BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF EL PASO ELECTRIC COMPANY FOR
APPROVAL TO AMEND AND EXTEND THE
REVOLVING CREDIT FACILITY; ISSUE UP
to $180 MILLION OF FIXED RATE
LONG-TERM DEBT

EL PASO ELECTRIC COMPANY,
APPLICANT

CASE NO. 23-00004-UT

EL PASO ELECTRIC COMPANY’S APPLICATION TO AMEND AND EXTEND
THE REVOLVING CREDIT FACILITY AND ISSUE UP TO $180 MILLION OF
FIXED RATE LONG-TERM DEBT

El Paso Electric Company (“EPE” or “Company”) hereby seeks approval to amend and extend its existing $400 million Revolving Credit Facility (“RCF”), to include the ability to increase the size of the facility by $150 million up to $550 million and enter into a term of up to five years with options to extend the facility by two additional one year extensions; and to issue up to $180 million of fixed rate long-term debt, as needed from time to time, for working capital and general corporate purposes, which may include funding capital expenditures.

Specifically, EPE seeks approval to take necessary and appropriate action, including entering into underlying agreements to amend the RCF to increase the size of the existing facility by $50 million to $450 million, with two options of $50 million each to increase the total size from $450 million up to $550 million and to extend the maturity of the RCF by entering into a term of up to five years with two one-year options to extend the term by an additional two years. The RCF is used for meeting short-term cash needs in excess of amounts available in working capital accounts for the issuance of letters of credit and for general corporate purposes, including funding
nuclear fuel purchases and planned capital expenditures.

Additionally, EPE seeks authorization to issue up to $180 million in fixed rate long-term
debt, as needed from time to time, with a term not to exceed 30 years. EPE uses long-term debt to
fund planned capital expenditures; to repay the RCF, as needed; to ensure adequate liquidity of the
Company; and for other utility operating needs. Capital expenditures are expected to be about $1.0
billion during the 2023 through 2024 timeframe.

As grounds for approval of this Application, EPE states:

1. EPE is certified and authorized to conduct the business of providing public utility
service within the State of New Mexico, and is a public utility subject to the jurisdiction of the
Commission under NMSA 1978, Section 62-3-1 et seq.

2. EPE is a wholly owned subsidiary of Sun Jupiter Holdings LLC, which is owned
by IIF US Holding 2 LP.

3. EPE generates, transmits, and distributes electricity through an interconnected
system to customers in southern New Mexico and Texas. EPE owns, operates, leases, and/or
controls the plants, property, and facilities it uses for the generation, transmission, distribution,
sale, and/or furnishing of electricity to or for the public within New Mexico and Texas.

4. EPE has obtained certificates of public convenience and necessity required for the
ownership, operation, leasing, and/or controlling of such plants, property and facilities.

5. EPE’s business address and telephone number are:

   El Paso Electric Company
   100 N. Stanton Street
   El Paso, Texas 79901
   (915) 543-5711

6. Pursuant to Section 62-6-6 of the Public Utility Act (“Act” or “PUA”), EPE is
required to obtain authority to issue, assume, or guarantee securities payable at periods of more
than eighteen months for the following purposes:

a. the acquisition of property;

b. the construction, completion, extension, or improvement of its facilities;

c. the improvement or maintenance of its service;

d. the discharge or the lawful refunding of its obligations; or

e. the reimbursement of money actually expended for said purposes from income or any other money in the treasury of EPE not secured by or obtained from the issue, assumption, or guarantee of securities, within five years next prior to the filing of this Application.

7. EPE proposes amending the RCF to extend the maturity by entering into a term of up to five years with the option to extend by two additional one-year terms and to amend the RCF to increase the facility by $50 million to $450 million, with two options of $50 million each to increase the total size from $450 million up to $550 million. EPE also proposes issuing up to $180 million of fixed rate long-term debt for purposes of acquiring additional property, constructing, completing, extending, or improving utility facilities; improving or maintaining service, discharging, or refunding obligations on EPE’s previously approved RCF; and the reimbursement of money actually expended for these purposes from income or other money in EPE’s treasury. The proposed transactions are to provide funding for capital projects for utility plant and facilities, ongoing utility improvements and maintenance, liquidity for the Company, nuclear fuel purchases, and the repayment of existing utility debt expended for utility plant construction and to fund working capital needs. For the period of 2023 through 2024, the Company anticipates spending about $1.0 billion on capital infrastructure. The issuance of fixed rate long-term debt will allow EPE greater flexibility in funding construction needs.
8. EPE will seek any other regulatory approvals from other governmental agencies, as may be needed, for these transactions.

9. EPE seeks authorization, to the extent necessary and appropriate under New Mexico law, to engage in the proposed securities transactions and to consummate the transactions through all necessary related documents. The issuance of the proposed securities by EPE is for purposes consistent with Section 62-6-6 of the PUA. The transactions are more fully described in the testimony and exhibits of EPE Witness Jo Ann Judd, filed in support of EPE’s Application.

10. The amount of EPE’s aggregate securities that are outstanding or anticipated to be outstanding are less than the fair value of EPE’s utility property and business.

11. The proposed transactions are for lawful purposes consistent with the requirements of the PUA, are necessary and appropriate for the continued provision of utility service, and are consistent with the public interest.

12. As indicated on the Certificate of Service attached hereto, EPE has mailed a copy of its Application to the intervenors in its last general rate case filed with the Commission, NMPRC Case No. 20-00104-UT.

13. EPE has amended its 2022 Annual Informational Financing Filing (“AIFF”) to reflect the request to amend and extend the RFC and updated it for current information not available when the filing was made. The proposal to amend and extend the RCF was not included in the 2022 AIFF because at the time of the filing of that report EPE anticipated seeking the RCF amendment and extension in the applicable May 1, 2023 to April 30, 2024 reporting period.¹ In

¹ EPE’s request for $180 million of fixed-rate long-term debt is not included in the amended 2022 AIFF because EPE does not anticipate issuing any portion of this requested debt until the May 1, 2023 to April 30, 2024 reporting period.
accordance with the requirement of NMPRC Rule 17.1.2.8 NMAC, a copy of the amended 2022 AIFI reflecting the proposed RCF amendment and extension is attached to the Direct Testimony of Jo Ann Judd, and EPE separately is filing it concurrently with this Application as a compliance filing.

14. EPE requests that the Commission waive hearing in this matter or, in the alternative, expedite any required hearings as permitted under NMSA 1978, Sections 62-6-7 and 62-6-9, and issue a Final Order approving this Application on or before February 6, 2023.

15. Attached to this Application as Attachment “A” is EPE’s proposed Notice.

16. Service of all notices, pleadings, and other documents related to this Application should be made as follows:

El Paso Electric Company
100 N. Stanton Street
El Paso, Texas 79901
(915) 543-5727

Nancy Burns, Deputy General Counsel
El Paso Electric Company
300 Galisteo Street, Suite 206
Santa Fe, NM  87501
(505) 982-4713

In addition to service on the above, EPE requests electronic service of all pleadings and documents as follows:

nancy.burns@epelectric.com;
patricia.griego@epelectric.com;
tania.reichsfeld@epelectric.com; and
joann.judd@epelectric.com;

WHEREFORE, EPE seeks authorization, to the extent necessary and appropriate, to engage in the securities transactions and all related documentation and actions described herein. EPE respectfully requests that the Commission issue a Final Order in this case at an open meeting on or before February 6, 2023, authorizing EPE to enter into the securities transactions described
in this Application and the accompanying Testimony of Jo Ann Judd, and any related actions and
documentation necessary or appropriate to accomplish the securities transactions, and grant such
other relief as may be just and reasonable.

Respectfully submitted,

/s/ Nancy Burns

Nancy Burns
Deputy General Counsel
New Mexico Bar No. 7538
El Paso Electric Company
300 Galisteo St. Ste. 206
Santa Fe, NM 87501
Telephone (505) 982-7391
nancy.burns@epelectric.com

ATTORNEY FOR EL PASO ELECTRIC COMPANY
BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL TO AMEND AND EXTEND THE REVOLVING CREDIT FACILITY; ISSUE UP TO $180 MILLION OF FIXED RATE LONG-TERM DEBT

EL PASO ELECTRIC COMPANY, APPLICANT

CASE NO. 23-00004-UT

NOTICE

NOTICE is hereby given of the following matters in the above-captioned case pending before the New Mexico Public Regulation Commission (“Commission” or “NMPRC”):

On January 06, 2023, El Paso Electric Company (“EPE” or “Company”) filed an Application (“Application”) with the Commission requesting approval to: (1) amend and extend its existing $400 million Revolving Credit Facility (“RCF”), to include the ability to increase the size of the facility by $150 million up to $550 million and enter into a term of up to five years with options to extend the facility by two additional one year extensions; and (2) to issue up to $180 million of fixed rate long-term debt. EPE states that the proposed issuance of up to $180 million of fixed rate long-term debt, over the course of the next several years, will allow EPE to appropriately fund capital construction projects, meet its utility obligations, and ensure adequate liquidity. Capital expenditures are expected to be about $1.0 billion during the 2023 through 2024 timeframe.

