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SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195

APPLICATION OF EL PASO	§	BEFORE THE STATE OFFICE
ELECTRIC COMPANY TO CHANGE	§	OF
RATES	§	ADMINISTRATIVE HEARINGS

EL PASO ELECTRIC COMPANY'S AMENDED RESPONSE TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-48

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STAFF 1-19:

Payroll

Please provide a narrative description of any and all programs that the Company and/or its parent company has instituted which could result in a decrease to the Company's number of employees after the end of the test year.

AMENDED RESPONSE:

El Paso Electric Company ("Company") recently implemented a retirement incentive program whereby retirement-eligible employees were offered a one-time cash bonus of up to nine months of base pay if the employee agreed to retire between September 1, 2021, and December 31, 2021. Nothing in this program altered or will alter any of the Company's benefits programs including, but not limited to, the retirement income plan, personal time off plan, or short-term incentive plan. The incentive program was offered to eligible employees on August 9, 2021, and those employees have until September 9, 2021, to inform the Company if they intend to retire in accordance with the terms of the incentive program. Once retiring employees are identified, the Company will determine whether the positions being vacated by retiring employees needs to be replaced or repurposed and will seek to fill vacancies as needed. In addition, a number of positions held by retiring employees will likely be filled with current employees, which will require a similar evaluation of the positions being vacated by those employees.

Preparer: Robert M. Almanzan

Title: Senior Director – Human Resources

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

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STAFF 1-20:

Payroll

Please quantify the savings which have been achieved or that are expected to be achieved from programs to reduce the number of employees of the Company and/or its parent company.

AMENDED RESPONSE:

El Paso Electric Company (“EPE” or “Company”) has not engaged in an analysis to determine what if any savings may be achieved or that are expected to be achieved from the retirement incentive program discussed in EPE’s amended response to STAFF 1-19. At the current time, EPE has not identified all of the employees that will take advantage of the retirement incentive program, whether the positions of retiring employees will be filled in kind, or whether filling positions of retiring employees will result in filling the vacancy in another separate repurposed position. Additionally, the Company is unable to predict what the level of pay employees hired to fill the newly vacant positions will be. Any savings in payroll expenses that may ultimately occur as a result of the retirement incentive program are not likely to be quantified until after January 2022 and are likely to be offset by the union salary increase effective in September 2021 and non-union salary increases that occur in January each year. That being said, in the short-term, costs would be expected to increase due to the nine-month salary payout to employees opting to retire and any long-term savings would have to overcome this initial outlay.

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