customer classes eligible to receive services under the energy efficiency programs pay the EECRF. The calculation of the EECRF is shown in Exhibit CH-1.

Q. WHY IS EPE FILING THIS REQUEST TO ADJUST ITS EECRF FOR THE 2014 PROGRAM YEAR?

A. P.U.C. Substantive Rule 25.181 requires that a utility with an EECRF apply each year to adjust its EECRF in order to reflect changes in program costs, administrative costs, a true-up of the prior years' over- or under-recovery of energy efficiency costs, a performance bonus based on the utility's previous year's energy efficiency program performance, and recovery of prior EECRF proceeding expenses. Further, Substantive Rule 25.181(f) provides that a utility may request that an EECRF be established to recover all of the utility's forecasted annual energy efficiency program costs, including administrative and Evaluation, Measurement and Verification ("EM&V") costs. EPE is filing for this adjustment pursuant to Substantive Rule 25.181.

IV. EPE'S 2014 ENERGY EFFICIENCY GOAL

Q. WHAT IS THE COMMISSION RULE REGARDING REVISING THE ENERGY EFFICIENCY GOALS?

A. P.U.C. SUBST. R. 25.181(e)(1)(E) states "Except as adjusted in accordance with subsection (w) of this section, a utility's demand reduction goal in any year shall not be lower than its goal for the prior year, unless the commission establishes a goal for a utility pursuant to paragraph (2) of this subsection."

Q. IS EPE REQUESTING TO REVISE THE GOAL FOR 2014?

A. No. EPE is requesting that the goal for 2014 remain at 11.16 MW, which is consistent with the rule I just mentioned.

Q. DOES EPE'S GOAL MEET THE COMMISSION'S GOAL OF 30% REDUCTION OF AVERAGE ANNUAL GROWTH IN DEMAND AS PROVIDED IN P.U.C. SUBST. R. 25.181(e)(1)?

A. Yes. As shown in Table 1 of EPE's 2013 Energy Efficiency Plan and Report, attached as my Exhibit CH-3, and reproduced in Table 1 below, EPE's goal of 11.16 MW is greater than the 30% goal. Pursuant to the rule, the goal is calculated by taking 30% of the weather adjusted average annual growth over the past five years. For 2014, EPE's 30% goal would be 5.82 MW.

Table 1: Summary of 2013 & 2014 Projected Goals, Savings and Budgets (at Meter)

Calendar Year	Average Growth in Demand (MW)	Weather Adjusted Peak Demand (MW)	Goal Metric 30% of Avg. Growth over Past 5 Years (MW)	Goal Metric 0.4% of Prior Yr. Peak Demand (MW)	Peak Demand Goal (MW)	Energy Goal (MWh)	Projected Demand Reduction (MW)	Projected Energy Savings (MWh)	Projected Budget - EM&V not Included (000's)
2013	23.8	1,083	7.14	4.332	11.16	19,552	11.554	22,506	$4,385
2014	19.4	1,083	5.82	4.332	11.16	19,552	11.554	22,506	$4,385

Q. DOES EPE'S GOAL MEET OR EXCEED THE COMMISSION'S GOAL OF THE 0.4% REDUCTION OF PEAK DEMAND AS PROVIDED IN P.U.C. SUBST. R. 25.181(e)(1)?

A. Yes. As shown in Table 1 above, EPE's goal of 11.16 MW is greater than 0.4% of the prior year's weather adjusted peak demand which is 4.332 MW.

V. EPE'S REQUEST TO ESTABLISH REVISED COST CAP

Q. WHAT IS THE COMMISSION RULE REGARDING REVISING THE ENERGY EFFICIENCY COST CAPS?

A. P.U.C. SUBST. R. 25.181(e)(2) states in part:

> The commission may establish for a utility ...an EECRF greater than the cap specified in subsection(f)(7) of this section if the utility demonstrates that compliance with that ... EECRF cost cap is not reasonably possible and that good cause supports the ...higher EECRF cost cap. To be eligible for a ... higher EECRF cost cap, the utility must request a good cause exception as part of its EECRF application. If approved, the good cause exception is limited to the program year associated with the EECRF application.

Q. DO THE COMMISSION'S RULES PROVIDE FOR A LIMITATION ON THE EXPENDITURES A UTILITY MAY RECOVER FOR ENERGY EFFICIENCY PROGRAMS?

A. Yes. P.U.C. SUBST. R. 25.181(f)(7) sets cost caps on the amount that can be charged to a customer on a per kWh basis.

Q. WHAT IS THE COST CAP THAT IS APPLICABLE TO EPE FOR 2014 PROGRAM COSTS?

A. For 2014 program costs, the 2013 cost caps of $0.0012 per kWh for residential customers and $0.00075 per kWh for commercial customers are adjusted based on the most recent South Urban Consumer Price Index ("CPI-U") percent change as reported by the Federal Bureau of Labor Statistics. For the last twelve months ended March 2013, the CPI-U is 1.50%. With this adjustment, the cost cap

applicable to EPE for residential customers is $0.00122 per kWh and for non-residential customers it is $0.00076 per kWh.

Q. HOW DOES THE TOTAL OF EPE'S 2014 EECRF COSTS THAT ARE SUBJECT TO THE CAPS FOR THE RESIDENTIAL AND COMMERCIAL CUSTOMER GROUPS COMPARE TO THE REGULATORY COST CAP?

A. EPE's 2014 EECRF costs that are subject to cap for the residential customer group would result in an EECRF charge of $0.00068 per kWh, which is below the cost cap for 2014 of $0.00122 per kWh. However, the commercial customer group is above the 2014 cap of $0.00076 per kWh because EPE's 2014 EECRF costs that are subject to cap for those customers as a group would result in an EECRF charge of $0.00090 per kWh. These values are shown in Exhibit CH-4, lines 22 and 23, respectively.

Q. IS EPE REQUESTING THAT THE COMMISSION RE-ESTABLISH EITHER ONE OF THESE COSTS CAPS?

A. Yes. Within the commercial customer group, there are six commercial rate classes that would be candidates for EPE to request revised cost caps. When the costs subject to the cap (all those other than EM&V and municipal EECRF proceeding expenses) are allocated to those six classes, the resulting EECRF would exceed the cap. These calculations are shown in Exhibit CH-4. However, as explained in more detail below, EPE is requesting a good cause exception to combine one or more rate classes with a similar rate class that receives services under the same

energy efficiency programs as stated in 25.181 (f)(2) and discussed in Section VII of this testimony. EPE is requesting that the Cotton Gin Service, the University Service and the Cogeneration Service rate classes be combined with the Large Power Service rate for purposes of calculating the 2014 EECRF. After that combination, three classes remain that would exceed the cap, and those are the Small Commercial Service, the Large Power Service, and City County Service. EPE is requesting that the cap be re-established for those three commercial rate classes.

Table 2 below, summarized from Exhibit CH-4, compares EPE's 2014 proposed EECRF subject to the cost caps, which excludes the EM&V and municipal EECRF proceeding expenses. With EPE's proposed EECRF subject to the cost caps, three rate classes, (Small Commercial Service, Large Power Service, and City County Service), would exceed the cost cap set by the Commission's rule for 2014.

Table 2

Rate Class	2014 per kWh Cost Cap	2014 Proposed EECRF Subject to Cost Cap	Percent of Cap
Residential Service	$ 0.00122	$ 0.000695	57%
Small Commercial Service	$ 0.00076	$ 0.001981	260%
Outdoor Recreational Lighting Service	$ 0.00076	$ 0.000246	32%
Government Street Lighting and Signal Service	$ 0.00076	$ (0.000058)	-8%
Municipal Pumping Service (Includes 11 - TOU)	$ 0.00076	$ 0.000218	29%
Water Heating	$ 0.00076	$ (0.000880)	-116%
Irrigation Service	$ 0.00076	$ 0.000520	68%
General Service	$ 0.00076	$ 0.000639	84%

Large Power Service (Secondary & Primary Voltage) Including Cotton Gin Service, University Service, and Cogeneration Service	$ 0.00076	$ 0.001202	158%
City & County Service	$ 0.00076	$ 0.001219	160%

Q. WHY IS EPE PROPOSING TO ESTABLISH REVISED COST CAPS?

A. EPE requests that the Commission establish revised caps for the Small Commercial Service, Large Power Service, and City County Service rate classes, so that EPE can maintain its existing programs with the same level of funding and demand savings goals that were set for 2011, 2012 and 2013. The result of this would be that EECRF rates would decrease for seven of the thirteen eligible classes when compared to the 2013 EECRF.

Abiding by the rule, EPE requests the Commission establish higher cost caps for these three classes and keep the goals the same as they have been for 2011, 2012 and 2013. As presented in Table 2, EPE's EECRF rates would exceed the 2014 cap limitations in P.U.C. Subst. R. 25.181(f)(7)(E) for the Small Commercial Service, Large Power Service and City and County Service. Under the current EECRF tariff (for 2013), all three of these rate classes are already currently paying an EECRF higher than the capped amount.

Q. IN YOUR OPINION, IS THERE GOOD CAUSE FOR THE COMMISSION TO ESTABLISH REVISED COST CAPS FOR EPE? IF SO, WHY?

A. Yes. EPE has met its goals and can continue with the same goal as in previous years by utilizing funds in the most productive manner. Seven of the thirteen rate

classes are under the cost cap. It would be better to continue with current programs as budgeted and not re-allocate funds to different programs that may not perform as well as current programs. This would allow EPE to still meet its 2014 goal. Additionally, consistent with EPE's request to re-establish the cost cap for the three classes mentioned above so that it can maintain the same goals over time, the Commission has previously found merit in this approach and approved revised goals and cost caps for EPE in response to EPE's 2011 filing, Docket No. 39376 and 2012 filing, Docket No. 40343.

VI. EPE'S 2014 PROPOSED EECRF

Q. WHAT ARE THE TOTAL RECOVERABLE ENERGY EFFICIENCY COSTS THAT EPE IS SEEKING TO RECOVER IN THE PROPOSED 2014 EECRF?

A. Based on the 2014 energy efficiency program costs, EPE is seeking to recover $4,302,766 through its 2014 revised EECRF. That amount includes the following:

- Forecasted 2014 Total Proposed Energy Efficiency Budget and Proceeding Expenses of $4,470,493;
- EPE's 2012 Energy Efficiency Performance Bonus amount of $409,036;
- A true-up adjustment by rate class, of EPE's net over-recovery for 2012 of ($618,112); and
- EPE's prior year EECRF filing expenses of $41,349.

These values are shown in Exhibit CH-1, page 1.

Q. HOW DO THESE COSTS COMPARE TO THOSE THAT EPE SOUGHT TO RECOVER THROUGH THE EECRF FOR 2013?

A. EPE's 2013 EECRF was designed to recover $5,493,834, as shown in Exhibit CH-1, page 14. So, EPE's request for 2014 total recoverable energy efficiency costs is approximately $1.2 million less than 2013.

Q. WHY ARE THE TOTAL RECOVERABLE ENERGY EFFICIENCY COSTS LOWER IF THE 2014 PROPOSED PROGRAM COSTS ARE THE SAME AS 2013?

A. Three factors contributed to the reduced the total energy efficiency program costs for 2013. First, the performance bonus is lower for 2012 than for 2011. In 2011 EPE received a performance bonus of $541,221, compared to the requested bonus of $409,036 for 2012, a difference of $132,185. Second, the difference between the over-recovery EPE had in 2011 of ($447,900) versus an over-recovery in 2012 of ($618,112) resulted in a net over-recovery difference of $170,212. Third, the difference between the deferred energy costs for 2013 of $1,015,863 for 6 months recovery of the amortized costs versus no amortized costs to be recovered in 2014. Slightly offsetting these three factors that work to reduce EPE's total 2014 requested energy efficiency costs is the inclusion in this year's filing of the prior year's EECRF proceeding expenses of $41,349, which includes $8,729 in municipal expenses. Also included are the 2014 budgeted EM&V costs of $44,494 and 2013 estimated EECRF proceeding expenses of $41,349. The EM&V costs are statewide costs that are allocated to utility. Each utility has been directed

to pay these costs, EPE included. Combining the differences between 2011 and 2012 performance bonuses, the over recovery balances, the amortization differences for 2013 and 2014, and the addition of EECRF proceeding expenses and EM&V costs, the result is a reduction in the amount to be recovered in the EECRF of $1,191,068.