EPE is certified and authorized to conduct the business of providing public utility service within the State of New Mexico and is a public utility subject to the jurisdiction of the Commission under the New Mexico Public Utility Act. Interested persons may examine the Application and

ATTACHMENT A
the pre-filed testimonies, exhibits, pleadings, and other documents filed in the case online at https://www.nm-prc.org under “Case Lookup Edocket;” or by making arrangements for an in-person viewing at the Commission offices by calling (505) 827-6968 during normal business hours; or at EPE’s website https://www.epelectric.com/company/regulatory. All inquiries or written comments concerning this matter should reference Case No. 23-00004-UT.

The Commission is required to act promptly on the Application and, before making a decision, the Commission or its designated Hearing Examiner must either hold a hearing on the Application or take public comments at an open meeting. The undersigned Hearing Examiner issued a Procedural Order regarding this case on January XX, 2023.

The present schedule for this case is as follows:

A. Any person desiring to intervene to become a party (“intervenor”) to this case shall file a motion for leave to intervene in conformity with NMPRC Rule of Procedure 1.2.2.23(A) -(B) NMAC on or before January XX, 2023.

B. Commission Utility Division Staff (“Staff”) shall, and any intervenor may, file direct testimony regarding this case on or before January XX, 2023.

C. A public hearing in this case shall be held on January XX, 2023 for the purpose of hearing and receiving testimony, exhibits, arguments, and any other appropriate matters relevant to this proceeding in order to determine whether the authorizations requested in the Company’s Application should be granted by the Commission. Such hearing may be vacated if deemed not required pursuant to 17.1.2.8(C)(3) NMAC, in which case the Commission will take public comment and dispose of the Application at an open meeting. The hearing will be held either in person at a location to be determined, or via the Zoom platform in whole or in part depending on potential
COVID-19 restrictions and guidelines and related safety concerns. The hearing will be held to hear and receive testimony, exhibits, arguments, and any other appropriate matters pertaining to the case; and

Interested persons should contact the Commission for confirmation of the hearing date, time, and place since hearings are occasionally rescheduled.

The procedural dates and requirement provided herein are subject to further order of the Commission or Hearing Examiner.

The Commission’s Rules of Practice and Procedure, 1.2.2 et seq. NMAC, apply to this case except as modified by Order of the Commission or Hearing Examiner. The Rules of Procedure are available online at https://www.srca.nm.gov/nmac-home/nmac-titles/title-17-public-utilities-and-utility-services/.

Any interested person may submit written or oral comments during the hearing without becoming an intervenor. Written comments, which shall reference Case No. 23-___-UT, may also be submitted before the Commission takes final action by sending the comment, to prc.records@prc.nm.gov. Pursuant to 1.2.2.23(F) NMAC, written and oral comments shall not be considered evidence by the Commission.

Anyone filing pleadings, testimony, and/or other documents in this case may file by mail at the address set out above and shall serve copies thereof on all parties of record and Staff listed on the Certificate of Service for this case in the manner indicated thereon. All filings shall be e-mailed on the date they are filed with the Commission. Any such filing shall also be e-mailed to the Hearing Examiner at the following address:

Any person whose testimony has been filed will attend the hearing and submit to examination under oath.
Interested persons should contact the Commission by email at ana.kippenbrock@prc.nm.gov or by phone at (505) 690-4191 for confirmation of the hearing dates, times, and places since hearings are occasionally rescheduled.

Any person with a disability requiring special assistance in order to participate in this proceeding should contact the offices of the Commission at 1-888-427-5772 at least 24 hours prior to the commencement of the hearing.

The Commission has assigned Case No. 23-00004-UT to this Application, and all correspondence, pleadings, and other communications shall refer to that case number.

ISSUED at Santa Fe, New Mexico this ___th day of January, 2023.

NEW MEXICO PUBLIC REGULATION COMMISSION

______________________________
Hearing Examiner
BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL TO AMEND AND EXTEND THE REVOLVING CREDIT FACILITY; ISSUE UP TO $180 MILLION OF FIXED RATE LONG-TERM DEBT

EL PASO ELECTRIC COMPANY, APPLICANT

CASE NO. 23-00004-UT

DIRECT TESTIMONY

OF

JO ANN JUDD

ON BEHALF OF

EL PASO ELECTRIC COMPANY

JANUARY 6, 2023
# EL PASO ELECTRIC COMPANY
DIRECT TESTIMONY OF
JO ANN JUDD

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## EXHIBITS

- Exhibit JAJ-1  Sample Term Sheet for RCF Amendment, subject to an option to increase the size
- Exhibit JAJ-2  Sample Term Sheet for Issuance of long-term debt
- Exhibit JAJ-3  2022 Amended Annual Information Financing Filing
I. INTRODUCTION AND PURPOSE

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
A. My name is Jo Ann Judd. My business address is 100 N. Stanton, El Paso, Texas 79901.

Q. HOW ARE YOU EMPLOYED?
A. I am employed by El Paso Electric Company ("EPE" or "Company") in the position of Manager of Cash Management.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND BUSINESS BACKGROUND.
A. I hold a Bachelor of Science in Business Accounting and a Master of Business Administration, both from the University of Phoenix. I have been employed by EPE since January 2009. In April 2022, I was promoted to my current position as Manager of Cash Management. Prior to becoming Manager, I held various positions within the Company including Supervisor of Cash Management and Financial Analyst.

Q. WHAT ARE YOUR PRINCIPAL RESPONSIBILITIES WITH EPE?
A. I have management responsibility for the cash management functions at EPE. My responsibilities also include assisting with the preparation and the development of...
schedules, exhibits, and testimony before various regulatory bodies with respect to
the Company's private financing and other securities transactions.

Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE ANY
REGULATORY AGENCY?

A. No.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to support EPE's request for approval to amend and
extend its existing $400 million Revolving Credit Facility ("RCF") to include
the ability to increase the size of the facility by $150 million up to $550 million
and enter into a term of up to five years with the options to extend the facility by
two additional one year extensions, and why it is in the customers', Company's,
and public interest to do so. I also describe EPE's request to issue up to $180
million of fixed rate long-term debt, from time to time, to meet working capital
needs, to fund capital expenditures, and to obtain the capital required to satisfy
the Company's obligation to serve its customers.

In order to describe the need to amend and extend the RCF, I must first
describe EPE's existing RCF.
II. EPE'S EXISTING REVOLVING CREDIT FACILITY

Q. PLEASE DESCRIBE EPE'S EXISTING REVOLVING CREDIT FACILITY.

A. The Company currently has in place a $400 million RCF with a consortium of commercial banks, including MUFG Bank, Ltd. as Administrative and Syndication Agent. The existing RCF was approved by the Commission in NMPRC Case No. 17-00217-UT up to $450 million. The RCF was initially approved by the Commission in NMPRC Case No. 2676.

Q. HAS EPE PREVIOUSLY RENEWED THE RCF?

A. Yes. The RCF has been periodically renewed or replaced with substantially similar or improved terms, as approved by the Commission in NMPRC Case No. 2883, NMPRC Case No. 3701, NMPRC Case No. 04-00305-UT, NMPRC Case No. 06-00043-UT, NMPRC Case No. 10-00145-UT, NMPRC Case No. 11-00349-UT, NMPRC Case No. 13-00317-UT, and NMPRC Case No. 17-00217-UT.

Q. PLEASE DESCRIBE THE PURPOSE OF THE RCF AND ITS STRUCTURE.

A. The Company and the Rio Grande Resources Trust II ("RGRT" or "Trust") are co-borrowers on the existing $400 million RCF. The RCF provides a source of short-term liquidity to cover the Company's cash working capital needs and
provides the ability to issue letters of credit ("LOCs") to support energy and other financial transactions, if needed. Total funds available to EPE for working capital purposes are limited to $400 million less any LOCs outstanding and any amounts borrowed by the Trust. The RCF gives EPE flexibility in funding future capital expenditures, more options as to the timing of accessing the capital markets, and ensures adequate liquidity for the Company. The RCF also provides a cost-effective method for the Trust to finance the purchase of the Company's proportionate share of nuclear fuel at the Palo Verde Generating Station ("PVGS") that is not already financed by senior notes that were previously issued by the Trust. Utilizing the RGRT and borrowing the funds to finance nuclear fuel purchases by the Trust is less expensive than including the fuel in EPE's rate base because the nuclear fuel is financed with 100% debt financing. The current RCF expires in September 2024; however, it can be extended by one additional year to 2025 upon the satisfaction of certain conditions.¹

**Q. WHAT OTHER FEES ARE ASSOCIATED WITH THE RCF?**

**A.** LOCs that are issued require the Company to pay a fronting fee of 0.125%, in addition to a spread (LIBOR spread of 1.125% or ABR spread of 0.125%) on

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¹ Current borrowing costs under the RCF are, at EPE’s option, either (1) the applicable adjusted London Interbank Offered Rate ("LIBOR") plus a LIBOR spread or (2) the Alternate Base Rate ("ABR"), which is the prime rate plus ABR spread. In 2023, EPE will transition to a new benchmark rate from LIBOR to the Secured Overnight Financing Rate ("SOFR").
outstanding borrowings. The Company is currently investment grade rated by the major rating agencies of Moody's and Fitch and therefore meets the credit rating currently required by the energy power markets. Currently, the Company has three LOCs totaling $4,650,000 to collateralize insurance claims and energy purchases.

