



Control Number: 32289



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November 29, 2006

Mr. Paul Hudson, Chairman
Ms. Julie Caruthers Parsley, Commissioner
Mr. Barry T. Smitherman, Commissioner
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

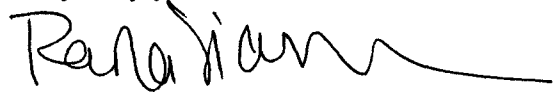
Re: PUC Docket No. 32289; *Joint Petition of El Paso Electric Company and the City of El Paso For Approval of Fuel-Related Provisions of Rate Agreement*

Dear Commissioners:

El Paso Electric Company (EPE), Texas Ratepayers Organization to Save Energy (Texas ROSE), and the Texas Legal Services Center (TLSC) have entered into the attached Supplemental Settlement Agreement on Low-Income Programs. EPE is authorized to report that the City of El Paso, the Office of Public Utility Counsel, the State of Texas, and Border Steel, Inc. do not oppose this settlement agreement. Commission Staff does not take a position on the settlement agreement.

EPE agrees to increase funding of its low-income weatherization and refrigerator replacement programs on a going forward basis through 2010. EPE has also pledged to work with interested parties to establish a plan for increased enrollment in the Low Income Rider. In return, Texas ROSE has agreed to support the Stipulation Implementing the Fuel Related Provisions of the Rate Agreement in Docket No. 32289 and withdraw any claim that EPE has violated PURA § 39.903(g).

Very truly yours,



Rana M. Siam

Attachment

cc: All Parties of Record

P.U.C. DOCKET NO. 32289

JOINT PETITION OF EL PASO	§	
ELECTRIC COMPANY AND THE CITY	§	BEFORE THE
OF EL PASO FOR APPROVAL OF	§	PUBLIC UTILITY COMMISSION
FUEL-RELATED PROVISIONS OF	§	OF TEXAS
RATE AGREEMENT	§	

Supplemental Settlement Agreement on Low-Income Programs

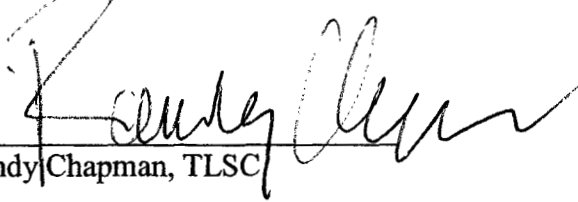
The term of this Supplemental Settlement Agreement is entered into by and between El Paso Electric Company ("EPE"), Texas Ratepayers Organization to Save Energy ("Texas ROSE") and Texas Legal Services Center ("TLSC") in Public Utility Commission of Texas Docket No. 32289, Joint Petition of El Paso Electric Company and the City of El Paso for Approval of Fuel-Related Provisions of Rate Agreement, who hereby agree as follows:

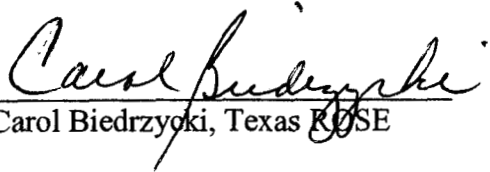
1. This Agreement is effective November 29, 2006 and is binding on the parties for the term of the New Freeze Period as defined in the July 1, 2005 Rate Agreement.
2. Texas ROSE and TLSC agree to make a filing in support of the "Stipulation Implementing Fuel Provisions of Rate Agreement" filed in Docket No. 32289 on July 31, 2006 and withdrawing any claim that EPE has violated PURA Section 39.903(g).
3. EPE agrees to increase the funding for its low-income weatherization and refrigerator replacement programs by \$20,000 a year through 2010 as follows:

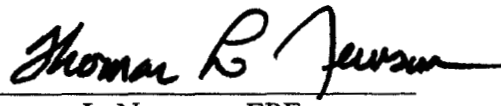
2006	—	\$480,000
2007	—	\$500,000
2008	—	\$520,000
2009	—	\$540,000
2010	—	\$560,000

4. EPE agrees to work with interested parties to establish a plan for enrollment in the Low Income Rider by electric service customers who receive food stamps, such plan to include milestones and performance measures to work toward the goal of increased enrollment. The initial plan shall be filed within 90 days of the date of a final order in Docket No. 32289. As part of the initial plan to increase enrollment, EPE will contract with a third party administrator to supplement or replace EPE's internal matching system to increase participation in its LIR program. The objective of the process established will be to take into account or mine information in data fields (*i.e.*, take into account name changes and spelling inaccuracies) so as to reasonably assure that electric service customers on Food Stamps are properly matched. EPE agrees to conduct and file annual progress reviews and appropriate plan revisions with interested parties and Commission Staff that summarize the matching results and that report on all outreach activities designed to maximize self-enrollment. EPE further agrees to file quarterly reports with

interested parties and Commission Staff on the LIR participation levels during the term of this Agreement.


Randy Chapman, TLSC


Carol Biedrzycki, Texas ROSE


Thomas L. Newsom, EPE