Q. WHAT ARE THE TOTAL PROJECTED ENERGY EFFICIENCY PROGRAM COSTS EPE IS SEEKING TO RECOVER IN THE 2014 EECRF?

A. EPE is seeking to recover total projected 2014 program costs of $4,429,144, which were filed in EPE's 2013 EEPR with the Commission April 1, 2013. The EEPR is attached as Exhibit CH-3, and the breakdown of individual program costs are summarized in Exhibit CH-5. In summary, the $4,429,144 consists of $2,623,111 for commercial programs, $1,075,471 for residential programs, $600,000 for hard-to-reach programs, $86,068 in not directly assignable administrative costs and $44,494 in EM&V costs for the statewide M&V evaluator.

Q. PLEASE EXPLAIN WHY THERE WAS AN OVER-RECOVERY OF $618,113 FOR 2012?

A. EPE had calculated the 2012 EECRF based on forecasted sales for the applicable classes for 2012 of 4,740,416,907 kWh. Actual sales to the applicable classes in 2012 were 4,917,772,999 kWh, an increase of 177,356,092 kWh, or approximately

4% above what was expected. Additionally, actual expenditures in 2012 were $421,661 less than proposed.

Q. PLEASE DESCRIBE THE CALCULATION OF EPE'S ENERGY EFFICIENCY PERFORMANCE BONUS OF $409,036 THAT EPE IS SEEKING TO RECOVER?

A. In 2012, EPE's energy efficiency programs achieved a 12.029 MW reduction in peak demand. EPE's demand reduction goal for 2012 was 11.160 MW. EPE's achievement represents 107.8% of its goal, qualifying it for a performance incentive, or bonus. EPE had total program cost for all programs in 2012 of $3,962,989 and total avoided costs of $14,468,953. This results in $10,505,964 in net benefits. To calculate the bonus, the amount of the demand reduction goal achieved over 100% is divided by two and applied to the net benefits amount (((107.8% - 100%) / 2) x $10,505,964). This calculation results in a performance bonus for EPE of $409,036 for 2012. This is below the amount limited by P.U.C. SUBST. R. 25.181(h)(3) to a maximum energy efficiency performance bonus recovery amount equal to 10% of net benefits, which would be $1,050,596 for 2012. This calculation is shown in Exhibit CH-6.

Q. PLEASE EXPLAIN HOW THE PROPOSED OVER/UNDER RECOVERY TRUE-UP WAS CALCULATED?

A. The over/under recovery amount is based on the difference between the actual amount of total costs incurred from January to December 2012, which is the time

period that EPE's 2012 EECRF was in effect, and the actual amount of revenue recovered through the 2012 EECRF for each rate class for the same time period. The total costs for 2012 included $3,962,989 in actual program incentives paid for 2012, deferred energy efficiency program costs of $2,152,523 to be recovered in 2012, the 2010 performance bonus amount of $833,347, and the 2010 under recovery amount of $1,068,865 to be recovered in 2012. The amount collected under 2012 EECRF for was $8,635,836. This resulted in an over-recovery of $618,112 for the 2012 program year. This is a net over-recovery, but as demonstrated in Exhibit CH-1, page 6, when considered on a per-class basis, there was an under-recovery amount for some non-residential classes.

Q. WHAT BILLING DETERMINANTS DID EPE USE TO CALCULATE THE PROPOSED 2014 EECRF?

A. EPE utilized projected 2014 kWh sales by rate class based on EPE's 2013 Long Term Forecast, as shown in Exhibit CH-1, page 1.

Q. HOW WAS THE PROPOSED EECRF DETERMINED USING 2014 PROJECTED BILLING UNITS?

A. The total energy efficiency costs associated with the 2014 EECRF were allocated to each rate class consisting of the 2014 budget program costs, including administration, EM&V and EECRF proceeding costs, the 2012 performance bonus, the adjustment for the 2012 over- under-recovery for each rate class, and the prior year's EECRF proceeding costs. The total costs by rate were divided by

the 2014 projected kWh sales for each rate class to produce the EECRF by rate class.

Q. HOW WERE THE 2014 BUDGET PROGRAM COSTS ALLOCATED TO EACH RATE CLASS?

A. The 2014 program costs, excluding administration, EM&V and EECRF proceeding costs, were allocated by program to each rate class that is eligible to participate in that program based on the 2014 energy and 4 Coincident Peak ("4-CP") average demand for that class. The allocator is calculated by using the percent of energy for each class eligible for a program divided by the total energy of all classes eligible to participate in that program. The same is done utilizing the 4-CP demand. These two percentages are averaged and then applied to the program costs.

The administration, EM&V and EECRF proceeding costs were allocated to each rate class based on the percent of total program costs allocated to that class.

Q. HOW WERE THE PRIOR YEAR EECRF FILING COSTS ALLOCATED?

A. The prior year EECRF filing costs were allocated based on the percentage of 2012 actual incentives paid to each class.

Q. HOW WAS THE 2012 PERFORMANCE BONUS ALLOCATED TO EACH CLASS?

A. The 2012 performance bonus was allocated in a two-step process. First, the bonus was allocated to each program based on the amount of reported and verified energy and demand savings from each program. The allocator for each program is the average of each programs percent of total energy saving and the percent total demand savings. Second, the bonus amount allocated to each program was then allocated to each rate class based on the percentage of each program's total costs utilized by that rate class.

Q. HAVE YOU PROVIDED A PROPOSED EECRF TARIFF?

A. Yes. It is provided as Exhibit CH-2 to this testimony, and is attached to the Application as Attachment A. .

Q. HOW DOES THE PROPOSED EECRF TARIFF COMPARE TO THE CURRENT EECRF TARIFF?

A. A comparison of the current EECRF to the proposed EECRF is shown in Table 3 below. Seven of the thirteen affected rates will experience an increase in the EECRF. The other six rates will experience a decrease.

Table 3

Rate Class	2013 EECRF	Proposed 2014 EECRF	Percent Change
Residential Service	$ 0.000549	$ 0.000711	30%
Small Commercial Service	$ 0.001907	$ 0.001997	5%
Outdoor Recreational Lighting Service	$ 0.000067	$ 0.000255	281%
Governmental Street Lighting and Signal Service	$ 0.000021	$ (0.000057)	-371%
Municipal Pumping Service (Includes 11 - TOU)	$ 0.000255	$ 0.000237	-7%

Water Heating	$ (0.000806)	$ (0.000880)	-9%
Irrigation Service	$ 0.000068	$ 0.000538	691%
General Service	$ 0.001464	$ 0.000659	-55%
Large Power Service (Secondary & Primary Voltage)	$ 0.001528	$ 0.001222	-20%
Cotton Gin Service [a]	$ (0.000188)	$ 0.001222	750%
City & County Service	$ 0.002219	$ 0.001237	-44%
University Service Rate [a]	$ 0.000329	$ 0.001222	271%
Cogeneration [a]	$ 0.000101	$ 0.001222	1110%

(a) Rate classes combined with Large Power Service rate class.

Q. WHY DO SOME OF THESE CLASSES HAVE SUCH LARGE INCREASES OR DECREASES?

A. Classes with increases or decreases larger than 100% would be the Outdoor Recreational Lighting Service, Governmental Street Lighting and Signal Service, Irrigation Service, Cotton Gin Service, University Service and the Cogeneration Service classes.

The Outdoor Recreational Lighting Service and the Irrigation Service increased due to the increased number of programs available for which they are eligible. The new rule allows for a provision for winter peak savings as well as summer peak savings. They are now eligible for the Commercial SOP, the Small Commercial Solutions MTP and Large C&I Solutions MTP.

Governmental Street Lighting and Signal Service decreases due to their over recovery in 2012. The over-recovery was due to lack of participation in the energy efficiency programs. In 2012, $12,114 of energy efficiency program costs were allocated to Governmental Street Lighting and Signal Service, Exhibit CH-1, page 9, but actual incentives paid were zero, Exhibit CH-1, page 7.

As stated previously, the Cotton Gin Service, University Service and Cogeneration Service were combined with the Large Power Service class for developing the EECRF in this proceeding. Consequently, they all have the same resulting EECRF factor. This results in large increases when comparing to the previous EECRF where these rates were calculated separately.

Q. PLEASE DISCUSS THE OTHER DIFFERENCES BETWEEN 2013 AND 2014 EECRF.

A. The Residential Service increase is due to the decreased over-recovery included in the EECRF between the 2013 and 2014. The 2013 EECRF included an over-recovery of $902,634, Exhibit CH-1, page 14. The 2014 EECRF includes an over-recovery of $225,214, approximately 25% of the prior years' over-recovery, thus increasing the EECRF. This is primarily due to the costs in 2012 being $773,522 higher than in 2011.

The slight increase in the Small Commercial Service rate is mostly attributable to the under recovery amount for Small Commercial Service in 2012 of $300,971, Exhibit CH-1, page 1. The EECRF for Small Commercial Service in 2012 was designed to recover $238,590 in Energy Efficiency costs. Of this amount, $132,440 was the budgeted program costs allocated to Small Commercial Service. The actual EECRF collections for 2012 were $180,302, 76% of 2012 recoverable costs. The EECRF collection was lower than estimated due to actual sales being lower than forecasted sales.

Additionally, the actual Energy Efficiency costs for Small Commercial Service in 2012 were $367,117, an increase of $234,677 over the budgeted amount of $132,440. The actual costs for 2012 were 177% above the 2012 budgeted amount. The combination of lower sales, hence lower collections, and higher Energy Efficiency costs contributed to the rather large under-recovery for Small Commercial Service.

Similar to Governmental Street Lighting and Signal Service, Municipal Pumping Service also decreased slightly due to their over recovery in 2012. The over-recovery was due to lack of participation in the energy efficiency programs. In 2012, $119,586 of energy efficiency program costs were allocated to Municipal Pumping Service, Exhibit CH-1, page 9, but actual incentives paid were zero, Exhibit CH-1, page 7.

Water heating also has an over-recovery due to lack of participation.

General Service experienced a decrease due to lower costs allocated to the class with the increased eligibility of other classes to participate in the same programs as the General Service class, e.g., Outdoor Recreational Lighting Service and Irrigation Service. The General Service rate also experienced an over-recovery for 2012 which helped lower the 2014 rate.

Similar to the Residential Service class, the City County Service experienced a decrease due the difference in the under-recovery between 2013 and 2014. The under-recovery included in the 2013 EECRF was $447,186. The under-recovery included in the 2014 EECRF is 23% of that amount at $103,423. This is due to the collections in 2012 being higher than in 2011 and the costs being

lower than in 2011. In 2012, collections were $197,606 higher and costs were $146,157 lower, making the 2012 under recovery lower than in 2011.

The data for the 2013 EECRF is provided in Exhibit CH-1, page 14.

Q. HOW DOES THE EECRF, AS PROPOSED, AFFECT A TYPICAL EPE RESIDENTIAL CUSTOMER?

A. The EECRF for the Rate 01 - Residential Service class as proposed for 2014 is $0.000711 per kWh. For 2012, the typical residential customer in Rate 01 – Residential Service used approximately 600 kWh. So, a typical residential customer using that amount would receive on average an EECRF charge in 2014 of $0.43 per month. During 2013, the EECRF for residential customers is $0.000549, and the comparable charge for 600 kWh of usage is $0.33 per month in 2013. While this represents a 30% increase in the EECRF applicable to residential customers, it is only an increase of $0.10 cents per month in nominal terms or about a $1/10^{th}$ of one percent increase in a residential customer's average monthly bill of $68.92.

Q. HOW MUCH DO THE ENERGY EFFICIENCY PROGRAM COST, THE PERFORMANCE BONUS, THE OVER UNDER RECOVERY, AND THE PRIOR YEAR EECRF FILING COST EACH CONTRIBUTE TO THE EECRF AS PROPOSED?

A. The contribution to each rate class' EECRF is shown in Exhibit CH-1, page 1. For example, the residential rate class breakout is as follows:

Table 4

Description	Energy Efficiency costs Allocated to the Residential Rate Class	Rate per kWh
Projected Program Costs	$ 1,595,151	$ 0.000777
Energy Efficiency Bonus	$ 72,726	$ 0.000035
(Over) / Under Collection	$ (225,214)	$ (0.000110)
Prior Year EECRF Filing Cost	$ 16,934	$ 0.000008
Total to be Recovered	$ 1,459,597	$ 0.000711
2014 Projected at Meter kWh	2,051,835,713	

VII. EPE'S 2014 REQUEST TO COMBINE RATE CLASSES

Q. IS EPE REQUESTING A GOOD CAUSE EXCEPTION TO COMBINE ONE OR MORE RATE CLASSES IN THIS EECRF FILING?

A. Yes. P.U.C. SUBST. R. 25.181(f)(2)(E) states, in part:

> The commission may approve an EECRF for each eligible rate class. The costs shall be directly assigned to each rate class that receives services under the programs to the maximum extent reasonably possible. In its EECRF proceeding, a utility may request a good cause exception to combine one or more rate classes, each containing fewer than 20 customers, with a similar rate class that receives services under the same energy efficiency programs.