**Q. WHAT AMOUNT IS CURRENTLY OUTSTANDING UNDER THE RCF?**

**A.** As of September 30, 2022, there was approximately $16.5 million borrowed on the RCF for nuclear fuel purchased by the Trust. Additionally, $227.0 million was drawn at that time for working capital and general corporate purposes.

**Q. ARE EPE'S OBLIGATIONS UNDER THE RCF COLLATERALIZED BY OTHER SECURITIES?**

**A.** No.

**Q. PLEASE DESCRIBE THE PURPOSE OF THE RIO GRANDE RESOURCES TRUST.**

**A.** The purpose of the Trust is to provide a financing vehicle for nuclear fuel. Because of the extended time period involved in developing uranium into nuclear fuel, a major portion of the total costs associated with nuclear fuel is the carrying cost. The Trust utilizes 100% debt financing for the funding of its nuclear fuel, thus minimizing the overall costs of the nuclear fuel.
Q. PLEASE BRIEFLY DESCRIBE THE STRUCTURE OF THE RIO GRANDE RESOURCES TRUST.

A. Under the terms of the RGRT, EPE assigns its interest in nuclear fuel at PVGS to the Trust. The Trust meets its obligations by borrowing funds under the RCF to acquire and process nuclear fuel. EPE is unconditionally obligated to repay the Trust's borrowings with interest. With EPE's purchase of the nuclear fuel and subsequent sale to the Trust, interest and fees are incurred and accrued on the Trust's balance sheet. When the nuclear fuel is loaded into the reactors at PVGS, the carrying costs of the Trust are allocated to EPE proportionately as an added cost of the fuel. EPE pays the Trust quarterly for the fuel consumed and the allocated carrying costs. This treatment minimizes the cost of the Company's nuclear fuel. EPE unconditionally guarantees the obligations of the RGRT, pays for interest and principal on this fuel-related RCF debt, and recovers these fuel costs through the Fuel and Purchased Power Cost Adjustment Clause.

III. AMENDMENT AND EXTENSION OF THE RCF

Q. DESCRIBE THE PROPOSED AMENDMENT AND EXTENSION OF THE RCF EPE SEEKS IN THIS PROCEEDING.

A. EPE seeks approval to take necessary and appropriate action, including entering into underlying agreements to continue using its existing RCF with the ability to
extend the maturity of the RCF by entering into a term of up to five years with the
option to extend by two additional one-year terms and to amend the RCF to increase
the size of the existing facility by $50 million to $450 million, with two options of
$50 million each to increase the total size from $450 million up to $550 million.

Q. WHY IS EPE PROPOSING TO AMEND AND EXTEND ITS EXISTING
RCF?

A. EPE is proposing to extend the terms of the RCF to lock in favorable pricing on its
existing RCF via extending the tenor (i.e., expiration date) of the existing RCF.
Additionally, the Company is requesting approval to amend the existing RCF to
increase the size by $50 million to $450 million with the option to increase the
facility to a maximum of $550 million. Based on current market conditions, the
Company can extend the maturity by entering into a term of up to five years and
amend the facility to include options to increase the size with substantially the same
pricing (i.e., SOFR spread of 1.225%, ABR spread of 0.125%, and commitment fee
of 0.175%) as the current RCF.\(^2\) The new RCF will also provide the Company with
the flexibility to extend the term by two additional one-year term options, which
will allow the Company to extend the facility if desired.

\(^2\) In June 2023, the current LIBOR rate will no longer be published. Upon amending the existing RCF,
SOFR will replace the current LIBOR rate.
Q. WHEN DOES THE CURRENT RCF EXPIRE?
A. The term of the current RCF runs through September 2024.

Q. WILL EPE INCREASE THE SIZE OF ITS RCF TO $550 MILLION IMMEDIATELY?
A. No. EPE plans to enter into a new extended RCF within the year and plans to increase the facility to $450 million at that time. EPE will increase the RCF by the remaining $100 million over the life of the facility.

Q. WILL EPE EXTEND THE TERM OF ITS RCF TWO ADDITIONAL YEARS IMMEDIATELY?
A. No. EPE plans to enter into a new extended RCF within the next year. To exercise the first one-year extension EPE is required to provide notice to the lenders 30 days prior to extending the term of the RCF. EPE may wait until the end of the initial term to provide such notice of its intention to exercise the first of the two one-year options. The decision to extend the term of the RCF at that time will be based upon the pricing in EPE's RCF and how that pricing compares with the market pricing at that moment. The decision to extend the RCF for the second of the one-year options will also be based on the same criteria. The ability to extend the RCF for these two additional one-year periods will also be dependent on the willingness of the banks who participate in the RCF to continue further participation at the established terms of the RCF.
Q. WHAT ARE THE BENEFITS OF EXTENDING THE TENOR OF THE RCF?

A. By extending the expiration date of the RCF, the Company will be able to take advantage of the low RCF pricing that is currently available (such as drawn spreads, undrawn fees, and LOC fronting fees) for a longer period of time. This will ensure continued low borrowing costs for nuclear fuel financed by the RCF and low borrowing costs for the Company's short-term cash needs which ultimately results in lower costs for customers. In addition, the refinancing risk related to the RCF will be delayed.

Q. PLEASE DESCRIBE THE PRICING ADVANTAGES EPE EXPECTS TO ACHIEVE AND THE BENEFITS THAT WILL BE DERIVED FROM SUCH PRICING.

A. Drawn spreads and undrawn fees for RCF borrowings and LOC fronting fees are based on the Company's current credit rating levels. By expanding the term of the RCF, the Company can lock in these low rates for an extended period of time. Interest rates may increase, and the Company believes that locking in the lower rates will result in a lower overall cost to customers for nuclear fuel and working capital needs.

Q. WHY IS EPE REQUESTING THE OPTION TO INCREASE THE FACILITY FROM $400 MILLION UP TO $550 MILLION?
A. EPE is seeking to request an option to increase the amount that can be borrowed under the facility in order to provide (i) flexibility in funding future capital expenditures that are required due to the growth in EPE's service territory, (ii) more options as to the timing of accessing the capital markets, and (iii) adequate liquidity in times of rapidly changing market prices for natural gas and purchased power. Prudent financial practices require that the Company have sufficient liquidity to support such business activities at all times.

As previously discussed, EPE plans to enter into a new extended RCF within the year and plans to increase the facility to $450 million at that time. EPE will increase the RCF by the remaining $100 million over the life of the facility. This will allow EPE to increase the RCF as funds are needed. This approval would also supersede the approval received in NMPRC Case No. 17-00217-UT.

Q. HAS THE COMMISSION PREVIOUSLY AUTHORIZED AN AMENDED EPE RCF WITH A SIMILAR OPTION TO INCREASE ITS SIZE?

A. Yes. In NMPRC Case No. 11-00349-UT, NMPRC Case No. 13-00317-UT, and NMPRC Case No. 17-00217-UT, the Commission approved EPE's RCF with a similar option, which under those terms allowed EPE to increase the borrowing limit from $200 million to $300 million, from $300 million to up to $400 million, and from $400 million to up to $450 million, respectively.
Q. WHY IS IT BENEFICIAL TO AMEND THE RCF TO INCLUDE AN
OPTION TO INCREASE THE AMOUNT OF BORROWINGS AVAILABLE
TO EPE?

A. It is beneficial to have an option to increase the amount of the RCF, from
$400 million up to $550 million, because it allows EPE increased access to debt at
favorable pricing without EPE having to pay for that amount unless and until it is
needed. The option to increase the RCF borrowing limit up to $550 million will
result in no substantial changes to the terms and conditions of the amended RCF,
including the cost of the terms for borrowing under the RCF.

Additionally, having an RCF of up to $550 million will allow EPE to
accumulate drawn balances on its RCF up to a more economical level for the
issuance of fixed rate long-term debt in the form of Senior Notes and then repay
the RCF drawn balances.

Q. PLEASE PROVIDE THE ESTIMATED ISSUANCE EXPENSES
RELATING TO THE AMENDMENT TO THE RCF.

A. EPE estimates the issuance cost would be as follows:

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<th>Amount</th>
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<tr>
<td>Arrangement Fees (a)</td>
<td>$ 525,000</td>
</tr>
<tr>
<td>Consent Fees (a)</td>
<td>881,167</td>
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<tr>
<td>Legal Fees &amp; Other</td>
<td>237,443</td>
</tr>
<tr>
<td></td>
<td>$1,643,610</td>
</tr>
</tbody>
</table>

(a) Arrangement and consent fees to amend and extend the RCF are an estimate
and will be market based and determined at the time of the refinancing.
Q. ARE THERE ANY OTHER MATERIAL CHANGES TO THE RCF THAT EPE ANTICIPATES WILL BE MADE AS PART OF THIS TRANSACTION?

A. No. EPE anticipates that, other than the tenor of the RCF and the option to increase the facility up to $550 million, the terms will be substantially the same as the terms of the existing RCF.

Q. WILL EPE ASSIGN ALL OF THE ISSUANCE COSTS ASSOCIATED WITH THE NEW RCF TO THE TRUST?

A. No. EPE will only assign the proportionate amount of the issuance costs for the nuclear fuel borrowings on the RCF to the Trust.

