

EL PASO ELECTRIC COMPANY
SCHEDULE NO. FTRF UPDATE
FEDERAL TAX REFUND FACTOR UPDATE

APPLICABILITY

This Federal Tax Refund Factor ("FTRF") Update is applicable to all customers taking service under a retail rate schedule except for the interruptible portion of those customers that are taking service under Schedule No. 38.

In compliance with the Final Order in Docket No. 46831, El Paso Electric Company (EPE) is to reduce customer rates to reflect the prospective impact of the federal corporate tax rate reduction established in the Tax Cuts and Jobs Act of 2017 on EPE's annual revenue requirement. EPE will file annually to update the rate credit to reflect any over- or under-recovery of federal income tax expense and to reflect any subsequent changes in federal income tax rates or calculations that would affect the income tax calculation.

Customers entering the Company's system during the refund period will receive the rate credit in billings from their entry date. Customers leaving the Company's system during the rate credit period will receive the credit through their exit date within the timeframe allocated in this schedule.

TERRITORY

Texas service area.

TERM.

Through the effective date of a subsequent annually filed update, as described above, or the effective date of rates in EPE's next base rate case.

MONTHLY RATE FACTOR

The FTRF reflected in this tariff is calculated as a percent (%) factor and then applied to the non-fuel base rate charges of the customer bill. The reduction will appear as a separate line item on the customer's monthly bill and shall be titled "Federal Tax Credit". Applicable non-fuel base rates are those that were approved in EPE's last base rate case, Docket No. 46831. Non-fuel base rates exclude any rates or riders that are implemented after Docket No. 46831.

Rate No.	Description	Federal Tax Refund Factor
R01	Residential Service	-4.5515%
R02	Small General Service	-4.5515%
R07	Outdoor Recreational Lighting Service	-4.5515%
R08	Governmental Street Lighting Service	-4.5515%
R09	Governmental Traffic Signal Service	-4.5515%
R11TU	Municipal Pumping Service – TOU	-4.5515%
R15	Electrolytic Refining Service	-4.5515%
RWH	Water Heating Service	-4.5515%
R22	Irrigation Service	-4.5515%
R24	General Service	-4.5515%
R25	Large Power Service	-4.5515%
R26	Petroleum Refinery Service	-4.5515%
R28	Area Lighting Service Rate	-4.5515%
R30	Electric Furnace Service	-4.5515%
R31	Military Reservation Service	-4.5515%
R34	Cotton Gin Service	-4.5515%
R41	City & County Service	-4.5515%