In this filing, EPE proposes to combine the Rate 34 – Cotton Gin Service, Rate 43 – University Service, and the cogeneration customer related rate classes of Rate - 46 Maintenance and Backup Power Service and 47 – Backup Power Service classes, with the Rate 25 Large Power Service class. Each rate class, Rate 34, Rate 43 and Rate 46/47, has only one customer. If not for their individual rate designations, each customer would otherwise qualify for the Large Power Service rate. Customers under these rate classes, except for any transmission level

customers, are all eligible to receive services under the same energy efficiency programs. While all three of these customer classes will experience a substantial increase percentage-wise in their EECRF by combining them with the Large Power class, they will, in the end, be paying the same, and no more, than what other customers in the Large Power class will pay under the EECRF.

Q. WHAT IS THE IMPACT ON THE CAPS IF THESE CLASSES WERE NOT COMBINED?

A. Table 5 below shows the effect on the cap of not combining the Cotton Gin Service, University Service and Cogeneration Service classes with the Large Power Service rate class. As shown below, Small Commercial Service, Large Power Service and City County Service are still above the cap, and Cogeneration is above the cap as well. Cotton Gin Service and University Service would be below the cap. This is also shown in Exhibit CH-7.

Table 5

Rate Class	2014 per kWh Cost Cap	2014 Proposed EECRF Subject to Cost Cap	Percent of Cap
Residential Service	$ 0.00122	$ 0.00069	57%
Small Commercial Service	$ 0.00076	$ 0.00198	260%
Outdoor Recreational Lighting Service	$ 0.00076	$ 0.00025	32%
Government Street Lighting and Signal Service	$ 0.00076	$ (0.00006)	-8%
Municipal Pumping Service (Includes 11 - TOU)	$ 0.00076	$ 0.00022	29%
Water Heating	$ 0.00076	$ (0.00088)	-116%
Irrigation Service	$ 0.00076	$ 0.00052	68%

General Service	$ 0.00076	$ 0.00064	84%
Large Power Service (Secondary & Primary Voltage)	$ 0.00076	$ 0.00128	168%
Cotton Gin Service	$ 0.00076	$ 0.00021	28%
City & County Service	$ 0.00076	$ 0.00122	160%
University Service Rate	$ 0.00076	$ 0.00042	55%
Cogeneration	$ 0.00076	$ 0.01284	1687%

Q. WHAT IF EPE'S GOOD CAUSE EXCEPTION TO COMBINE RATES IS NOT GRANTED?

A. If EPE's good cause exception to combine one or more rate classes is not granted, EPE would still request to establish revised costs caps for Small Commercial Service, Large Power Service and City County Service and also request revised cost caps for the Cogeneration Service rates, as shown in Table 5 above.

Q. WHAT WOULD BE THE PROPOSED EECRF IF THE COTTON GIN SERVICE, UNIVERSITY SERVICE AND THE COGENERATION SERVICE CLASSES WERE NOT COMBINED WITH LARGE POWER SERVICE CLASS?

A. Table 6 below shows what the proposed EECRF would be without the combination of rate classes. Similar to Table 4 above, the same classes experience increases and decreases compared to the 2013 EECRF. The Large Power Service class does not exhibit as large a decrease as with the combined rates and the Cotton Gin Service and University Service classes to not exhibit as large an increase. The Cogeneration class exhibits a larger increase than when combined with the other classes. This calculation is shown in Exhibit CH-7.

Table 6

Rate Class	2013 EECRF	Proposed 2014 EECRF	Percent Change
Residential Service	$ 0.000549	$ 0.000711	30%
Small Commercial Service	$ 0.001907	$ 0.001997	5%
Outdoor Recreational Lighting Service	$ 0.000067	$ 0.000255	281%
Government Street Lighting and Signal Service	$ 0.000021	$ (0.000057)	-371%
Municipal Pumping Service (Includes 11 - TOU)	$ 0.000255	$ 0.000237	-7%
Water Heating	$ (0.000806)	$ (0.000880)	-9%
Irrigation Service	$ 0.000068	$ 0.000538	691%
General Service	$ 0.001464	$ 0.000659	-55%
Large Power Service (Secondary & Primary Voltage)	$ 0.001528	$ 0.001300	-15%
Cotton Gin Service	$ (0.000188)	$ 0.000222	218%
City & County Service	$ 0.002219	$ 0.001237	-44%
University Service	$ 0.000329	$ 0.000439	33%
Cogeneration	$ 0.000101	$ 0.012855	12628%

VIII. ENERGY EFFICIENCY PROGRAMS AND PROJECTED COSTS PER EPE'S PROPOSAL

Q. CAN YOU LIST THE ENERGY EFFICIENCY PROGRAMS THAT EPE EXPECTS TO OFFER DURING THE 2014 PROGRAM YEAR?

A. Yes. EPE expects to offer the following programs during the 2014 program year:

- Commercial Standard Offer Program (SOP)
- Small Commercial Solutions Market Transformation Program (MTP)
- Large Commercial & Industrial Solutions MTP
- Texas SCORE MTP
- Load Management SOP
- Commercial Rebate Pilot MTP

- Residential Solutions MTP
- LivingWise Educational MTP
- Appliance Recycling MTP
- Solar PV Pilot MTP
- Hard-to-Reach Solutions MTP

Q. CAN YOU DESCRIBE EACH ENERGY EFFICIENCY PROGRAM?

A. Yes. A complete description of EPE's 2014 energy efficiency program offerings is provided in EPE's 2013 EEPR, attached as Exhibit CH-3.

Q. ARE THERE ANY SIGNIFICANT CHANGES IN THE OPERATION OF EPE'S EXISTING ENERGY EFFICIENCY PROGRAMS FROM 2013 TO 2014?

A. No. Based on EPE's proposal to maintain the same program funding levels and goals for 2014 as were set for 2013, the programs would remain the same in 2014.

Q. ARE THESE PROGRAMS AVAILABLE TO ALL NON-TRANSMISSION CUSTOMERS, EXCLUDING PRIVATE AREA LIGHTING AND INTERRUPTIBLE POWER SERVICE CUSTOMERS?

A. Yes, they are available for all non-transmission customers, excluding the Private Area Lighting and Interruptible Power Service customers.

Q. WHAT IS THE PROPOSED BUDGET, INCLUDING THE COMPANY'S PROPOSED INCENTIVE PAYMENTS, FOR EACH ENERGY EFFICIENCY PROGRAM EPE EXPECTS TO OFFER IN 2014?

A. The forecasted costs for energy efficiency programs offered in 2014 are $4,384,650 excluding EM&V costs and municipal EECRF proceeding expenses. This is consistent with the amount shown for the expenditures for 2013, as shown in EPE's 2013 EEPR filed on April 1, 2013 in Project 41196 (Table 6, page 19 of that Report). Exhibit CH-5 also shows the forecasted energy efficiency program expenses and incentive payments the Company will expend based on its 2014 plans, holding 2014 expenses and demand savings constant with the projected expenditures and demand savings for its 2013 programs.

Q. CAN YOU PROVIDE THE EXPECTED SAVINGS FROM EACH PROGRAM?

A. Yes. The expected savings for each program are expressed in Table 5 on page 17 of Exhibit CH-3.

Q. HOW DOES THE PROPOSED ENERGY EFFICIENCY PROGRAMS BUDGET COMPARE TO BENCHMARKS OR INDICIA OF REASONABLENESS?

A. EPE is proposing to use its 2013 program funding levels for its energy efficiency programs to be administered in 2014. The Commission found these costs to be

reasonable in the Company's last two EECRF filings, Docket Nos. 40343 and 39376.

EPE's costs per kW and kWh saved in its energy efficiency programs in 2012 were comparable to the other utilities in Texas. This is shown in Exhibit CH-8, which provides a comparison of the energy efficiency program expenditures and the reported kW and kWh savings by each Texas investor owned utility for 2012. For 2012, EPE was the lowest out of the ten utilities listed in dollars spent per kWh saved and third lowest in dollars spent per kW saved.

Appendix B of Exhibit CH-3 provides the benefit cost ratio analysis for each program and in total for 2012 and 2013. The benefit cost ratio for 2012 was 3.65 and based on projected data for 2013 is calculated to be 5.15. Appendix B is also included separately in Exhibit CH-9.

Q. IN YOUR OPINION, ARE THE COMPANY'S PROJECTED 2014 PROGRAM COSTS AND INCENTIVE PAYMENTS REASONABLE? IF SO, WHY?

A. Yes. As stated previously, EPE is keeping the budget the same as in 2011, 2012 and 2013. EPE has not exceeded the budget in any of those years and has met the goals each year as well. As shown in Exhibit CH-8, EPE is below the average on spending per energy kWh and demand kW savings.

Q. WHAT ARE THE COMPANY'S PROJECTED ADMINISTRATIVE COSTS, INCLUDING ITS RESEARCH AND DEVELOPMENT COSTS,

FOR 2014, AND HOW DO THESE COMPARE TO ITS 2012 AND 2013 ADMINISTRATIVE COSTS?

A. The administrative and research & development costs expended in 2012 were $153,589 as shown in Exhibit CH-3, page 24, Table 10 and in Table 7 below.

Table 7

Year	Total Administrative Costs	EM&V	Municipal EECRF Proceeding Expenses	Costs Subject to Limit	Administrative Cost Limitation
2012[(a)]	$ 153,589	$ -	$ -	$ 153,589	$ 570,677
2013	$ 307,768	$136,200	$ -	$ 171,568	$ 657,698
2014	$ 257,411	$ 44,494	$ 8,729	$ 204,188	$ 657,698

(a) Based on actual costs and incentives for 2012.

The projected administrative and research & development costs for 2013 are $307,768, which includes $136,200 in EM&V costs, leaving $171,568 that is subject to the cost limitations.

The projected administrative costs for 2014, including the projected research and development costs, EM&V costs and projected 2013 total EECRF proceeding expenses are $257,411. Excluding EM&V costs of $44,494 and municipal EECRF proceeding expenses of $8,729, results in a total of $204,188 of administrative costs that are subject to cost limitations.

Q. IN YOUR OPINION, ARE THESE ADMINISTRATIVE COSTS REASONABLE? IF SO, WHY?

A. Yes. Pursuant to Rule 25.181(i), a utility's cost of administering its energy efficiency programs may not exceed 15% of the utility's total program costs, and

the cost of research and development may not exceed 10% of the utility's total program budget. The cumulative cost of administration and research and development shall not exceed 20% of a utility's total program costs, unless a good cause exception is filed. EPE's projected total program costs for 2014 without the EM&V costs and municipal EECRF proceeding expenses, based on the 2013 budget, are $4,384,650. The Company's administrative costs represent less than 4.7% of its projected total program costs. These amounts are well within the Commission's limits and are reasonable.

Q. **DOES THIS AMOUNT INCLUDE COSTS FOR THE DISSEMINATION OF INFORMATION AND OUTREACH?**

A. Yes.

Q. **ARE THERE ANY EXISTING MARKET CONDITIONS THAT AFFECT EPE'S ABILITY TO IMPLEMENT ONE OR MORE OF ITS PROGRAMS OR AFFECTED THE COSTS OF THE PROGRAMS?**

A. No. In designing its energy efficiency programs, EPE has taken into account past, current and anticipated future market conditions. At this time, there are not any particular market conditions that EPE believes will affect its ability to implement one or more of its programs or will affect the costs of the program.

Q. **HAVE ANY CIRCUMSTANCES IN EPE'S SERVICE AREA CHANGED SINCE THE COMMISSION APPROVED EPE'S BUDGET FOR THE**

IMPLEMENTATION YEAR THAT AFFECT EPE'S ABILITY TO IMPLEMENT ANY OF ITS ENERGY EFFICIENCY PROGRAMS OR ITS ENERGY EFFICIENCY COSTS?

A. No. Circumstances in EPE's service territory have remained stable in this regard.

Q. **DOES THE NUMBER OF ENERGY EFFICIENCY SERVICE PROVIDERS OPERATING IN EPE'S SERVICE TERRITORY AFFECT EPE'S ABILITY TO IMPLEMENT ANY OF ITS ENERGY EFFICIENCY PROGRAMS OR ITS ENERGY EFFICIENCY COSTS?**

A. No, not at this time. In the past, this has been a problem in that there were a limited number of large energy service providers serving the El Paso area. However, with the implementation of market transformation programs over the past four years, local contractors are being educated and trained, and are now participating in EPE's MTPs. EPE is continuing this process in an effort to transform the local market to allow EPE to eventually implement varying energy efficiency programs.