IV. LONG-TERM DEBT ISSUANCE

Q. WHEN DID EPE LAST RECEIVE AUTHORIZATION TO ISSUE LONG-TERM DEBT?

A. EPE was authorized by the Commission to issue up to $350 million in long-term debt in 2021, in NMPRC Case No. 21-00094-UT. As a result of that proceeding, EPE issued $350 million in senior unsecured notes on February 15, 2022 and September 1, 2022 and reported these transactions to the Commission as compliance filings in that proceeding.
Q. WHY IS EPE SEEKING AUTHORIZATION TO ISSUE LONG-TERM DEBT UP TO $180 MILLION?

A. At this time, it is reasonable for EPE to seek approval authorizing the issuance of up to $180 million of long-term debt to cover EPE’s known and anticipated capital improvement projects and repay amounts that may be borrowed from time to time under the RCF. The Company currently anticipates spending about $1.0 billion on its construction program through 2024. The ability to issue up to $180 million long-term debt will provide EPE with the additional flexibility to access the debt capital markets to maintain sufficient liquidity to fund its sizeable capital expenditure program and other capital requirements and will provide financing for general corporate purposes as may be needed from time to time. Under these requests, all issuances of new debt up to the requested $180 million would be made in accordance with the approval set forth in this docket.

Q. WHY IS EPE SEEKING THIS NEW AUTHORIZATION?

A. EPE is seeking this authorization:

(1) to allow EPE timely access to the debt capital markets when there is a need, and when market fundamentals are favorable, while maintaining investment grade credit ratings; and

(2) to allow EPE to timely meet cash needs as they arise for construction, repay amounts that may be borrowed under the RCF from time to time, ensure
adequate short-term liquidity at all times, to satisfy the Company's obligation to serve its customers, and for general corporate purposes.

Q. WILL EPE BE RECEIVING ANY ADDITIONAL CAPITAL VIA EQUITY INFUSIONS THROUGH YEAR 2024?

A. Yes, EPE currently anticipates receiving additional capital in the form of equity infusions from EPE's parent, Sun Jupiter Holdings LLC ("Sun Jupiter" or "Parent") an indirect, wholly-owned subsidiary of IIF US Holding 2 LP ("IIF").

Q. WHAT AMOUNT OF EQUITY WILL EPE RECEIVE FROM SUN JUPITER THROUGH YEAR 2024?

A. The timing and amount of future equity infusions is dependent on the Company's need to balance its capital structure, which will be impacted by the debt transactions contemplated in this application.

Q. WHAT WILL THE EQUITY INFUSION PROCEEDS BE USED TO FINANCE?

A. The proceeds will be used to help finance the Company's construction program over the next couple of years, repay amounts borrowed under the RCF, and maintain EPE's financial credit metrics and its overall investment-grade credit ratings.
Q. **WHY IS IT IMPORTANT FOR EPE TO MAINTAIN AN ADEQUATE LEVEL OF LIQUIDITY IN ITS OPERATIONS?**

A. In times of extreme volatility in the capital markets, EPE may not otherwise be able to access, or economically access, the capital markets to raise the funds necessary to fund its operations. During such times, EPE gains increased financial flexibility by having the option to borrow under the RCF. Ensuring EPE has adequate borrowing availability under its RCF at all times, through repayment of the RCF balances with proceeds from long-term debt, ensures that EPE will meet its cash needs if there are volatile times in the capital markets. Increased availability of borrowings under the RCF is the main methodology by which EPE ensures that its liquidity needs are met. Having the ability to issue long-term debt and repay amounts borrowed on the RCF from time to time will ensure that EPE has adequate liquidity at all times. Using the RCF to fund projects in the near term allows EPE to time when it issues long-term debt and match when the accumulated amounts under the RCF reach a sum that is more economical to finance on a long-term basis.

Q. **WILL EPE ISSUE THE ENTIRE AMOUNT OF AUTHORIZED DEBT THROUGH A SINGLE TRANSACTION?**

A. Although it is possible, EPE may instead issue debt in various amounts with terms of up to 30 years. EPE will issue debt from time to time as capital is needed because EPE's funding needs may change during the course of the next several years. As
previously mentioned, for the 2023 through 2024 timeframe, the Company anticipates spending about $1.0 billion on capital construction. Given the market conditions and low rates, authorization to issue up to $180 million in debt in various amounts, and at various times, gives EPE the added ability to access capital markets at potentially more advantageous times. This also assists EPE in managing its various credit ratios to maintain its investment grade credit ratings.

Q. PLEASE PROVIDE SOME EXAMPLES OF THE CAPITAL CONSTRUCTION PROJECTS THAT EPE ANTICIPATES FUNDING OVER THE COURSE OF THE NEXT SEVERAL YEARS.

A. The majority of the capital expenditure investments from 2023 through 2024 will be to build new infrastructure to meet growing customer demand and generating unit retirements. EPE continues with the implementation of an Advanced Metering System, which includes the deployment of the back-office systems and meters. In addition, EPE plans to invest in new renewable energy projects, substations and transmission related projects, as well as distribution and general plant. A portion of the proceeds that EPE will receive in future debt issuances for which EPE is seeking approval will be used to fund these projects and other similar projects that are approved in the future.

Because the actual timing of the construction and addition of these generation projects can be affected by a number of factors, it is prudent for EPE to
have flexibility when timing the issuance of its long-term debt, rather than being constrained to issue the debt within a restrictive number of years. Although market conditions are susceptible to change over time, the added flexibility also serves to offset potential costs from incurring debt in advance of when EPE would otherwise choose to access the financial markets.

Q. WHAT TYPES OF TERMS AND COSTS MAY APPLY FOR EPE’S DEBT ISSUANCES?

A. The terms and costs will be specific to each transaction and cannot be known at this time. Exhibit JAJ-2 contains a typical Term Sheet for the issuance of Senior Notes. Under similar general terms, EPE issued $350 million in long-term debt, of which $200 million were 30-year unsecured notes issued in February 2022 and $150 million were 10-year unsecured notes issued in September 2022. Applicable interest rates and the costs associated with future debt issuances will be based on market conditions at the time of the transactions and cannot be known at this time.

Q. PLEASE PROVIDE THE ESTIMATED ISSUANCE EXPENSES RELATING TO THE ISSUANCE OF LONG-TERM DEBT.

A. Estimated issuance costs are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriting Fees</td>
<td>$900,000</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>$202,393</td>
</tr>
<tr>
<td>Other</td>
<td>$16,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,118,393</strong></td>
</tr>
</tbody>
</table>
(a) Actual underwriting fees paid for debt issuance will be market based and determined at the time of issuance. This rate is based on one 30-year debt issuance.

(b) The legal and other fees for a long-term debt issuance assume all long-term debt is issued at one time. Additional fees would be incurred if the proposed debt was issued in multiple issuances.

Q. PLEASE PROVIDE AN ESTIMATE OF INTEREST/Coupon rates FOR LONG-TERM DEBT ISSUANCES.

A. Interest rates and the costs associated with future debt issuances will be based on market conditions at the time of the transactions and cannot be known at this time. Under current market conditions, it is anticipated that a 10-year senior unsecured debt offering would have a coupon rate of approximately 5.48% and a 30-year unsecured debt offering would have a coupon rate of approximately 5.86%. Current conditions are subject to change, however, and will not necessarily be available throughout the next several years when EPE plans to issue the long-term debt. EPE expects that the maximum interest rate for the long-term debt issuances, at the time of pricing, will not exceed interest rates that are generally obtainable for securities having the same or similar maturity, terms, conditions, and features issued by utility companies of the same or comparable credit quality at the time of issuance.
V. CURRENT OUTSTANDING SECURITIES

Q. PLEASE PROVIDE A BREAKDOWN OF THE AGGREGATE AMOUNT OF SECURITIES OUTSTANDING.

A. Detailed below is the breakdown of EPE's long-term and short-term debt and debt that was issued by the RGRT and guaranteed by EPE that was outstanding as of September 30, 2022:

<table>
<thead>
<tr>
<th>Long-Term Debt</th>
<th>Amount of Issue ($ in thousands) (a)</th>
<th>Maturity Date</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Note</td>
<td>$395,068</td>
<td>05/15/2035</td>
<td>6.00%</td>
</tr>
<tr>
<td>Senior Note (b)</td>
<td>302,610</td>
<td>12/01/2044</td>
<td>5.00%</td>
</tr>
<tr>
<td>Senior Note</td>
<td>147,697</td>
<td>03/15/2038</td>
<td>7.50%</td>
</tr>
<tr>
<td>Senior Note</td>
<td>124,426</td>
<td>08/15/2028</td>
<td>4.22%</td>
</tr>
<tr>
<td>Senior Note</td>
<td>198,406</td>
<td>02/15/2052</td>
<td>3.54%</td>
</tr>
<tr>
<td>Senior Note</td>
<td>149,586</td>
<td>09/01/2032</td>
<td>2.91%</td>
</tr>
<tr>
<td>Maricopa PCB 2009 Series A (c)</td>
<td>62,836</td>
<td>02/01/2040</td>
<td>3.60%</td>
</tr>
<tr>
<td>Maricopa PCB 2009 Series B (c)</td>
<td>36,684</td>
<td>04/01/2040</td>
<td>3.60%</td>
</tr>
<tr>
<td>Maricopa PCB 2012 Series A (d)</td>
<td>58,642</td>
<td>08/01/2042</td>
<td>4.50%</td>
</tr>
<tr>
<td>RGRT Senior Notes (e)</td>
<td>64,802</td>
<td>08/15/2025</td>
<td>4.07%</td>
</tr>
<tr>
<td>RGRT Senior Notes (e)</td>
<td>44,617</td>
<td>09/22/2031</td>
<td>2.35%</td>
</tr>
<tr>
<td>Total Long-Term Debt</td>
<td>$1,585,375</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-Term borrowings (RCF) (f)</td>
<td>243,492</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Debt</td>
<td>$1,828,867</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) The Company implemented ASU 2015-03 in 2015, which requires debt issuance costs to be reflected as a direct deduction of the carrying amount of debt.

