

**SCHEDULE NO. FTRF**  
**FEDERAL TAX REFUND FACTOR**

**APPLICABILITY**

This Federal Tax Refund Factor ("FTRF") 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.

**TERRITORY**

Texas service area.

**TERM.**

Through March 31, 2019

**MONTHLY RATE FACTOR**

In compliance with the Final Order in Docket No. 46831, El Paso Electric (EPE) is to reduce customer rates to reflect both (i) 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 and (ii) the amortization, over a 12-month period, of a regulatory liability for the effect that the change in the corporate income tax rate would have had on the Company's revenues between the effective date of the new tax rates and the effective date of this refund tariff (i.e., from January 1, 2018 through March 31, 2018). The customer rate credit reflected in this tariff is calculated for each rate class 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". The credit shall continue for an initial period of twelve (12) months from the effective date of this schedule, April 1, 2018. EPE will file 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. The rate credit will be discontinued upon the effective date of rates in EPE's next base rate case.

Rate	Rate Schedule	Percentage of monthly non-fuel base rate charges (%)
R01	Residential Service	-5.4616%
R02	Small General Service	-5.5795%
R07	Outdoor Recreational Lighting Service	-5.7929%
R08	Governmental Street Lighting Service	-5.7171%
R09	Governmental Traffic Signal Service	-5.7011%
R11TU	Municipal Pumping Service – TOU	-5.5929%
R15	Electrolytic Refining Service	-5.3454%
RWH	Water Heating Service	-5.7767%
R22	Irrigation Service	-5.1487%
R24	General Service	-5.2408%
R25	Large Power Service	-5.2686%
R26	Petroleum Refinery Service	-5.5971%
R28	Area Lighting Service Rate	-5.6861%
R30	Electric Furnace Service	-5.4175%
R31	Military Reservation Service	-5.4655%
R34	Cotton Gin Service	-6.7858%
R41	City & County Service	-5.5034%