Q. **DOES CUSTOMER PARTICIPATION IN EPE'S PRIOR YEARS' ENERGY EFFICIENCY PROGRAMS AFFECT CUSTOMER PARTICIPATION IN EPE'S ENERGY EFFICIENCY PROGRAMS IN PREVIOUS YEARS OR ITS PROPOSED PROGRAMS UNDERLYING ITS EECRF REQUEST?**

A. No, not at this time. EPE has, so far, not observed or experienced any saturation of the market that has limited or is expected to limit, the potential for achieving energy efficiency savings.

Q. TO WHAT EXTENT WERE PROGRAM COSTS EXPENDED TO GENERATE MORE PARTICIPATION OR TRANSFORM THE MARKET FOR THE UTILITY'S PROGRAMS?

A. The majority of EPE's funding is to promote market transformation. For 2012, 85.6% of EPE's expenditures were for market transformation programs. The sum of the MTP programs for 2012, as shown in Table 11 of Exhibit CH-3, is $3,391,811. This is 85.6% of the total program costs of $3,962,989.

IX. PREVIOUS YEARS' ENERGY EFFICIENCY COSTS AND REVENUES

Q. HAVE YOU PROVIDED A RECONCILIATION OF ALL PREVIOUS YEARS ENERGY EFFICIENCY COSTS?

A. Yes, the reconciliation is provided in Exhibit CH-10. This exhibit shows an accounting of the costs and revenues for each year in which any energy efficiency costs were incurred that have been recovered through EPE's EECRF since it was first implemented in 2010. That exhibit presents the budget for each energy efficiency program for each year and the actual amount spent on incentives and administrative costs for each program for each year, as well as the total amount spent on the program.

Q. WERE ALL THE COSTS SHOWN ON THAT EXHIBIT INCURRED IN SUPPORT OF AN ENERGY EFFICIENCY PROGRAM?

A. Yes. All the costs were incurred for the purpose of reducing demand and energy growth. For each year shown in that exhibit, all of the costs shown resulted from energy efficiency programs that were presented in EPE's EEPR report that was filed during the year before the program costs were incurred.

Q DO THE COSTS SHOWN IN EXHIBIT 10 INCLUDE ANY COST THAT IS NOT ALLOWED AS AN EXPENSE UNDER PUC Subst. R. 25.231(b)(2), SUCH AS FUNDS SPENT ON LEGISLATIVE ADVOCACY, POLITICAL CANDIDATES, POLITICAL MOVEMENTS OR PROMOTING THE CONSUMPTION OF ELECTRICITY?

A. No. All of the costs shown in that exhibit were spent on either incentives for energy efficiency or the administration of an energy efficiency program.

Q. HOW DO EPE ENERGY EFFICIENCY COSTS COMPARE TO WHAT OTHER UTILITIES HAVE EXPERIENCED?

A. EPE's energy efficiency costs compares favorably to other investor-owned utilities in Texas. While each utility faces different circumstances, one indication of the reasonableness of EPE's costs is how they compare with other utilities. Exhibit CH-11 compares the total expenditures per demand savings ($/kW) and total expenditures per energy savings ($/kWh) for EPE and the other Investor Owned Utilities in Texas for 2006 through 2012. As shown in Exhibit CH-11, EPE has

been below the average for total expenditures per demand savings and total expenditures per energy savings from 2010 through 2012.

X. CONCLUSION

Q. ARE THE COSTS YOU SPONSOR FOR 2014, BASED ON THE 2013 BUDGET, REASONABLE ESTIMATES OF THE COSTS NECESSARY TO PROVIDE ENERGY EFFICIENCY PROGRAMS AND TO MEET EPE'S ENERGY EFFICIENCY OBJECTIVES?

A. Yes. The estimated costs for 2014 are reasonable and necessary. EPE exceeded its energy efficiency targets for 2009, 2010, 2011, and 2012 and anticipates continuing this level of performance in 2013 and 2014, based on EPE's proposal. The costs of energy efficiency programs for 2014 are reasonable and necessary to meet the proposed 2014 goal and should be established for all purposes of this and future filings.

Q. ARE THE REVISED CAPS EPE IS PROPOSING REASONABLE?

A. Yes. EPE is requesting the cap for certain commercial rate classes be revised to allow the continuation of EPE's existing programs at the current level and permit the continuation of an overall effective energy efficiency program.

Q. UNDER EPE'S PROPOSAL, IS THE EECRF APPROPRIATELY DESIGNED, CALCULATED AND ALLOCATED TO RATE CLASSES IN

ACCORDANCE WITH THE REQUIREMENTS OF PURA § 39.905 AND P.U.C. SUBST. R. 25.181?

A. Yes.

Q. **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

A. Yes, it does.

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Applicable January through December

Line No	(a) Rate	(b) Applicable Rate	(c) Rate Class	(d) 2014 Projected Metered kWh	(e) 2014 Proposed Program Budget & Proceeding Expenses	(f) 2014 Program Budget & Expenses Rate per kWh	(g) 2012 Energy Efficiency Bonus	(h) Bonus Rate per kWh	(i) 2012 (Over)/Under Recovery	(j) (Over) / Under Recovery Rate per kWh	(k) 2012 Total EECRF Proceeding Expenses	(l) 2012 EECRF Proceeding Expenses Rate per kWh	(m) Total Energy Efficiency Costs to be Recovered	(n) Total Rate per kWh
1	01	01	Residential Service	2,051,835,713	$ 1,595,151	$ 0.000777	$ 72,726	$ 0.000035	$ (225,214)	$ (0.000110)	$ 16,934	$ 0.000008	$ 1,459,597	$ 0.000711
2	02	02	Small Commercial Service	257,419,139	169,919	0.000660	39,245	0.000152	300,971	0.001169	3,830	0.000015	513,966	0.001997
3	07	07	Outdoor Recreational Lighting	5,481,462	2,313	0.000422	-	-	(918)	(0.000167)	-	-	1,395	0.000255
4	08	08	Governmental Street Lighting Service	39,915,211	2,920	0.000073	-	-	(5,183)	(0.000130)	-	-	(2,263)	(0.000057)
5	11	11	Municipal Pumping Service	176,408,529	178,373	0.001011	-	-	(136,487)	(0.000774)	-	-	41,886	0.000237
6	15		Electrolytic Refining Service	-	-	-	-	-	-	-	-	-	-	-
7	21	21	Water Heating Service	18,333,352	-	-	-	-	(16,131)	(0.000880)	-	-	(16,131)	(0.000880)
8	22	22	Irrigation Service	4,122,984	3,862	0.000937	-	-	(1,642)	(0.000398)	-	-	2,220	0.000538
9	24	24	General Service	1,588,409,254	1,580,146	0.000995	140,021	0.000088	(684,522)	(0.000431)	11,512	0.000007	1,047,157	0.000659
10	25	25	Large Power Service - Sec. Pri.	702,130,685	678,232	0.000966	127,724	0.000182	47,590	0.000068	4,719	0.000007	858,266	0.001222
11	25T		Large Power Service- Trans.	-	-	-	-	-	-	-	-	-	-	-
12	26		Petroleum Refining Service	-	-	-	-	-	-	-	-	-	-	-
13	28		Private Area Lighting	-	-	-	-	-	-	-	-	-	-	-
14	30		Electric Furnace Service	-	-	-	-	-	-	-	-	-	-	-
15	31		Military Reservation Service	-	-	-	-	-	-	-	-	-	-	-
16	34		Cotton Gin Service (a)	-	-	-	-	-	-	-	-	-	-	-
17	38		Interruptible Service	-	-	-	-	-	-	-	-	-	-	-
18	41	41	City / County Service	320,645,825	259,576	0.000810	29,320	0.000091	103,423	0.000323	4,353	0.000014	396,672	0.001237
19	43		University Service (a)	-	-	-	-	-	-	-	-	-	-	-
20	46/47		Cogeneration (a)	-	-	-	-	-	-	-	-	-	-	-
21			Texas Total	5,164,702,154	$ 4,470,493	$ 0.000866	$ 409,036	$ 0.000079	$ (618,113)	(0.000120)	$ 41,349	0.000008	$ 4,302,765	0.000833

(a) Rates combined with Rate 25 -Large Power Service - Sec. Pri. In accordance with P.U.C. Subst. Rule 25.181.(f).(2)

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of 2014 Proposed Energy Efficiency Budget

Line No.	(a) Program	(b) 2014 Proposed EE Budget	(c) 01 Residential Service	(d) 02 Small Commercial Service	(e) 07 Outdoor Recreational Lighting	(f) 08 Governmental Street Lighting Service	(g) 11 Municipal Pumping Service	(h) 15 Electrolytic Refining Service	(i) 21 Water Heating Service	(j) 22 Irrigation Service	(k) 24 General Service	(l) 25 Large Power Service - Sec. Pri.	(m) 25T Large Power Service-Trans.
1	Commercial SOP	$ 280,000	-	26,089	251	-	13,905	-	-	412	146,717	57,964	-
2	Small Commercial Solutions MTP	461,119	-	64,169	622	-	34,254	-	-	1,015	361,059	-	-
3	Large C&I Solutions MTP	895,428	-	-	991	-	56,532	-	-	1,692	600,116	236,098	-
4	Texas SCORE MTP	406,564	-	37,642	360	2,807	20,031	-	-	595	211,574	83,527	-
5	Load Management SOP	360,000	-	-	-	-	46,793	-	-	-	-	195,389	-
6	Commercial Rebate Pilot MTP	220,000	-	21,606	-	-	-	-	-	-	121,607	48,096	-
7	Residential Solutions MTP	190,000	190,000	-	-	-	-	-	-	-	-	-	-
8	Living Wise MTP	346,346	346,346	-	-	-	-	-	-	-	-	-	-
9	Appliance Recycling MTP	289,125	289,125	-	-	-	-	-	-	-	-	-	-
10	PV/Solar Pilot MTP	250,000	108,339	13,878	-	-	-	-	-	-	78,308	31,077	-
11	Hard To Reach Solutions MTP	600,000	600,000	-	-	-	-	-	-	-	-	-	-
12	Total Program Incentives	$ 4,298,582	1,533,810	163,385	2,224	2,807	171,514	-	-	3,714	1,519,382	652,151	-
13	Administration Expenses	86,068	30,711	3,271	45	56	3,434	-	-	74	30,422	13,058	-
14	EM&V	44,494	15,876	1,691	23	29	1,775	-	-	38	15,727	6,750	-
15	Total Program Budget	$ 4,429,144	1,580,397	168,348	2,292	2,893	176,724	-	-	3,826	1,565,531	671,959	-
16	EPE EECRF Proceeding Expenses	32,620	11,639	1,240	17	21	1,302	-	-	28	11,530	4,949	-
17	Municipal EECRF Proceeding Expenses	8,729	3,115	332	5	6	348	-	-	8	3,085	1,324	-
18	Total Program Budget & Proceeding Exp	$ 4,470,493	1,595,151	169,919	2,313	2,920	178,373	-	-	3,862	1,580,146	678,232	-
19	Total Budget Less EM&V and Municipal Proceeding Costs	$ 4,384,650	$ 1,564,521	$ 166,656	$ 2,269	$ 2,864	$ 174,948	$ -	$ -	$ 3,788	$ 1,549,804	$ 665,209	$ -

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of 2014 Proposed Energy Efficiency Budget

	(a)	(b)	(n)	(o)	(p)	(q)	(r)	(s)	(t)	(u)	(v)	(w)
			26	28	30	31	34	38	41	43	46/47	
Line No.	Program	2014 Proposed EE Budget	Petroleum Refining Service	Private Area Lighting	Electric Furnace Service	Military Reservation Service	Cotton Gin Service (a)	Interruptible Service	City / County Service	University Service (a)	Cogeneration (a)	Total
1	Commercial SOP	$ 280,000	-	-	-	-	-	-	34,661	-	-	280,000
2	Small Commercial Solutions MTP	461,119	-	-	-	-	-	-	-	-	-	461,119
3	Large C&I Solutions MTP	895,428	-	-	-	-	-	-	-	-	-	895,428
4	Texas SCORE MTP	406,564	-	-	-	-	-	-	50,027	-	-	406,564
5	Load Management SOP	360,000	-	-	-	-	-	-	117,818	-	-	360,000
6	Commercial Rebate Pilot MTP	220,000	-	-	-	-	-	-	28,690	-	-	220,000
7	Residential Solutions MTP	190,000	-	-	-	-	-	-	-	-	-	190,000
8	Living Wise MTP	346,346	-	-	-	-	-	-	-	-	-	346,346
9	Appliance Recycling MTP	289,125	-	-	-	-	-	-	-	-	-	289,125
10	PV/Solar Pilot MTP	250,000	-	-	-	-	-	-	18,398	-	-	250,000
11	Hard To Reach Solutions MTP	600,000	-	-	-	-	-	-	-	-	-	600,000
12	Total Program Incentives	$ 4,298,582	-	-	-	-	-	-	249,594	-	-	4,298,582
13	Administration Expenses	86,068	-	-	-	-	-	-	4,997	-	-	86,068
14	EM&V	44,494	-	-	-	-	-	-	2,584	-	-	44,494
15	Total Program Budget	$ 4,429,144	-	-	-	-	-	-	257,175	-	-	4,429,144
16	EPE EECRF Proceeding Expenses	32,620	-	-	-	-	-	-	1,894	-	-	32,620
17	Municipal EECRF Proceeding Expenses	8,729	-	-	-	-	-	-	507	-	-	8,729
18	Total Program Budget & Proceeding Exp	$ 4,470,493	-	-	-	-	-	-	259,576	-	-	4,470,493
19	Total Budget Less EM&V and Municipal Proceeding Costs	$ 4,384,650	$ -	$ -	$ -	$ -	$ -	$ -	$ 254,592	$ -	$ -	4,384,650