(b) On March 24, 2016, EPE re-opened and issued an additional $150 million of its 5% Senior Notes due December 1, 2044. $150 million was previously
issued on December 1, 2014, for a total principal amount outstanding of $300 million.

(c) The 2009 Series A and the 2009 Series B PCBs are subject to optional redemption at a redemption price of par on or after June 1, 2029.

(d) The 2012 Series A PCBs are subject to optional redemption at a redemption price of par on or after August 1, 2022.

(e) These Private Placement Notes were issued by the RGRT in June 2018 and September 2021 to finance a portion of the nuclear fuel balance. The Notes are guaranteed by EPE. Interest and principal payments on the Notes are paid with a portion of the proceeds from fuel revenues.

(f) Includes RGRT borrowings of $16.5 million.

Q. WHAT WILL BE THE IMPACT OF THE REQUESTED LONG-TERM DEBT ON EPE'S CAPITAL STRUCTURE?

A. The issuance of the requested securities would increase the percentage of debt in EPE's capital structure. As discussed above, EPE currently anticipates receiving additional capital in the form of equity infusions from EPE's parent, Sun Jupiter. The timing and amount of future equity infusions is dependent on the Company's need to balance its capital structure to maintain its investment-grade credit ratings. Additionally, EPE's equity ratio will not drop below the minimum equity ratio established by the Commission's Final Order in Case No. 20-00104-UT.

VI. STATUTORY FINDINGS AND APPROVALS

Q. IS EPE SEEKING APPROVAL OF THIS APPLICATION WITHIN THE STATUTORY TIME FRAME OF THIRTY DAYS?
A. Yes. The Company seeks approval of this application within the Commission's statutory thirty-day review period for securities transactions of February 6, 2023. Obtaining timely Commission approval will help ensure that EPE receives the benefit of the current pricing environment for the RCF and the capital markets for any needed debt issuances.

Q. IS APPROVAL OF THE PROPOSED SECURITIES CONSISTENT WITH THE NEW MEXICO PUBLIC UTILITY ACT?

A. Yes. The Public Utility Act, NMSA 1978, § 62-6-7, requires the Commission to approve a securities application unless the Commission finds that the proposed transactions are inconsistent with the public interest; or their purpose is not permitted by the Act; or that the aggregate amount of the securities outstanding and proposed to be outstanding will exceed the fair value of the Company's properties and business.

Q. IS THE ISSUANCE OF THESE SECURITIES CONSISTENT WITH THE PUBLIC INTEREST?

A. Yes, it is in the public interest for EPE to (1) amend and extend its current RCF, (2) issue up to $180 million of long-term debt to finance capital expenditures of the Company, (3) to finance general corporate purposes of the Company, and (4) pay down amounts borrowed on the RCF from time to time thereby ensuring adequate
liquidity is maintained at all times under favorable terms and conditions and to satisfy the Company's obligation to serve its customers.

Q. ARE THE PROPOSED SECURITIES TRANSACTIONS FOR PERMITTED PURPOSES?
A. Yes. The issuance of the securities by EPE is for the purposes of financing, refinancing, and/or discharging its utility obligations.

Q. IS THE AGGREGATE AMOUNT OF SECURITIES OUTSTANDING OR PROPOSED TO BE OUTSTANDING LESS THAN THE FAIR VALUE OF EPE'S PROPERTIES AND BUSINESS?
A. Yes. The aggregate amount of securities outstanding or proposed to be outstanding will not exceed the fair value of the properties and businesses of EPE. Based on the September 30, 2022 FERC Form 1, the fair value of EPE's assets of approximately $4,895 million exceeds EPE's amount of securities outstanding or proposed to be outstanding.

Q. WERE THESE PROPOSED TRANSACTIONS DESCRIBED HEREIN INCLUDED IN EPE'S 2022 ANNUAL INFORMATIONAL FINANCING FILING WHICH WAS FILED WITH NMPRC?
No. Neither proposed transactions described herein was included in EPE's 2022 Annual Informational Financing Filing. The proposed amendment and extension of the RCF was not anticipated to happen prior to the current reporting period ended April 30, 2023. For this reason, this transaction was not included in the Company's 2022 Annual Informational Financial Filing ("AIFF"). However, EPE now anticipates moving up the timing of the amendment and extension based on Company needs to within the current reporting period ended April 30, 2023. Accordingly, this proposed transaction is reflected in EPE's Amended 2022 Annual Informational Finance Filing attached to my testimony as Exhibit JAJ-3.

Q. IS EPE'S PROPOSED ISSUANCE OF UP TO $180 MILLION OF FIXED, LONG-TERM DEBT INCLUDED IN EPE'S AMENDED 2022 AIFF?

A. No. Because EPE's proposal to issue of up to $180 million of fixed, long-term debt is not anticipated until the 2023 AIFF reporting period, this transaction is not reflected the Amended 2022 AIFF.

Q. HAS EPE UPDATED IT 2022 AIFF FOR ADDITIONAL INFORMATION NOT KNOWN AT THE TIME OF ITS FILING?

A. Yes. EPE now anticipates issuing a $300 million term loan at the beginning of 2023, outstanding for 364 days for a fixed rate, in order to take advantage of the lower
interest rates available to short-term loans. This will allow EPE to save money in interest costs while the market rates stabilize for long-term debt. This short-term debt is reflected in EPE’s Amended 2022 AIFF. Additionally, due the anticipated timing of the amendment and extension of the RCF and the term loan, EPE also has removed $50 million in potential long-term debt issuance from the Amended 2022 AIFF which will no longer take place during the reporting period ended April 30, 2023.

Q. IS EPE FILING ITS AMENDED 2022 AIFF WITH THE COMMISSION?
A. Yes. EPE is separately filing its Amended 2022 AIFF with the Commission concurrently with the filing of this financing application.

Q. DOES EPE INTEND TO PROVIDE THE COMMISSION WITH A COMPLIANCE FILING UPON COMPLETION OF THE TRANSACTIONS?
A. Yes. Consistent with prior Commission approvals, EPE proposes to file a compliance report verified by a Company officer that summarizes in detail the terms and conditions and related costs for the final securities transactions with the Commission within ninety days of completing each transaction.

---

3 Based on NMPRC Rule 17.1.2.8, EPE is not required to obtain approval on securities outstanding for less than 18 months.
VII. CONCLUSION

Q. PLEASE SUMMARIZE EPE'S REQUEST FOR APPROVALS IN THIS CASE.

A. EPE requests that the Commission issue a Final Order within 30 days, which is February 6, 2023, that approves the following securities transactions:

- Entering into the underlying agreements to extend the RCF by entering into a term of up to five years (with two one-year options to extend the maturity) and to amend the RCF to increase the size of the existing facility by $50 million to $450 million, with two options of $50 million each to increase the total size from $450 million up to $550 million; and

- Issuing up to $180 million of fixed rate long-term debt that may be needed, from time to time, to fund utility operations and capital expenditures.

The transactions are described above and summarized in the term sheets attached as Exhibit JAJ-1, and Exhibit JAJ-2. EPE will file with the Commission a verified report of the final transactions and related costs within 90 days after each of the transactions is consummated.

