customer must provide notice to the Company that they will request termination of electrical service for either all or a portion of their load or demonstrate that they will leave the Company's system, or discontinue or curtail operations for financial reasons, and
2. The Customer must submit a notarized affidavit from an officer, owner or other appropriate official of the Customer that attests to the fact that but for the Economic Development Rate Rider, the Customer will discontinue or curtail operations or relocate operations outside the Company's service territory. The Company reserves the right to verify the statements included in a Customer's affidavit.

Customers that qualify under this provision are not required to meet any employment requirements.

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TERRITORY

Texas Service Area

TYPE OF SERVICE

The type of service available will be determined by the Company and will either be single or three phase, at the option of the Company, and at a standard Company approved voltage. All service will be taken at a single point of delivery designated by the Company, unless otherwise agreed to by the Company and Customer, and will be measured by a single meter of each kind needed. Rates available under this rate schedule will be applicable to the voltage under which the Customer is currently or projected to receive service.

DEFINITIONS:

Base Period – For an existing Customer, the "Base Period" will be the twelve (12) months immediately preceding the month that service is requested under this rate schedule. For a New Customer, there is no Base Period.

Base Period Demand – For an existing Customer that does not qualify under the Load Retention Provision, the Maximum Demand, as defined in the Customer's applicable retail rate schedule, for the Base Period will be used to determine the additional demand to be billed under this rate schedule. In the event an existing Customer installs energy efficiency measures that reduce its demand, the Maximum Demand for the Base Period will be adjusted to compensate for any such verified demand reduction. For Load Retention Provision Customers, the Maximum Demand for the Base Period will be used to determine the maximum demand to which the demand credit is applied.

Existing Customer – As defined in the Applicability section of this rate schedule.

Full Time Employment – "Full-time employment" is that employment existing at the end of the Base Period for those whose employment has been regularly scheduled for at least 1,500 hours during the Base Period for the purpose of normal operations. Full-Time Employment for new Customers will be mutually agreed upon between the Company and the Customer. Employment verification procedures will be mutually agreed upon between the Company and the Customer.

Incremental Cost – For purposes of this rate schedule, incremental cost, at a minimum, shall include all additional costs incurred to serve the Customer taking service under this rate schedule that would not otherwise have been incurred.

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Incremental Demand – For purposes of this rate schedule, incremental demand is all kW billing demand above the Base Period Demand and represents the additional demand to be billed at the discounted Economic Development Rate (EDR) pursuant to this rate schedule.

New Customer – As defined in the Applicability section of this rate schedule.

Qualifying Employee – As defined in the Applicability section of this rate schedule.

MONTHLY RATE

The Economic Development Rate shall be the retail rate schedule applicable to Customer, except as modified by this section. All provisions in the retail rate schedule are applicable, except as specifically modified by this rate schedule and separately contracted for by the Customer and the Company.

The Company may enter into negotiations with the Customer for a mutual agreement to establish rates not less than the Company's incremental cost of power and energy as estimated over the term of the agreement. Retail service provided by the Company under this Economic Development Rate may consist of a combination of system generation resources and renewable generation resources separately contracted for by the Customer and the Company.

The rates pursuant to the agreement will be applied to the additional maximum demand for Customers not qualifying under the Load Retention Provision.

For Customers qualifying under the Load Retention Provision, rates pursuant to the agreement will be applied to the lesser of the demands during the Base Period or the amount of at-risk load identified in the affidavit provided by the Customer.

If applicable, sufficient documentation of the cost estimates used in determining the economic feasibility of an alternative generation source shall be provided to the Company for the Company's review.

The Company, at its option, will annually review its incremental cost of providing service to a contracted Load Retention Customer to determine if such costs exceed the Customer's contracted charges. Should the incremental costs exceed the Customer's contracted rate, the Company will adjust the charge to be above or equal to the incremental cost.

The negotiated agreement shall be subject to review and approval by the appropriate regulatory authority and verification by the Public Utility Commission of Texas (PUCT), pursuant to PURA Section 36.007, which requires that the Company's allocable costs of serving a Customer paying discounted rates are not borne by the Company's other Customers.

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TERMS AND CONDITIONS

Service supplied under this rate schedule is subject to the Company's Rules and Regulations on file with the PUCT and available for inspection at Company offices. The provisions of any agreement associated with service under this rate schedule are also applicable.

A Customer that has not established a prior service history with the Company will be classified under the appropriate existing or modified rate schedule in accordance with the demand estimate performed by the Company.

Existing businesses changing ownership, location or name do not qualify as new Customers. Those businesses must assume the same Base Period kW as though they were continuing businesses since neither new jobs nor new capital investment are created in the Company's service territory. Those businesses may qualify for the Economic Development Rate Rider as any other existing business does. If a business ceases to exist and the premises are occupied by a new owner and a new business is opened, it may qualify as a new Customer. The designation as a new Customer shall be determined by the Company, subject to the Customer's right to seek PUCT review of such determination.

In the event the Maximum Demand of an existing Customer that does not qualify under the Load Retention Provision falls below the base period Maximum Demand, Schedule Nos. 15, 24, 25, 26, or 30, as applicable, will prevail. If the Maximum Demand of an existing Customer that does not qualify under the Load Retention Provision falls below the Base Period Maximum Demand, the agreement between the Company and the Customer will be void and the Customer will take service under Schedule Nos. 15, 24, 25, 26, or 30, as applicable.

The Company retains the right to modify specific Customer contracts, with notice, to ensure compliance with PUCT regulation.

The Company retains the right to modify this rate schedule, with notice and upon Commission approval, as economic conditions in its Texas service area dictate.