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of Energy Efficiency Performance Bonus

Line No.	(a) Program	(b) Reported and Verified Savings (a) kW	(c) kWh	(d) 50/50 Allocator (b)	(e) Bonus to be Recovered	(f) 01 Residential Service	(g) 02 Small Commercial Service	(h) 07 Outdoor Recreational Lighting	(i) 08 Governmental Street Lighting Service	(j) 11 Municipal Pumping Service	(k) 15 Electrolytic Refining Service	(l) 21 Water Heating Service	(m) 22 Irrigation Service	(n) 24 General Service	(o) 25 Large Power Service - Sec. Pri.	(p) 25T Large Power Service-Trans.
1	Commercial SOP	290	1,460,868	4.709%	19,262	-	-	-	-	-	-	-	-	18,557	705	-
2	Small Commercial Solutions MTP	906	4,156,566	13.735%	56,182	-	31,563	-	-	-	-	-	-	24,619	-	-
3	Large C&I Solutions MTP	1,637	6,522,220	22.448%	91,819	-	7,650	-	-	-	-	-	-	78,676	5,493	-
4	Texas SCORE MTP	692	3,101,982	10.316%	42,197	-	-	-	-	-	-	-	-	18,128	1,680	-
5	Load Management SOP	7,035	24,112	29.300%	119,846	-	-	-	-	-	-	-	-	-	119,846	-
6	Commercial Rebate Pilot MTP	9	486,917	1.205%	4,930	-	33	-	-	-	-	-	-	41	-	-
7	Residential Solutions MTP	413	559,445	3.058%	12,510	12,510	-	-	-	-	-	-	-	-	-	-
8	Living Wise MTP	60	1,531,707	3.923%	16,047	16,047	-	-	-	-	-	-	-	-	-	-
9	Appliance Recycling MTP	301	1,843,968	5.674%	23,208	23,208	-	-	-	-	-	-	-	-	-	-
10	PV/Solar Pilot MTP	111	389,809	1.396%	5,711	3,638	-	-	-	-	-	-	-	-	-	-
11	Hard To Reach Solutions MTP	575	769,271	4.235%	17,323	17,323	-	-	-	-	-	-	-	-	-	-
12	EE Performance Bonus	12,029	20,846,865	100.000%	409,036	72,726	39,245	-	-	-	-	-	-	140,021	127,724	-

		Residential Service	Small Commercial Service	Outdoor Recreational Lighting	Governmental Street Lighting Service	Municipal Pumping Service	Electrolytic Refining Service	Water Heating Service	Irrigation Service	General Service	Large Power Service - Sec. Pri.	Large Power Service-Trans.
13	Commercial SOP	$ -	$ -							$ 101,301	$ 3,850	
14	Small Commercial Solutions MTP	$ -	$ 313,799							$ 244,757	$ -	
15	Large C&I Solutions MTP	$ -	$ 52,885							$ 543,913	$ 37,975	
16	Texas SCORE MTP	$ -	$ -							$ 212,843	$ 19,724	
17	Load Management SOP	$ -	$ -							$ -	$ 390,771	
18	Commercial Rebate Pilot MTP	$ -	$ 433							$ 540	$ -	
19	Residential Solutions MTP	$ 272,469	$ -							$ -	$ -	
20	Living Wise MTP	$ 345,570	$ -							$ -	$ -	
21	Appliance Recycling MTP	$ 207,572	$ -							$ -	$ -	
22	PV/Solar Pilot MTP	$ 157,636	$ -							$ -	$ -	
23	Hard To Reach Solutions MTP	$ 639,776	$ -							$ -	$ -	

		Residential Service	Small Commercial Service	Outdoor Recreational Lighting	Governmental Street Lighting Service	Municipal Pumping Service	Electrolytic Refining Service	Water Heating Service	Irrigation Service	General Service	Large Power Service - Sec. Pri.	Large Power Service-Trans.
24	Commercial SOP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	96.3385%	3.6616%	0.0000%
25	Small Commercial Solutions MTP	0.0000%	56.1804%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	43.8196%	0.0000%	0.0000%
26	Large C&I Solutions MTP	0.0000%	8.3313%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	85.6863%	5.9825%	0.0000%
27	Texas SCORE MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	42.9609%	3.9811%	0.0000%
28	Load Management SOP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%	0.0000%
29	Commercial Rebate Pilot MTP	0.0000%	0.6621%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.8257%	0.0000%	0.0000%
30	Residential Solutions MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
31	Living Wise MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
32	Appliance Recycling MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
33	PV/Solar Pilot MTP	63.6879%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
34	Hard To Reach Solutions MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Energy Efficiency Performance Bonus $ 409,036

(a) Reported and Verified Savings as shown in Exhibit CH-3, Appendix B.
(b) 50/50 Allocator based on average of percent of kW and percent of kWh of each program.

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of Energy Efficiency Performance Bonus

Line No	(a) Program	(b) Reported and Verified Savings (a) kW	(c) kWh	(d) 50/50 Allocator (b)	(e) Bonus to be Recovered	(q) 26 Petroleum Refining Service	(r) 28 Private Area Lighting	(s) 30 Electric Furnace Service	(t) 31 Military Reservation Service	(u) 34 Cotton Gin Service (a)	(v) 38 Interruptible Service	(w) 41 City / County Service	(x) 43 University Service (a)	(y) 46/47 Cogeneration (a)	(z) Total
1	Commercial SOP	290	1,460,868	4.709%	19,262	-	-	-	-	-	-	-	-	-	19,262
2	Small Commercial Solutions MTP	906	4,156,566	13.735%	56,182	-	-	-	-	-	-	-	-	-	56,182
3	Large C&I Solutions MTP	1,637	6,522,220	22.448%	91,819	-	-	-	-	-	-	-	-	-	91,819
4	Texas SCORE MTP	692	3,101,982	10.316%	42,197	-	-	-	-	-	-	22,389	-	-	42,197
5	Load Management SOP	7,035	24,112	29.300%	119,846	-	-	-	-	-	-	-	-	-	119,846
6	Commercial Rebate Pilot MTP	9	486,917	1.205%	4,930	-	-	-	-	-	-	4,857	-	-	4,930
7	Residential Solutions MTP	413	559,445	3.058%	12,510	-	-	-	-	-	-	-	-	-	12,510
8	Living Wise MTP	60	1,531,707	3.923%	16,047	-	-	-	-	-	-	-	-	-	16,047
9	Appliance Recycling MTP	301	1,843,968	5.674%	23,208	-	-	-	-	-	-	-	-	-	23,208
10	PV/Solar Pilot MTP	111	389,809	1.396%	5,711	-	-	-	-	-	-	2,074	-	-	5,711
11	Hard To Reach Solutions MTP	575	769,271	4.235%	17,323	-	-	-	-	-	-	-	-	-	17,323
12	EE Performance Bonus	12,029	20,846,865	100.000%	409,036	-	-	-	-	-	-	29,320	-	-	409,036

Line No		Petroleum Refining Service	Private Area Lighting	Electric Furnace Service	Military Reservation Service	Cotton Gin Service (a)	Interruptible Service	City / County Service	University Service (a)	Cogeneration (a)	Total
13	Commercial SOP							$ -			$ 105,151.53
14	Small Commercial Solutions MTP							$ -			$ 558,556.45
15	Large C&I Solutions MTP							$ -			$ 634,773.33
16	Texas SCORE MTP							$ 262,868			$ 495,434.39
17	Load Management SOP							$ -			$ 390,770.60
18	Commercial Rebate Pilot MTP							$ 64,430			$ 65,403.15
19	Residential Solutions MTP							$ -			$ 272,468.59
20	Living Wise MTP							$ -			$ 345,569.76
21	Appliance Recycling MTP							$ -			$ 207,572.11
22	PV/Solar Pilot MTP							$ 89,877			$ 247,513.89
23	Hard To Reach Solutions MTP							$ -			$ 639,775.60

Line No		Petroleum Refining Service	Private Area Lighting	Electric Furnace Service	Military Reservation Service	Cotton Gin Service (a)	Interruptible Service	City / County Service	University Service (a)	Cogeneration (a)	Total
24	Commercial SOP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
25	Small Commercial Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
26	Large C&I Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
27	Texas SCORE MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	53.0580%	0.0000%	0.0000%	100.0000%
28	Load Management SOP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
29	Commercial Rebate Pilot MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	98.5123%	0.0000%	0.0000%	100.0000%
30	Residential Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
31	Living Wise MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
32	Appliance Recycling MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
33	PV/Solar Pilot MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	36.3121%	0.0000%	0.0000%	100.0000%
34	Hard To Reach Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%

Energy Efficiency Performance Bonus $ 409,036

(a) Reported and Verified Savings as shown in Exhibit CH-3, Appendix B.
(b) 50/50 Allocator based on average of percent of kW and percent of kWh of each program.

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
2012 Energy Efficiency Cost Recovery Factor Collections
and Energy Efficiency Costs By Rate Class for Januray through December 2012

Line No.	(a) Rate	(b) Applicable Rate	(c) Rate Class	(d) 2012 EECRF Collections	(e) 2012 EE Program Costs	(f) 2012 Deferred EE Program Costs	(g) 2010 EE Bonus	(h) 2010 (Over) / Under Recovery	(i) 2012 (Over) / Under Recovery	(j) 2012 EPE EECRF Proceeding Expenses	(k) 2012 Municipal EECRF Proceeding Expenses	(l) 2012 Total EECRF Proceeding Expenses
1	01	01	Residential Service	$ (3,336,806)	$ 1,623,022	$ 772,900	$ 313,410	$ 402,260	$ (225,214)	$ 13,359	$ 3,575	$ 16,934
2	02	02	Small Commercial Service	(180,302)	367,117	77,833	37,838	(1,515)	300,971	3,022	809	3,830
3	07	07	Outdoor Recreational Lighting	(3,640)	-	1,417	937	368	(918)	-	-	-
4	08	08	Governmental Street Lighting Service	(31,669)	-	12,643	8,363	5,480	(5,183)	-	-	-
5	11	11	Municipal Pumping Service	(279,880)	-	81,571	27,472	34,350	(136,487)	-	-	-
6	15		Electrolytic Refining Service	-	-	-	-	-	-	-	-	-
7	21	21	Water Heating Service	(35,278)	-	9,533	3,769	5,845	(16,131)	-	-	-
8	22	22	Irrigation Service	(2,507)	-	660	413	(208)	(1,642)	-	-	-
9	24	24	General Service	(3,290,582)	1,103,355	808,395	266,076	428,234	(684,522)	9,082	2,430	11,512
10	25	25	Large Power Service - Sec. Pri.	(839,019)	452,320	208,948	116,276	109,065	47,590	3,723	996	4,719
11	25T		Large Power Service- Trans.	-	-	-	-	-	-	-	-	-
12	26		Petroleum Refining Service	-	-	-	-	-	-	-	-	-
13	28		Private Area Lighting	-	-	-	-	-	-	-	-	-
14	30		Electric Furnace Service	-	-	-	-	-	-	-	-	-
15	31		Military Reservation Service	-	-	-	-	-	-	-	-	-
16	34		Cotton Gin Service (a)	-	-	-	-	-	-	-	-	-
17	38		Interruptible Service	-	-	-	-	-	-	-	-	-
18	41	41	City / County Service	(636,153)	417,175	178,623	58,792	84,986	103,423	3,434	919	4,353
19	43		University Service (a)	-	-	-	-	-	-	-	-	-
20	46/47		Cogeneration (a)	-	-	-	-	-	-	-	-	-
21			Totals	$ (8,635,836)	$ 3,962,989	$ 2,152,523	$ 833,346	$ 1,068,865	$ (618,113)	$ 32,620	$ 8,729	$ 41,349