Q. WHAT ARE THE BENEFITS OF APPROVING THIS APPLICATION?

A. Approving this Application will result in financial benefits to EPE and its customers due to current favorable capital markets, resulting in savings to customers. Allowing EPE to continue to utilize its existing RCF with the ability to amend and
extend the RCF and the authority to issue up to $180 million of long-term debt over
the course of the next several years will provide EPE the opportunity to swiftly take
advantage of favorable market conditions, when appropriate.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.
Indicative Terms – Revolving Credit Facility

Key Commentary

• MUFG understands El Paso Electric is looking to amend, extend and upsize its existing $400MM credit facility:
  - Reset the 5-year tenor
  - Increase the facility size to $450MM
  - Add (2) one-year extension options
  - Discuss El Paso Electric’s LC sublimit and fronting capacity needs

• MUFG recommends upfront fees of 15.0 bps “old” money and 17.5 bps “new” money if the company launches in the near term

• MUFG recommends amending the existing credit agreement to transition to SOFR-based pricing

• The company has the opportunity to convert its revolver into an ERI loan given its transition to a clean energy future

• Depending on the successful achievement of their respective KPIs, recent sustainability-linked loans have been able to implement the below changes to pricing:
  - +/- up to 1.0 bps undrawn
  - +/- up to 5.0 bps drawn

Summary Transaction Terms

<table>
<thead>
<tr>
<th>Borrower / Unsecured Ratings</th>
<th>El Paso Electric Company (NR / Baa2 / BBB+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility Type</td>
<td>Senior Unsecured Revolving Credit Facility</td>
</tr>
<tr>
<td>Purpose</td>
<td>General Corporate</td>
</tr>
<tr>
<td>Facility Amount / Accrual</td>
<td>$400 million / $450MM, reset according to $100 million</td>
</tr>
<tr>
<td>Tenor</td>
<td>5 Years</td>
</tr>
<tr>
<td>Extension Options</td>
<td>One-Year Extension Option available / Reset to (2) One-Year Extension Options</td>
</tr>
<tr>
<td>Closing</td>
<td>September 13, 2018 / 4Q 2023</td>
</tr>
<tr>
<td>Maturity</td>
<td>September 13, 2024 / 4Q 2027</td>
</tr>
<tr>
<td>MUFG Role</td>
<td>Active Lead Arranger, Bookrunner and Administrative Agent</td>
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<tr>
<td>MUFG Arrangement Fee</td>
<td>$275,000</td>
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<tr>
<td>Passive JLA Arrangement Fee</td>
<td>$50,000 per passive</td>
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<tr>
<td>Annual Administrative Agency Fee</td>
<td>$25,000</td>
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<tr>
<td>Upfront Fees</td>
<td>Existing 5.0 bps “old money” / 15.0 bps “new money”</td>
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<tr>
<td></td>
<td>Proposed: 15.0 bps “old money” / 17.5 bps “new money”</td>
</tr>
<tr>
<td>Financial Covenants</td>
<td>Delta/Cap ±65%</td>
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</table>

Pricing Grid

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Undrawn (bps)</th>
<th>Drawn (L + bps) / SOFR + C3A + bps (1)</th>
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</thead>
<tbody>
<tr>
<td>A+/A2</td>
<td>10.0</td>
<td>97.5</td>
</tr>
<tr>
<td>A- / A3</td>
<td>12.5</td>
<td>100.0</td>
</tr>
<tr>
<td>BBB+/Baa1</td>
<td>17.5</td>
<td>112.5</td>
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<tr>
<td>BBB-/Baa2</td>
<td>20.0</td>
<td>125.0</td>
</tr>
<tr>
<td>BBB-/Baa3</td>
<td>25.0</td>
<td>150.0</td>
</tr>
<tr>
<td>&lt; BBB-/Baa3</td>
<td>30.0</td>
<td>175.0</td>
</tr>
</tbody>
</table>

Note: Green denotes proposed changes

(1) Term SOFR + [10.0] bps benchmark adjustment spread (“C3A”) for 1 and 3-month borrowing requests, respectively
Overview of Existing Bank Group & Syndication Strategy

### Table: Existing Bank Group & Syndication Strategy

<table>
<thead>
<tr>
<th>Size</th>
<th>400,000,000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>5 Years</td>
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<tr>
<td>Maturity</td>
<td>9/15/2022</td>
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</tr>
<tr>
<td>MUFG</td>
<td>60,566,667</td>
<td>16.7%</td>
</tr>
<tr>
<td>Mizuho Bank</td>
<td>66,566,667</td>
<td>16.7%</td>
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<tr>
<td>CoBank</td>
<td>66,566,667</td>
<td>16.7%</td>
</tr>
<tr>
<td>JPMorgan Chase Bank</td>
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<td>16.7%</td>
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<tr>
<td>US Bank</td>
<td>66,566,667</td>
<td>16.7%</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>66,566,667</td>
<td>16.7%</td>
</tr>
<tr>
<td>Total</td>
<td>400,000,000</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Syndication Strategy

- We understand JPMorgan will act as the lead arranger. MUFG recommends inviting the existing bank group plus three new lenders (scenario 1) or the existing bank group plus five new lenders in tier 2 (scenario 2) to the refinancing of the facility.
- Potential new lenders include PNC, TD, Scotia, BNY, Trust, and KeyBank.
- The syndication strategies conservatively assume not all invited banks will commit to the transaction and the syndication is completed with 7 banks.
- MUFG stands ready to support El Paso Electric Company in its financing as the Sole Active Arranger, Bookrunner, and Administrative Agent.

#### Scenario 1

<table>
<thead>
<tr>
<th>Tiers</th>
<th>Invited Lenders</th>
<th>Invite Levels (MM)</th>
<th>Committed Lenders</th>
<th>Total Commitments Raised (MM)</th>
<th>Allocation Per Bank (MM)</th>
<th>Allocation Per Tier (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JLAsJBRs</td>
<td>8</td>
<td>75</td>
<td>7</td>
<td>525</td>
<td>64</td>
<td>450</td>
</tr>
<tr>
<td></td>
<td>Total</td>
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</table>

#### Scenario 2

<table>
<thead>
<tr>
<th>Tiers</th>
<th>Invited Lenders</th>
<th>Invite Levels (MM)</th>
<th>Committed Lenders</th>
<th>Total Commitments Raised (MM)</th>
<th>Allocation Per Bank (MM)</th>
<th>Allocation Per Tier (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JLAsJBRs</td>
<td>5</td>
<td>80</td>
<td>5</td>
<td>400</td>
<td>72</td>
<td>360</td>
</tr>
<tr>
<td>Tier2</td>
<td>5</td>
<td>45</td>
<td>2</td>
<td>90</td>
<td>45</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
El Paso Electric Company
$150 Million 2.91% Senior Unsecured Notes due 2032
$200 Million 3.54% Senior Unsecured Notes due 2052

Private Placement Pricing Memorandum to Investors

The following table provides the terms for the offering:

<table>
<thead>
<tr>
<th></th>
<th>10-year bullet</th>
<th>30-year bullet</th>
</tr>
</thead>
<tbody>
<tr>
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<td>January 27, 2022</td>
<td>January 27, 2022</td>
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<tr>
<td><strong>Funding Date</strong></td>
<td>September 1, 2022</td>
<td>February 15, 2022</td>
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<tr>
<td><strong>Closing Date</strong></td>
<td>February 15, 2022</td>
<td>February 15, 2022</td>
</tr>
<tr>
<td><strong>Interest Payment Dates</strong></td>
<td>February 15, August 15</td>
<td>February 15, August 15</td>
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<tr>
<td><strong>First Payment Date</strong></td>
<td>February 15, 2023</td>
<td>August 15, 2022</td>
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<tr>
<td><strong>Maturity Date</strong></td>
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<td>February 15, 2052</td>
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<td><strong>Currency</strong></td>
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<td>USD</td>
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<tr>
<td><strong>Tranche Amount</strong></td>
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<td>200,000,000</td>
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<tr>
<td><strong>Benchmark</strong></td>
<td>1.375% UST due 11/31</td>
<td>1.875% UST due 11/51</td>
</tr>
<tr>
<td><strong>Benchmark Yield</strong></td>
<td>1.81%</td>
<td>2.09%</td>
</tr>
<tr>
<td><strong>Spread</strong></td>
<td>+110 bps</td>
<td>+145 bps</td>
</tr>
<tr>
<td><strong>Coupon (USD Fixed)</strong></td>
<td>2.91%</td>
<td>3.54%</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>Par</td>
<td>Par</td>
</tr>
</tbody>
</table>
The table below highlights the allocations per tranche for each investor:

<table>
<thead>
<tr>
<th>Investor</th>
<th>10-year</th>
<th>30-year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apollo(1)</td>
<td>47*</td>
<td>23</td>
<td>70</td>
</tr>
<tr>
<td>MetLife(1)</td>
<td>-</td>
<td>55*</td>
<td>55</td>
</tr>
<tr>
<td>Pacific Life</td>
<td>-</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>New York Life</td>
<td>47</td>
<td>-</td>
<td>47</td>
</tr>
<tr>
<td>State Farm</td>
<td>47</td>
<td>-</td>
<td>47</td>
</tr>
<tr>
<td>Securian</td>
<td>7</td>
<td>22</td>
<td>29</td>
</tr>
<tr>
<td>OneAmerica</td>
<td>-</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Nassau</td>
<td>-</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>CUNA</td>
<td>-</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Sentinel</td>
<td>-</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Farm Bureau</td>
<td>-</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>United Farm</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$150</strong></td>
<td><strong>$200</strong></td>
<td><strong>$350</strong></td>
</tr>
</tbody>
</table>

(1)Apollo and MetLife will be responsible for filing with the NAIC for their respective tranches indicated by asterisk (*) above.

**Transaction Details**

**Investors’ Counsel:** Greenberg Traurig, LLP  
Charles Kolin  
(312) 455-1035  
kolinc@gtlaw.com

The benchmark screen from pricing can be seen on the following page.

We appreciate your participation in this transaction.