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of 2012 Deferred Energy Efficiency Costs
and Bonus

Line No.	Program Costs	Total Deferred Costs	12-Month Recovery of Deferred Costs	2010 Bonus	Total Costs to be Recovered	01 Residential	02 Small Commercial Service	07 Outdoor Recreational Lighting Service	08 Govt. Street Lighting & Signal Service	11 Municipal Pumping Service	15 Electrolytic Refining Service	21 Water Heating Service	22 Irrigation Service	24 General Service	25 Large Power Service	25T Transmission Voltage Service
1	Large C&I SOP	1,310,678	436,893		436,893	-	-	-	-	25,590	-	-	384	247,845	96,232	-
2	Hard-to-Reach SOP	400,431	133,477		133,477	131,891	-	-	-	-	-	1,586	-	-	-	-
3	Small Commercial SOP	69,267	23,089		23,089	-	2,384	-	-	-	-	237	-	16,764	-	-
4	Residential SOP	139,285	46,428		46,428	45,877	-	-	-	-	-	552	-	-	-	-
5	Residential Solutions Program - New	-	-		-	-	-	-	-	-	-	-	-	-	-	-
6	Small Commercial Solutions - New	-	-		-	-	-	-	-	-	-	-	-	-	-	-
7	EPE Texas SCORE	1,584,988	528,329		528,329	-	46,690	1,206	10,762	35,352	-	-	-	342,390	-	-
8	Residential/Small Comm. Solutions	507,194	169,065		169,065	149,251	18,019	-	-	-	-	1,795	-	-	-	-
9	HTR Solutions	369,385	123,128		123,128	121,665	-	-	-	-	-	1,463	-	-	-	-
10	Large C&I Solutions Program	623,231	207,744		207,744	-	-	-	-	12,168	-	-	183	117,851	45,758	-
11	Energy Star Homes	5,460	1,820		1,820	1,798	-	-	-	-	-	22	-	-	-	-
12	Load Management	113,842	37,947		37,947	-	-	-	-	2,280	-	-	-	22,085	8,575	-
13	Statewide CFL Program	136,393	45,464		45,464	44,924	-	-	-	-	-	540	-	-	-	-
14	Living Wise Program - Texas	616,012	205,337		205,337	202,897	-	-	-	-	-	2,440	-	-	-	-
15	Energy $aver	-	-		-	-	-	-	-	-	-	-	-	-	-	-
16	EUMMOT Consulting	19,194	6,398		6,398	2,406	290	7	64	211	-	29	3	2,043	793	-
17	Outside Services Consulting	-	-		-	-	-	-	-	-	-	-	-	-	-	-
18	SOP Outside Consulting	14,244	4,748		4,748	1,786	216	5	48	157	-	21	2	1,516	589	-
19	Appliance Recycling	6,690	2,230		2,230	2,203	-	-	-	-	-	27	-	-	-	-
20	PV/Solar Program	12,238	4,079		4,079	1,680	227	-	-	-	-	23	-	1,596	-	-
21	Interest		176,346		176,346	66,321	8,007	198	1,770	5,813	-	798	87	56,305	21,862	-
22	2010 Performance Bonus			833,347	833,347	313,410	37,838	937	8,363	27,472	-	3,769	413	266,076	103,310	-
23	Total	5,928,532	2,152,523	833,347	2,985,871	1,086,310	115,671	2,355	21,006	109,043	-	13,303	1,073	1,074,471	277,119	-
24	Deferred Costs					772,900	77,833	1,417	12,643	81,571	-	9,533	660	808,395	173,809	-
25	Bonus					313,410	37,838	937	8,363	27,472	-	3,769	413	266,076	103,310	-

	Description	Residential	Small Commercial Service	Outdoor Recreational Lighting Service	Govt. Street Lighting & Signal Service	Municipal Pumping Service	Electrolytic Refining Service	Water Heating Service	Irrigation Service	General Service	Large Power Service	Transmission Voltage Service
26	Total Test-Year kWh	1,765,374,003	213,132,565	5,280,686	47,107,598	154,744,612	57,431,788	21,232,293	2,324,817	1,498,747,259	585,157,287	24,615,006
27	Total EE Applicable kWh	1,765,374,003	213,132,565	5,280,686	47,107,598	154,744,612	0	21,232,293	2,324,817	1,498,747,259	581,924,726	0
28	Total EE Applicable %	37.6%	4.5%	0.1%	1.0%	3.3%	0.0%	0.5%	0.0%	31.9%	12.4%	0.0%
29	Residential kWh	1,765,374,003	0	0	0	0	0	21,232,293	0	0	0	0
30	Residential %	98.8%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%
31	Res. & Small Comm. kWh	1,765,374,003	213,132,565	0	0	0	0	21,232,293	0	0	0	0
32	Res. & Small Comm. %	88.3%	10.7%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	0.0%
33	Res., Commercial & Gov kWh	1,765,374,003	213,132,565	0	0	0	0	21,232,293	0	1,498,747,259	0	0
34	Res. & Small Comm. %	46.1%	5.6%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%	39.1%	0.0%	0.0%
35	Small Commercial kWh	0	213,132,565	0	0	0	0	21,232,293	0	1,498,747,259	0	0
36	Commercial %	0.0%	10.3%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	72.6%	0.0%	0.0%
37	Governmental kWh	0	213,132,565	5,280,686	47,107,598	154,744,612	0	0	0	1,498,747,259	0	0
38	Governmental %	0.0%	9.2%	0.2%	2.0%	6.7%	0.0%	0.0%	0.0%	64.8%	0.0%	0.0%
39	Commercial & Industrial kWh	0	0	0	0	154,744,612	0	0	2,324,817	1,498,747,259	581,924,726	0
40	Commercial & Industrial %	0.0%	0.0%	0.0%	0.0%	5.9%	0.0%	0.0%	0.1%	56.7%	22.0%	0.0%
41	Large Comm. & Industrial kWh	0	0	0	0	154,744,612	0	0	0	1,498,747,259	581,924,726	0
42	Large Comm. & Industrial %	0.0%	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	58.2%	22.6%	0.0%

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Allocation of 2012 Deferred Energy Efficiency Costs
and Bonus

Line No.	Program Costs	Total Deferred Costs	12-Month Recovery of Deferred Costs	2010 Bonus	Total Costs to be Recovered	26 Petroleum Refining Service	28 Private Area Lighting Service	30 Electric Furnace Rate	31 Military Reservation Service	25 Cotton Gin Service	38 Interruptible Service Rate - Large Power	41 City and County Service	25 University Service	25 Maintenance & Backup Power Service	Total
1	Large C&I SOP	1,310,678	436,893		436,893	-	-	-	-	322	-	54,764	10,333	1,423	436,893
2	Hard-to-Reach SOP	400,431	133,477		133,477	-	-	-	-	-	-	-	-	-	133,477
3	Small Commercial SOP	69,267	23,089		23,089	-	-	-	-	-	-	3,704	-	-	23,089
4	Residential SOP	139,285	46,428		46,428	-	-	-	-	-	-	-	-	-	46,428
5	Residential Solutions Program - New	-	-		-	-	-	-	-	-	-	-	-	-	-
6	Small Commercial Solutions - New	-	-		-	-	-	-	-	-	-	-	-	-	-
7	EPE Texas SCORE	1,584,988	528,329		528,329	-	-	-	-	-	-	75,855	14,274	-	528,329
8	Residential/Small Comm. Solutions	507,194	169,065		169,065	-	-	-	-	-	-	-	-	-	169,065
9	HTR Solutions	369,385	123,128		123,128	-	-	-	-	-	-	-	-	-	123,128
10	Large C&I Solutions Program	623,231	207,744		207,744	-	-	-	-	153	-	28,040	4,913	677	207,744
11	Energy Star Homes	5,460	1,820		1,820	-	-	-	-	-	-	-	-	-	1,820
12	Load Management	113,842	37,947		37,947	-	-	-	-	-	-	4,880	-	127	37,947
13	Statewide CFL Program	136,393	45,464		45,464	-	-	-	-	-	-	-	-	-	45,464
14	Living Wise Program - Texas	616,012	205,337		205,337	-	-	-	-	-	-	-	-	-	205,337
15	Energy Saver	-	-		-	-	-	-	-	-	-	-	-	-	-
16	EUMMOT Consulting	19,194	6,398		6,398	-	-	-	-	3	-	451	85	12	6,398
17	Outside Services Consulting	-	-		-	-	-	-	-	-	-	-	-	-	-
18	SOP Outside Consulting	14,244	4,748		4,748	-	-	-	-	2	-	335	63	9	4,748
19	Appliance Recycling	6,690	2,230		2,230	-	-	-	-	-	-	-	-	-	2,230
20	PV/Solar Program	12,238	4,079		4,079	-	-	-	-	-	-	353	-	-	4,079
21	Interest		176,346		176,346	-	-	-	-	73	-	12,441	2,347	323	176,346
22	2010 Performance Bonus			833,347	833,347	-	-	-	-	346	-	58,792	11,093	1,528	833,347
23	Total	5,928,532	2,152,523	833,347	2,985,871	-	-	-	-	899	-	237,416	43,108	4,097	2,985,871
24	Deferred Costs					-	-	-	-	553	-	178,623	32,015	2,570	
25	Bonus					-	-	-	-	346	-	58,792	11,093	1,528	

	Description	Petroleum Refining Service	Private Area Lighting Service	Electric Furnace Rate	Military Reservation Service	Cotton Gin Service	Interruptible Service Rate - Large Power	City and County Service	University Service	Maintenance & Backup Power Service	Total
26	Total Test-Year kWh	393,826,430	27,140,791	17,255,466	150,094,191	1,948,897	97,904,179	331,163,895	62,482,095	8,604,314	5,485,570,172
27	Total EE Applicable kWh	0	0	0	0	1,948,897	0	331,163,895	62,482,095	8,604,314	4,694,067,760
28	Total EE Applicable %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%	1.3%	0.2%	100.0%
29	Residential kWh	0	0	0	0	0	0	0	0	0	1,786,606,296
30	Residential %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
31	Res. & Small Comm. kWh	0	0	0	0	0	0	0	0	0	1,999,736,861
32	Res. & Small Comm. %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
33	Res., Commercial & Gov kWh	0	0	0	0	0	0	331,163,895	0	0	3,829,850,015
34	Res. & Small Comm. %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.6%	0.0%	0.0%	100.0%
35	Small Commercial kWh	0	0	0	0	0	0	331,163,895	0	0	2,064,276,012
36	Commercial %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.0%	0.0%	0.0%	100.0%
37	Governmental kWh	0	0	0	0	0	0	331,163,895	62,482,095	0	2,312,658,710
38	Governmental %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.3%	2.7%	0.0%	100.0%
39	Commercial & Industrial kWh	0	0	0	0	1,948,897	0	331,163,895	62,482,095	8,604,314	2,641,940,615
40	Commercial & Industrial %	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	12.5%	2.4%	0.3%	100.0%
41	Large Comm. & Industrial kWh	0	0	0	0	0	0	331,163,895	0	8,604,314	2,575,184,806
42	Large Comm. & Industrial %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.9%	0.0%	0.3%	100.0%

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Comparison of 2012 Energy Efficiency Cost Recovery Factor

Line No	(a) Rate	(b) Applicable Rate	(c) Rate Class	(d) 2012 Projected Metered kWh	(e) 2012 Proposed Program Costs (a)	(f) Program Costs Rate per kWh	(g) 2012 Energy Efficiency Deferred Costs	(h) Deferred Costs Rate per kWh	(i) 2010 Energy Efficiency Bonus	(j) Bonus Rate per kWh	(k) 2010 (Over)/Under Recovery	(l) (Over) / Under Recovery Rate per kWh	(m) Total Energy Efficiency Costs to be Recovered	(n) Total Rate per kWh
1	01	01	Residential Service	1,818,270,978	$ 1,667,778	$ 0.00092	$ 706,578	$ 0.00039	$ 313,410	$ 0.00017	$ 402,260	$ 0.00022	$ 3,090,027	$ 0.00170
2	02	02	Small Commercial Service	321,148,291	132,440	0.00041	69,826	0.00022	37,838	0.00012	(1,515)	(0.00000)	238,590	$ 0.00074
3	07	07	Outdoor Recreational Lighting Service	5,625,533	1,358	0.00024	1,219	0.00022	937	0.00017	368	0.00007	3,883	$ 0.00069
4	08	08	Government Street Lighting and Signal Service	46,020,026	12,114	0.00026	10,874	0.00024	8,363	0.00018	5,480	0.00012	36,830	$ 0.00080
5	11	11	Municipal Pumping Service (Includes 11 - TOU)	156,531,941	119,586	0.00076	75,757	0.00048	27,472	0.00018	34,350	0.00022	257,165	$ 0.00164
6	15	15	Electrolytic Refining Service	0	-	-	-	-	-	-	-	-	-	NA
7	WH	21	Water Heating	21,463,569	25,020	0.00117	8,736	0.00041	3,769	0.00018	5,845	0.00027	43,370	$ 0.00202
8	22	22	Irrigation Service	2,612,532	874	0.00033	573	0.00022	413	0.00016	(208)	(0.00008)	1,651	$ 0.00063
9	24	24	General Service	1,436,115,969	1,704,144	0.00119	752,090	0.00052	266,076	0.00019	428,234	0.00030	3,150,543	$ 0.00219
10	25	25	Large Power Service (Secondary & Primary Voltage)	516,549,710	300,067	0.00058	151,947	0.00029	103,310	0.00020	94,430	0.00018	649,755	$ 0.00126
11	25T	25T	Large Power Service (Transmission Voltage)	0	-	-	-	-	-	-	-	-	-	NA
12	26	26	Petroleum Refinery Service	0	-	-	-	-	-	-	-	-	-	NA
13	28	28	Area Lighting Service	0	-	-	-	-	-	-	-	-	-	NA
14	30	30	Electric Furnace	0	-	-	-	-	-	-	-	-	-	NA
15	31	31	Military Reservation Service	0	-	-	-	-	-	-	-	-	-	NA
16	34	25	Cotton Gin Service	1,840,094	732	0.00040	480	0.00026	346	0.00019	131	0.00007	1,689	$ 0.00092
17	38	38	Interruptible Service	0	-	-	-	-	-	-	-	-	-	NA
18	41	41	City & County Service	333,313,816	376,548	0.00113	166,182	0.00050	58,792	0.00018	84,986	0.00025	686,509	$ 0.00206
19	43	25	University Service Rate	68,159,886	39,551	0.00058	29,668	0.00044	11,093	0.00016	12,571	0.00018	92,883	$ 0.00136
20	46/47	25	Cogeneration	12,764,563	4,437	0.00035	2,247	0.00018	1,528	0.00012	1,933	0.00015	10,144	$ 0.00079
21			Texas Total	4,740,416,907	$ 4,384,650	$ 0.00092	$ 1,976,177	$ 0.00042	$ 833,347	$ 0.00018	$ 1,068,865	$ 0.00023	$ 8,263,040	$ 0.00174

(a) 2012 Proposed Program Costs based on 2011 Program Costs.

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
2012 Billing Determinants

Line No.	(a) Rate	(b) Rate Class	(c) January through December Actual 2012 Metered Sales kWh	(d) January through December Projected 2012 Metered Sales kWh
1	01	Residential Service	1,964,610,380	1,818,270,978
2	02	Small Commercial Service	243,703,743	321,148,291
3	07	Outdoor Recreational Lighting	5,276,274	5,625,533
4	08	Governmental Street Lighting Service	39,587,501	46,020,026
5	11	Municipal Pumping Service	170,674,009	156,531,941
6	15	Electrolytic Refining Service	-	-
7	21	Water Heating Service	17,466,476	21,463,569
8	22	Irrigation Service	3,979,258	2,612,532
9	24	General Service	1,502,079,838	1,436,115,969
10	25	Large Power Service - Sec. Pri.	661,354,695	599,314,252
11	25T	Large Power Service- Trans.	-	-
12	26	Petroleum Refining Service	-	-
13	28	Private Area Lighting	-	-
14	30	Electric Furnace Service	-	-
15	31	Military Reservation Service	-	-
16	34	Cotton Gin Service (a)	-	-
17	38	Interruptible Service	-	-
18	41	City / County Service	309,040,825	333,313,816
19	43	University Service (a)	-	-
20	46/47	Cogeneration (a)	-	-
21		Totals	4,917,772,999	4,740,416,907

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Projected Energy Efficiency Costs
January 1 - December 31, 2014

Line No.	(a) Program	(b) Proposed 2014 (a)
1	Commercial SOP	$ 280,000
2	Small Commercial Solutions MTP	461,119
3	Large C&I Solutions MTP	895,428
4	Texas SCORE MTP	406,564
5	Load Management SOP	360,000
6	Commercial Rebate Pilot MTP	220,000
7	Residential Solutions MTP	190,000
8	Living Wise MTP	346,346
9	Appliance Recycling MTP	289,125
10	PV/Solar Pilot MTP	250,000
11	Hard To Reach Solutions MTP	600,000
12	Administration Expenses	86,068
13	EM&V	44,494
14	Total	$ 4,429,144
15	EPE EECRF Proceeding Expenses	$ 32,620
16	Municipal EECRF Proceeding Expenses	$ 8,729

(a) Projected 2014 Energy Efficiency Costs Based on 2013 Energy Efficiency Plan and Report, Table 6, page 19.

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor
Allocator Development for EE Costs

Line No.	(a) Description	(b) 01 Residential Service	(c) 02 Small Commercial Service	(d) 07 Outdoor Recreational Lighting	(e) 08 Governmental Street Lighting Service	(f) 11 Municipal Pumping Service	(g) 15 Electrolytic Refining Service	(h) 21 Water Heating Service	(i) 22 Irrigation Service	(j) 24 General Service	(k) 25 Large Power Service - Sec. Pri.	(l) 25T Large Power Service- Trans.
1	2014 4-CP Average	465,381	60,753	-	543	24,740	-	898	950	314,228	109,608	-
2	2014 Forecasted kWh	2,051,835,713	257,419,139	5,481,462	39,915,211	176,408,529	-	18,333,352	4,122,984	1,588,409,254	702,130,685	-
3												
4	Commercial SOP	-	60,753	-	-	24,740	-	-	950	314,228	109,608	-
5	Small Commercial Solutions MTP	-	60,753	-	-	24,740	-	-	950	314,228	-	-
6	Large C&I Solutions MTP	-	-	-	-	24,740	-	-	950	314,228	109,608	-
7	Texas SCORE MTP	-	60,753	-	543	24,740	-	-	950	314,228	109,608	-
8	Load Management SOP	-	-	-	-	24,740	-	-	-	-	109,608	-
9	Commercial Rebate Pilot MTP	-	60,753	-	-	-	-	-	-	314,228	109,608	-
10	Residential Solutions MTP	465,381	-	-	-	-	-	-	-	-	-	-
11	Living Wise MTP	465,381	-	-	-	-	-	-	-	-	-	-
12	Appliance Recycling MTP	465,381	-	-	-	-	-	-	-	-	-	-
13	PV/Solar Pilot MTP	465,381	60,753	-	-	-	-	-	-	314,228	109,608	-
14	Hard To Reach Solutions MTP	465,381	-	-	-	-	-	-	-	-	-	-
15												
16	Commercial SOP	-	257,419,139	5,481,462	-	176,408,529	-	-	4,122,984	1,588,409,254	702,130,685	-
17	Small Commercial Solutions MTP	-	257,419,139	5,481,462	-	176,408,529	-	-	4,122,984	1,588,409,254	-	-
18	Large C&I Solutions MTP	-	-	5,481,462	-	176,408,529	-	-	4,122,984	1,588,409,254	702,130,685	-
19	Texas SCORE MTP	-	257,419,139	5,481,462	39,915,211	176,408,529	-	-	4,122,984	1,588,409,254	702,130,685	-
20	Load Management SOP	-	-	-	-	176,408,529	-	-	-	-	702,130,685	-
21	Commercial Rebate Pilot MTP	-	257,419,139	-	-	-	-	-	-	1,588,409,254	702,130,685	-
22	Residential Solutions MTP	2,051,835,713	-	-	-	-	-	-	-	-	-	-
23	Living Wise MTP	2,051,835,713	-	-	-	-	-	-	-	-	-	-
24	Appliance Recycling MTP	2,051,835,713	-	-	-	-	-	-	-	-	-	-
25	PV/Solar Pilot MTP	2,051,835,713	257,419,139	-	-	-	-	-	-	1,588,409,254	702,130,685	-
26	Hard To Reach Solutions MTP	2,051,835,713	-	-	-	-	-	-	-	-	-	-
27												
28	Commercial SOP	0.0000%	9.3176%	0.0897%	0.0000%	4.9660%	0.0000%	0.0000%	0.1473%	52.3991%	20.7013%	0.0000%
29	Small Commercial Solutions MTP	0.0000%	13.9160%	0.1349%	0.0000%	7.4284%	0.0000%	0.0000%	0.2200%	78.3007%	0.0000%	0.0000%
30	Large C&I Solutions MTP	0.0000%	0.0000%	0.1107%	0.0000%	6.3134%	0.0000%	0.0000%	0.1889%	67.0200%	26.3671%	0.0000%
31	Texas SCORE MTP	0.0000%	9.2586%	0.0886%	0.6905%	4.9269%	0.0000%	0.0000%	0.1464%	52.0396%	20.5447%	0.0000%
32	Load Management SOP	0.0000%	0.0000%	0.0000%	0.0000%	12.9980%	0.0000%	0.0000%	0.0000%	0.0000%	54.2746%	0.0000%
33	Commercial Rebate Pilot MTP	0.0000%	9.8211%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	55.2760%	21.8620%	0.0000%
34	Residential Solutions MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
35	Living Wise MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
36	Appliance Recycling MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
37	PV/Solar Pilot MTP	43.3357%	5.5512%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	31.3233%	12.4307%	0.0000%
38	Hard To Reach Solutions MTP	100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
39												
40	Commercial SOP	0	1	1	0	1	0	0	1	1	1	0
41	Small Commercial Solutions MTP	0	1	1	0	1	0	0	1	1	0	0
42	Large C&I Solutions MTP	0	0	1	0	1	0	0	1	1	1	0
43	Texas SCORE MTP	0	1	1	1	1	0	0	1	1	1	0
44	Load Management SOP	0	0	0	0	1	0	0	0	0	1	0
45	Commercial Rebate Pilot MTP	0	1	0	0	0	0	0	0	1	1	0
46	Residential Solutions MTP	1	0	0	0	0	0	0	0	0	0	0
47	Living Wise MTP	1	0	0	0	0	0	0	0	0	0	0
48	Appliance Recycling MTP	1	0	0	0	0	0	0	0	0	0	0
49	PV/Solar Pilot MTP	1	1	0	0	0	0	0	0	1	1	0
50	Hard To Reach Solutions MTP	1	0	0	0	0	0	0	0	0	0	0

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor
Allocator Development for EE Costs