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gabrielle.bruscino@mufgsecurities.com  
+1 (212) 405-7369
## Appendix: PX1

<table>
<thead>
<tr>
<th>Date</th>
<th>Close</th>
<th>Open</th>
<th>High</th>
<th>Low</th>
<th>Adj Close</th>
<th>Close %</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/02/22</td>
<td>0.039</td>
<td>0.023</td>
<td>0.029</td>
<td>0.023</td>
<td>0.039</td>
<td>0.023</td>
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<tr>
<td>10/03/22</td>
<td>0.039</td>
<td>0.023</td>
<td>0.029</td>
<td>0.023</td>
<td>0.039</td>
<td>0.023</td>
<td>0.023</td>
</tr>
<tr>
<td>10/04/22</td>
<td>0.292</td>
<td>0.188</td>
<td>0.292</td>
<td>0.188</td>
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</tr>
<tr>
<td>10/05/22</td>
<td>0.423</td>
<td>0.418</td>
<td>0.423</td>
<td>0.418</td>
<td>0.423</td>
<td>0.418</td>
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</tr>
<tr>
<td>10/06/22</td>
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<td>0.730</td>
<td>0.748</td>
<td>0.730</td>
<td>0.748</td>
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</table>

### Bonds

<table>
<thead>
<tr>
<th>Date</th>
<th>Close</th>
<th>Open</th>
<th>High</th>
<th>Low</th>
<th>Adj Close</th>
<th>Close %</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/02/22</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
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<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
</tr>
<tr>
<td>11/04/22</td>
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<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
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<tr>
<td>11/05/22</td>
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<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
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</tr>
</tbody>
</table>

### Curve Trades

<table>
<thead>
<tr>
<th>Date</th>
<th>Close</th>
<th>Open</th>
<th>High</th>
<th>Low</th>
<th>Adj Close</th>
<th>Close %</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/02/22</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
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<tr>
<td>11/03/22</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
</tr>
<tr>
<td>11/04/22</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
</tr>
<tr>
<td>11/05/22</td>
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<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
<td>100-06</td>
</tr>
</tbody>
</table>
El Paso Electric Company
NMPRC Rule 17.1.2.8.A(6)(a) NMAC
EPE Anticipated Capital Requirements
Period May 1, 2022 to April 30, 2023
(Amended as of January 06, 2023)
In Thousands

<table>
<thead>
<tr>
<th>Uses of Cash</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Construction Requirements</td>
<td>$406,922</td>
</tr>
<tr>
<td>Maturities of Long-Term Debt and Sinking Fund Requirements</td>
<td>209,235</td>
</tr>
<tr>
<td>Net repayments/(borrowings) of Revolving Credit Facility Related to Other Capital Requirements</td>
<td>(219,000)</td>
</tr>
<tr>
<td>Dividends</td>
<td>166,887</td>
</tr>
<tr>
<td>Total Capital Requirements</td>
<td>$564,044</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sources of Cash</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Internally Generated Cash</td>
<td>$234,809</td>
</tr>
<tr>
<td>Externally Provided Cash</td>
<td>329,235</td>
</tr>
<tr>
<td>Total Capital Funding</td>
<td>$564,044</td>
</tr>
<tr>
<td></td>
<td>$864,044</td>
</tr>
</tbody>
</table>

Notes:
(1) On July 29, 2020, EPE was acquired by Sun Jupiter Holdings LLC ("Sun Jupiter") an indirect, wholly owned subsidiary of IIF US Holding 2 LP ("IIF").
(2) Excludes capital requirements for the Rio Grande Resources Trust II ("RGRT") to finance future purchases of nuclear fuel and to refinance existing nuclear fuel obligations.
(3) EPE plans to borrow a $300 million term loan, payable at a period not to exceed 364 days ("a 364-day $300 million term loan") and to pay down Revolving Credit Facility ("RCF") borrowings in this amount.
(4) On July 29, 2020 Sun Jupiter acquired 100% of EPE's outstanding shares of common stock. As a result, EPE's common stock was delisted for trading on the New York Stock Exchange ("NYSE") and deregistered under the Securities and Exchange Act of 1934, as amended. The exact amount and timing of dividends may vary between May 1, 2022 and April 30, 2023, and will be limited, except for contractual tax payments, to an amount not to exceed its net income (as determined in accordance with GAAP and excluding the impact of the Palo Verde Nuclear Decommissioning Trust) consistent with the Commission Final Order in Case No. 19-00234-UT, adopting Final Stipulated Regulatory Commitment No. 48.
(5) EPE currently anticipates that EPE's capital requirements for the remainder of 2022 and in early 2023 will be derived from internally generated funds, borrowings from EPE's current RCF*, equity infusions from Sun Jupiter, and a 364-day $300 million term loan. As of March 31, 2022, EPE had approximately total available liquidity of $235.1 million.

During the reporting period, EPE anticipates issuing up to $200 million in long-term debt, of which $150 million of The 2.91% Senior Notes will be funded on September 1, 2022, and will mature on September 1, 2032. The proceeds, less issuance costs, will be used to repay the $150 million 3.30% Senior Notes that mature on December 15, 2022, but are subject to optional redemption on September 15, 2022. The remaining funds will be used to repay borrowings under the RCF.

Depending on the market conditions, EPE may redeem and refinance the $59.235 million 4.50% 2012 Maricopa Series A PCBs due 2042.

During the reporting period, EPE anticipates receiving equity infusions up to $70 million, in one or more transactions, from Sun Jupiter. The amount(s) and timing are subject to change based on EPE's capital needs.

* On March 20, 2020, EPE exercised its option to extend the maturity of the RCF by one year to September 13, 2024 and to increase the borrowing commitments under the RCF by $50.0 million to $400.0 million. EPE still has the option to extend the facility by one additional year to September 2025 upon the satisfaction of certain conditions more fully set forth in the RCF Agreement, including the requisite lender approval, consistent with the Commission Final Order in Case No. 17-00217-UT. EPE filed a request to amend and extend its RCF for a five year term with the option to extend by two additional one-year terms and to increase its RCF by an additional $50.0 million with the option to increase by an additional $100.0 million to $550.0 million. Subject to Commission approval, EPE plans to amend and extend the RCF starting in April 2023.
El Paso Electric Company
NMPRC Rule 17.1.2.8.A(6)(b) NMAC
General Description Of All Known
And Projected Securities Issuances
Period May 1, 2022 to April 30, 2023
(Amended as of January 6, 2023)

Long-Term Debt

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EPE</td>
<td>$269,235</td>
</tr>
<tr>
<td></td>
<td>$209,235</td>
</tr>
</tbody>
</table>

Notes:
(1) Excludes anticipated equity infusions from Sun Jupiter, EPE’s Parent, which do not qualify as securities under NMSA Section 62-3-3(F).

(2) On October 4, 2017, EPE received approval in NMPRC Case No. 17-00217-UT to amend and extend the RCF, increase the commitments under the RCF by up to $450.0 million. On March 20, 2020, EPE exercised its option to extend the maturity of the RCF by one year to September 13, 2024 and to increase the borrowing commitments under the RCF by $50.0 million to $400.0 million. EPE still has the option to extend the facility by one additional year to September 2025 upon the satisfaction of certain conditions more fully set forth in the RCF Agreement, including requisite lender approval. EPE filed a financing application on January 6, 2023 which included a request to amend and extend its RCF for a five-year term with the option to extend by two additional one-year terms and to increase its RCF by an additional $50.0 million with the option to increase by an additional $100.0 million to $550.0 million. Subject to Commission approval, EPE plans to amend and extend the RCF starting in April 2023.

On May 26, 2021, EPE received approval in NMPRC Case No. 21-00094-UT to issue up to $350 million in long-term debt and to redeem and refinance the $59.235 million Series A 4.50% Pollution Control Bonds (“PCBs”) and to guarantee the issuance of up to $45 million in long-term debt by the Rio Grande Resources Trust. These approvals supersede the approvals received in NMPRC Case No. 17-00217-UT. On September 22, 2021, EPE guaranteed the issuance by RGRT of $45 million of 2.35% Senior Notes due September 22, 2031. On February 15, 2022, EPE issued 2.91% Senior Unsecured Notes of $150 million with a maturity date of September 1, 2032, and 3.54% Senior Unsecured Notes of $200 million with a maturity date of February 15, 2052. The $200 million unsecured senior notes were funded on February 15, 2022, and the $150 million unsecured senior notes will be funded on September 1, 2022. The proceeds will be utilized to repay the $150 million 3.30% Senior Notes that mature on December 15, 2022, but are subject to optional redemption on September 15, 2022. Depending on the market conditions, EPE may redeem and refinance the $59.235 million 4.50% 2012 Maricopa Series A PCBs due 2042 during the reporting period.

Similar approvals were received from FERC in 2021 in Docket Nos. ES21-28-000, ES21-36-000. The FERC approvals are effective from April 19, 2021 through April 18, 2023 and from June 8, 2021 through June 7, 2023 and supersede prior approvals.

(3) Includes the $150 million of 2.91% Senior Notes that will be drawn on September 1, 2022. EPE expects to file a financing application towards the end of 2022 or early 2023 on January 6, 2023 to request approval for the issuance of $180 million of long-term debt, which EPE anticipates issuing in the 2023 AIFF reporting period.
## El Paso Electric Company
### NMPRC Rule 17.1.2.8.A(6)(c) NMAC
### EPE Capital Structure (1)
### (Amended as of January 6, 2023)
### In Thousands

<table>
<thead>
<tr>
<th>Description</th>
<th>5/1/2022 (2)</th>
<th>Debit</th>
<th>Credit</th>
<th>4/30/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Equity</td>
<td>1,501,569</td>
<td>50%</td>
<td>92,886</td>
<td>(3) 1,594,455</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>54% 52%</td>
</tr>
<tr>
<td>Long-Term Obligations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Notes</td>
<td>1,325,000</td>
<td>150,000</td>
<td>200,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Pollution Control Bonds</td>
<td>159,835</td>
<td>59,235</td>
<td>59,235</td>
<td>(5) 159,835</td>
</tr>
<tr>
<td>Debt Issuance Costs</td>
<td>(9,275)</td>
<td>1,463</td>
<td>2,242</td>
<td>(6) (8,495)</td>
</tr>
<tr>
<td>Total Long-term Debt</td>
<td>1,475,560</td>
<td>50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>49% 48%</td>
</tr>
<tr>
<td>Total Capitalization</td>
<td>$2,977,129</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Notes:
(1) EPE’s capital structure excludes securities related to the RGRT and short-term borrowings under the RCF. Refer to next page for information on securities excluded from EPE’s capital structure.
(2) Amounts are based on March 2022 Financial Statements projected forward to represent estimated May 1, 2022 amounts.
(3) Includes (1) $70 million equity infusion from Sun Jupiter and (2) projected earnings for the period. These amounts are reduced by estimated dividend payments of approximately $166.9 million.
(4) During the reporting period, EPE anticipates issuing up to $150 million in long-term debt. The 2.91% Senior Notes will be funded on September 1, 2022, and will mature on September 1, 2032. The proceeds, less issuance costs, will be used to repay the $150 million 3.30% Senior Notes that mature on December 15, 2022, but are subject to optional redemption on September 15, 2022. The remaining $50 million will be used to repay borrowings under the RCF.
(5) Depending on market conditions, EPE may redeem and refinance the $59.235 million Series A 4.50% Pollution Control Bonds ("PCBs").
(6) Estimated issuance costs.
(7) Annual amortization costs.
### El Paso Electric Company
**NMPRC Rule 17.1.2.8.A(6)(c) NMAC**
**Nuclear Fuel & Short-Term Debt** (1)
**(Amended as of January 6, 2023)**  
**In Thousands**

<table>
<thead>
<tr>
<th>Description</th>
<th>5/1/2022 (2)</th>
<th>Debit</th>
<th>Credit</th>
<th>4/30/2023</th>
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<tbody>
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<td>Nuclear Fuel RCF</td>
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<td>(3)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>9,201</td>
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<tr>
<td>Nuclear Fuel Senior Notes</td>
<td>110,000</td>
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<td></td>
</tr>
<tr>
<td>Total Nuclear Fuel</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>119,201</td>
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<tr>
<td>EPE’s Portion of Revolving Credit Facility           (5)</td>
<td>168,000</td>
<td>81,000</td>
<td>249,000</td>
<td>387,000</td>
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<tr>
<td>EPE’s Term loan</td>
<td>0</td>
<td></td>
<td>300,000</td>
<td>(6)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>300,000</td>
</tr>
</tbody>
</table>

**Notes:**
1. This page represents securities excluded from EPE’s capital structure (i.e. nuclear fuel and short-term borrowings under the RCF).
2. Amounts are based on March 2022 Financial Statements projected forward to represent estimated May 1, 2022 amounts.
3. Net change in nuclear fuel borrowings related to purchases and interest net of payments made during the period.
4. Financing costs for nuclear fuel are recovered through EPE’s Fuel and Purchased Power Cost Adjustment Clause.
5. Estimated EPE’s portion of the RCF net working capital borrowings/repayments. EPE anticipates
6. EPE plans to borrow a 364-day $300 million term loan and to pay down RCF borrowings in this amount.
## PLAN DESCRIPTION

<table>
<thead>
<tr>
<th>PLAN DESCRIPTION</th>
<th>NO. SHARES</th>
<th>PROCEEDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Plans (a)</td>
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</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Notes:
(a) Upon consummation of the Merger Transaction on July 29, 2020, approved by Commission Final Order in Case No. 19-00234-UT, Sun Jupiter acquired 100% of EPE's outstanding shares of common stock, including shares previously issued under EPE's Amended and Restated 2007 Long-Term Incentive Plan. The Company no longer issues shares of common stock.
Long-Term Debt:
On May 26, 2021, EPE received approval in NMPRC Case No. 21-00094-UT to issue up to $350 million in long-term debt and to redeem and refinance the $59.235 million Series A 4.50% Pollution Control Bonds ("PCBs") and to guarantee the issuance of up to $45 million in long-term debt by the Rio Grande Resources Trust. These approvals supersede the approvals received in NMPRC Case No. 17-00217-UT. On September 22, 2021, EPE guaranteed the issuance by RGRT of $45 million of 2.35% Senior Notes due September 22, 2031. On February 15, 2022, EPE issued 2.91% Senior Unsecured Notes of $150 million with a maturity date of September 1, 2032, and 3.54% Senior Unsecured Notes of $200 million with a maturity date of February 15, 2052. The $200 million unsecured senior notes were funded on February 15, 2022, and the $150 million unsecured senior notes will be funded on September 1, 2022. The proceeds will be utilized to repay the $150 million 3.30% Senior Notes that mature on December 15, 2022, but are subject to optional redemption on September 15, 2022.

Final Order Compliance
EPE has complied with all applicable Final Orders decided during the preceding five (5) year period.
EL PASO ELECTRIC COMPANY
NMPRC TITLE 17 NMAC RULE 510
ANNUAL INFORMATION FINANCING FILING
SHARES ISSUED
FOR THE PERIOD APRIL 1, 2021 TO MARCH 31, 2022
(Amended as of January 6, 2023)

<table>
<thead>
<tr>
<th>Shares Awarded</th>
<th>Total Shares Awarded</th>
<th>Cumulative Totals (1)</th>
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<tbody>
<tr>
<td>Options Exercised/Outstanding</td>
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<td>0</td>
</tr>
<tr>
<td>Less: Tax Shares Withheld &amp; Forfeited Shares</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Shares Awarded</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

(1) The 2007 Long-Term Incentive Plan was terminated on July 29, 2020 when the Company consummated the merger with IIF.
<table>
<thead>
<tr>
<th>OPTIONS AWARDED:</th>
<th>TOTAL SHARES</th>
<th>Amended &amp; Restated 2007 Plan</th>
<th>PRICES</th>
<th>PROCEEDS $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>OPTIONS EXERCISED:</th>
<th>TOTAL SHARES</th>
<th>Amended &amp; Restated 2007 Plan</th>
<th>PRICES</th>
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BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL TO AMEND AND EXTEND THE REVOLVING CREDIT FACILITY; ISSUE UP TO $180 MILLION OF FIXED RATE LONG-TERM DEBT

EL PASO ELECTRIC COMPANY, APPLICANT

DECLARATION OF JO ANN JUDD IN SUPPORT OF THE FOREGOING DIRECT TESTIMONY IN EL PASO ELECTRIC COMPANY’S APPLICATION FOR APPROVAL TO AMEND AND EXTEND THE REVOLVING CREDIT FACILITY, AND ISSUE UP TO $180 MILLION OF FIXED RATE LONG-TERM DEBT

I, Jo Ann Judd, pursuant to Rule 1-011 NMRA, state as follows:

1. I affirm in writing under penalty of perjury under the laws of the State of New Mexico that the following statements are true and correct.

2. I am over 18 years of age and have personal knowledge of the facts stated herein. I am employed by El Paso Electric Company ("EPE" or "the Company") as the Manager of Cash Management.

3. The foregoing Direct Testimony of Jo Ann Judd, together with all exhibits sponsored therein and attached thereto, is true and accurate based on my knowledge and belief.

4. I submit this Declaration, based upon my personal knowledge and upon information and belief, in support of EPE’s Application for Approval to Amend and Extend the Revolving Credit Facility and Issue Up to $180 Million of Fixed Rate Long-Term Debt.
FURTHER, DECLARANT SAYETH NAUGHT.

I declare under penalty of perjury that the foregoing is true and correct.


/s/ Jo Ann Judd
JO ANN JUDD
BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

IN THE MATTER OF THE APPLICATION )
OF EL PASO ELECTRIC COMPANY FOR )
APPROVAL TO AMEND AND EXTEND THE )
REVOLVING CREDIT FACILITY; ISSUE UP )
TO $180 MILLION OF FIXED RATE )
LONG-TERM DEBT )
) CASE NO. 23-00004-UT
) EL PASO ELECTRIC COMPANY, )
APPLICANT )
) __________________________________________

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that El Paso Electric Company’s Application for Approval to Amend and Extend the Revolving Credit Facility; Issue up to $180 Million of Fixed Rate Long-Term Debt was emailed on January 6, 2023, to each of the following:

Nancy Burns  nancy.burns@epelectric.com
Patricia Griego  patricia.griego@epelectric.com
EPE Management  EPE_Reg_Mgmt@epelectric.com
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Merrie Lee Soules
Joan E. Drake
Cydney Beadles
Cara Lynch
Bradford Borman
David Black
Peggy Martinez-Rael
Ana Kippenbrock

DATED this 6th day of January 2023.

/s/Trish Griego
Trish Griego
Legal Assistant