Line No	(a) Description	(m) 26 Petroleum Refining Service	(n) 28 Private Area Lighting	(o) 30 Electric Furnace Service	(p) 31 Military Reservation Service	(q) 34 Cotton Gin Service (a)	(r) 38 Interruptible Service	(s) 41 City / County Service	(t) 43 University Service (a)	(u) 46/47 Cogeneration (a)	(v) Total
1	2014 4-CP Average	-	-	-	-	-	-	84,874	-	-	1,061,975
2	2014 Forecasted kWh	-	-	-	-	-	-	320,645,825	-	-	5,164,702,154
3											
4	Commercial SOP	-	-	-	-	-	-	84,874	-	-	595,153
5	Small Commercial Solutions MTP	-	-	-	-	-	-	-	-	-	400,671
6	Large C&I Solutions MTP	-	-	-	-	-	-	-	-	-	449,526
7	Texas SCORE MTP	-	-	-	-	-	-	84,874	-	-	595,696
8	Load Management SOP	-	-	-	-	-	-	84,874	-	-	219,222
9	Commercial Rebate Pilot MTP	-	-	-	-	-	-	84,874	-	-	569,463
10	Residential Solutions MTP	-	-	-	-	-	-	-	-	-	465,381
11	Living Wise MTP	-	-	-	-	-	-	-	-	-	465,381
12	Appliance Recycling MTP	-	-	-	-	-	-	-	-	-	465,381
13	PV/Solar Pilot MTP	-	-	-	-	-	-	84,874	-	-	1,034,844
14	Hard To Reach Solutions MTP	-	-	-	-	-	-	-	-	-	465,381
15											
16	Commercial SOP	-	-	-	-	-	-	320,645,825	-	-	3,054,617,878
17	Small Commercial Solutions MTP	-	-	-	-	-	-	-	-	-	2,031,841,368
18	Large C&I Solutions MTP	-	-	-	-	-	-	-	-	-	2,476,552,914
19	Texas SCORE MTP	-	-	-	-	-	-	320,645,825	-	-	3,094,533,089
20	Load Management SOP	-	-	-	-	-	-	320,645,825	-	-	1,199,185,039
21	Commercial Rebate Pilot MTP	-	-	-	-	-	-	320,645,825	-	-	2,868,604,903
22	Residential Solutions MTP	-	-	-	-	-	-	-	-	-	2,051,835,713
23	Living Wise MTP	-	-	-	-	-	-	-	-	-	2,051,835,713
24	Appliance Recycling MTP	-	-	-	-	-	-	-	-	-	2,051,835,713
25	PV/Solar Pilot MTP	-	-	-	-	-	-	320,645,825	-	-	4,920,440,616
26	Hard To Reach Solutions MTP	-	-	-	-	-	-	-	-	-	2,051,835,713
27											
28	Commercial SOP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	12.3790%	0.0000%	0.0000%	100.0000%
29	Small Commercial Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
30	Large C&I Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
31	Texas SCORE MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	12.3048%	0.0000%	0.0000%	100.0000%
32	Load Management SOP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	32.7273%	0.0000%	0.0000%	100.0000%
33	Commercial Rebate Pilot MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	13.0410%	0.0000%	0.0000%	100.0000%
34	Residential Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
35	Living Wise MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
36	Appliance Recycling MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
37	PV/Solar Pilot MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	7.3591%	0.0000%	0.0000%	100.0000%
38	Hard To Reach Solutions MTP	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
39											
40	Commercial SOP	0	0	0	0	0	0	1	0	0	
41	Small Commercial Solutions MTP	0	0	0	0	0	0	0	0	0	
42	Large C&I Solutions MTP	0	0	0	0	0	0	0	0	0	
43	Texas SCORE MTP	0	0	0	0	0	0	1	0	0	
44	Load Management SOP	0	0	0	0	0	0	1	0	0	
45	Commercial Rebate Pilot MTP	0	0	0	0	0	0	1	0	0	
46	Residential Solutions MTP	0	0	0	0	0	0	0	0	0	
47	Living Wise MTP	0	0	0	0	0	0	0	0	0	
48	Appliance Recycling MTP	0	0	0	0	0	0	0	0	0	
49	PV/Solar Pilot MTP	0	0	0	0	0	0	1	0	0	
50	Hard To Reach Solutions MTP	0	0	0	0	0	0	0	0	0	

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Comparison to Filed 2013 Energy Efficiency Cost Recovery Factor

Rate	Rate Class	(a) 2013 Projected Metered kWh	(c) 2013 Proposed Program Costs (a)	(b) Program Costs Rate per kWh	(d) Deferred Energy Efficiency Costs	(e) Deferred Costs Rate per kWh	(f) 2011 Energy Efficiency Bonus	(g) Bonus Rate per kWh	(h) 2011 (Over)/Under Recovery	(i) (Over) / Under Recovery Rate per kWh	Total Energy Efficiency Costs to be Recovered	Total Rate per kWh
01	Residential Service	1,953,540,753	$ 1,541,528	$ 0.00079	$ 334,042	$ 0.00017	$ 99,805	$ 0.00005	$ (902,634)	$ (0.00046)	$ 1,072,740	$ 0.000549
02	Small Commercial Service	278,854,779	126,271	0.00045	20,228	0.00007	55,395	0.00020	329,757	0.00118	531,651	0.001907
07	Outdoor Recreational Lighting	5,948,601	735	0.00012	694	0.00012	-	-	(1,030)	(0.00017)	399	0.000067
08	Municipal Street Lighting Service	38,062,869	4,847	0.00013	4,441	0.00012	-	-	(8,469)	(0.00022)	818	0.000021
11	Municipal Pumping Service (w/TOU)	169,866,317	90,985	0.00054	41,444	0.00024	-	-	(89,035)	(0.00052)	43,394	0.000255
15	Electrolytic Refining Service	-	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
21	Water Heating Service	21,450,525	-	-	3,783	0.00018	-	-	(21,077)	(0.00098)	(17,294)	(0.000806)
22	Irrigation Service	3,316,967	1,029	0.00031	425	0.00013	-	-	(1,228)	(0.00037)	225	0.000068
24	General Service	1,498,196,825	2,113,684	0.00141	473,807	0.00032	131,113	0.00009	(525,512)	(0.00035)	2,193,092	0.001464
25	Large Power Service - Sec. Pri.	571,120,539	255,393	0.00045	77,019	0.00013	186,483	0.00033	353,565	0.00062	872,461	0.001528
25T	Large Power Service- Trans.	-	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
26	Petroleum Refining Service	-	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
28	Private Area Lighting	-	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
30	Electric Furnace Service	-	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
31	Military Reservation Service	-	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
34	Cotton Gin Service	1,874,697	249	0.00013	240	0.00013	-	-	(842)	(0.00045)	(353)	(0.000188)
38	Interruptible Service	-	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A
41	City / County Service	349,016,607	215,137	0.00062	43,692	0.00013	68,426	0.00020	447,186	0.00128	774,441	0.002219
43	University Service	66,950,155	34,067	0.00051	15,700	0.00023	-	-	(27,771)	(0.00041)	21,995	0.000329
46/47	Maintenance/Backup Service	2,612,806	726	0.00028	347	0.00013	-	-	(809)	(0.00031)	264	0.000101
	Texas Total	4,960,812,440	$ 4,384,650	$ 0.00088	$ 1,015,863	$ 0.00020	$ 541,221	$ 0.00011	$ (447,900)	$ (0.00009)	$ 5,493,834	$ 0.00111

(a) 2013 Proposed Program Costs based on 2012 Program Costs.

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2014 Energy Efficiency Cost Recovery Factor (EECRF)
Energy Efficiency Costs By Texas Rate Class
For the Period January through December 2011

Line No.	(a) Rate	(b) Rate Class	(c) 2011 EECRF Collections	(d) 2011 EECRF Costs	(e) (Over) / Under Collections	(f) 2012 EECRF Collections	(g) 2012 EECRF Costs	(h) Difference in Collections	(i) Difference in Costs
1	01	Residential Service	$ 3,240,705	$ 2,338,071	$ (902,634)	$ 3,336,806	$ 3,111,592	$ 96,101	$ 773,521
2	02	Small Commercial Service	256,559	586,316	329,757	180,302	481,273	(76,257)	(105,043)
3	07	Outdoor Recreational Lighting	.2,851	1,821	(1,030)	3,640	2,722	789	901
4	08	Municipal Street Lighting Service	20,128	11,659	(8,469)	31,669	26,486	11,541	14,827
5	11	Municipal Pumping Service (w/TOU)	184,247	95,212	(89,035)	279,880	143,393	95,633	48,181
6	15	Electrolytic Refining Service	-	-	-	-	-	-	-
7	21	Water Heating Service	30,209	9,132	(21,077)	35,278	19,147	5,069	10,015
8	22	Irrigation Service	2,320	1,092	(1,228)	2,507	865	187	(227)
9	24	General Service	2,229,986	1,704,474	(525,512)	3,290,582	2,606,060	1,060,596	901,586
10	25	Large Power Service - Sec. Pri.	421,117	774,682	353,565	839,019	886,609	417,902	111,927
11	25T	Large Power Service- Trans.	-	-	-	-	-	-	-
12	26	Petroleum Refining Service	-	-	-	-	-	-	-
13	28	Private Area Lighting	-	-	-	-	-	-	-
14	30	Electric Furnace Service	-	-	-	-	-	-	-
15	31	Military Reservation Service	-	-	-	-	-	-	-
16	34	Cotton Gin Service	1,459	617	(842)	-	-	(1,459)	(617)
17	38	Interruptible Service	-	-	-	-	-	-	-
18	41	City / County Service	438,547	885,733	447,186	636,153	739,576	197,606	(146,157)
19	43	University Service	63,973	36,202	(27,771)	-	-	(63,973)	(36,202)
20	46/47	Maintenance/Backup Service	1,691	882	(809)	-	-	(1,691)	(882)
		Totals	$ 6,893,792	$ 6,445,892	$ (447,900)	$ 8,635,836	$ 8,017,723	$ 1,742,044	$ 1,571,831

EL PASO ELECTRIC COMPANY

SCHEDULE NO. 97
ENERGY EFFICIENCY COST RECOVERY FACTOR

APPLICABILITY

Electric service billed under rate schedules having an Energy Efficiency Cost Recovery Factor Clause shall be subject to an Energy Efficiency Cost Recovery Factor ("EECRF"). The EECRF is not applicable to service billed at transmission voltage rates.

Pursuant to PUCT §25.181(f), the EECRF allows the Company to recover the cost of energy efficiency programs from the customer classes that receive services under such programs.

TERRITORY

Texas Service Area

MONTHLY RATE

Rate No.	Description	Energy Efficiency Cost Recovery Factor ($/kWh)	
01	Residential Service Rate	$ 0.000711	(I)
02	Small Commercial Service Rate	$ 0.001997	(I)
07	Outdoor Recreational Lighting Service Rate	$ 0.000255	(I)
08	Governmental Street Lighting and Signal Service Rate	$ (0.000057)	(R)
11	Municipal Pumping Service Rate	$ 0.000237	(R)
11-TOU	Time-Of-Use Municipal Pumping Service Rate	$ 0.000237	(R)
WH	Water Heating	$ (0.000880)	(I)
22	Irrigation Service Rate	$ 0.000538	(I)
24	General Service Rate	$ 0.000659	(R)
25	Large Power Service Rate (excludes transmission)	$ 0.001222	(R)
34	Cotton Gin Service Rate	$ 0.001222	(I)
41	City and County Service Rate	$ 0.001237	(R)
43	University Service Rate	$ 0.001222	(I)
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	$ 0.001222	(I)
47	Backup Power Service For Cogeneration And Small Power Production Facilities	$ 0.001222	(I)

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Sheet Number 33
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Revision Number 4
Effective with bills issued on or after January 1, 2014

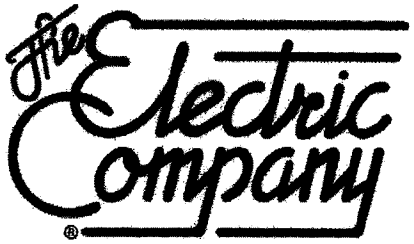
El Paso Electric Company

2013 Energy Efficiency Plan and Report

Substantive Rule § 25.181 and § 25.183

March 29, 2013

Project No. 41196



El Paso Electric

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INTRODUCTION

El Paso Electric Company (EPE) presents this Energy Efficiency Plan and Report (EEPR) to comply with Public Utility Commission of Texas (PUCT) Substantive Rules 25.181 and 25.183, which are the sections of the Energy Efficiency Rule (EE Rule) implementing Public Utility Regulatory Act (PURA) § 39.905. As mandated by this section of PURA, the EE Rule requires that each investor owned electric utility achieve the following minimum demand reduction goals through market-based standard offer programs (SOPs), targeted market transformation programs (MTPs) and utility self-delivered programs:

(e)(1) An electric utility shall administer a portfolio of energy efficiency programs to acquire, at a minimum, the following:

(A) The utility shall acquire no less than a 25% reduction of the electric utility's annual growth in demand of residential and commercial customers for the 2012 program year.

(B) Beginning with the 2013 program year, until the trigger described in subparagraph (C) of this paragraph is reached, the utility shall acquire a 30% reduction of its annual growth in demand of residential and commercial customers.

(C) If the demand reduction goal to be acquired by a utility under subparagraph (B) of this paragraph is equivalent to at least four-tenths of 1% its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year, the utility shall meet the energy efficiency goal described in subparagraph (D) of this paragraph for each subsequent program year.

(D) Once the trigger described in subparagraph (C) of this paragraph is reached, the utility shall acquire four-tenths of 1% of its summer weather-adjusted peak demand for the combined residential and commercial customers for the previous program year.

(E) Except as adjusted in accordance with subsection (w) of this section, a utility's demand reduction goal in any year shall not be lower than its goal for the prior year, unless the commission establishes a goal for a utility pursuant to paragraph (2) of this subsection.

The EE Rule includes specific requirements related to the implementation of SOPs, MTPs and utility self-delivered programs that control the manner in which utilities must administer their portfolio of energy efficiency programs in order to achieve their mandated annual demand reduction goals. EPE's plan enables it to meet its statutory goals through implementation of energy efficiency programs in a manner that complies with PURA § 39.905 and the EE Rule. This EEPR covers the report for 2012 and projections for 2013 and 2014 as required by the EE Rule. The following section describes the information that is contained in each of the subsequent sections and appendices.