Separation Benefit (Continued)

Cash Balance	Upon termination on or after attaining 3 years of Vesting Service, 100% of the Frozen Final Average Pay Accrued Benefit will be payable as of the Normal Retirement Date, or the participant may elect to commence benefits any time after his termination date. In addition, 100% of the Cash Balance Account will be payable as of the first day of any month following his termination of employment.

Pre-Retirement Spouse's Benefit

Before Normal Retirement Age	Payable upon the death of a participant employed by the company who had completed 5 years of Vesting Service. If the participant dies before attaining age 50 with 10 years of service, the amount payable to the spouse, to whom the participant was legally married during the one year period immediately preceding his death, is 50% of the amount the participant would have been entitled to had the participant separated from service on the date of his death, survived to the earliest retirement age, retired with an immediate qualified joint and survivor annuity and died the day after the earliest retirement age. If the participant dies after attaining age 50 with 10 years of service, the amount payable to the eligible spouse is 50% of the participant's Accrued Benefit, commencing immediately.

Pre-Retirement Death Benefit

After Normal Retirement Age	If the participant dies after his Normal Retirement Age but before benefit payments commence, survivorship benefits will be paid in accordance with the form in which the participant's benefits would be paid if he had retired on the first day of the month following his date of death.

Special Death Benefit for Cash Balance Members	Payable upon the death of a participant who has not received a lump sum distribution or commenced a pension distribution from the Plan of his total Accrued Benefit. The amount payable to the Cash Balance Member's surviving spouse or beneficiary is (1) the Cash Balance Member's Accrued Benefit attributable to his Cash Balance Account, and if applicable, (2) the benefit that would be payable as a Pre-Retirement Spouse's Benefit Before Normal Retirement Age or Pre-Retirement Death Benefit After Normal Retirement Age based on the Cash Balance Member's Accrued Benefit not attributable to his Cash Balance Account. The total Special Death Benefit for Cash Balance Members shall be payable as a lump sum distribution or single life annuity.
Payment Options	
Final Average Pay	Automatic–If the participant is married on his Benefit Commencement Date, a 50% joint and survivor annuity option that is actuarially equivalent to a single life annuity will be payable. If the participant is not married on the Benefit Commencement Date, a single life annuity will be payable. Elective–25%, 75%, and 100% joint and survivor annuities, or a 120-month certain and life annuity.
Cash Balance	Automatic–If the participant is married on his Benefit Commencement Date, a 50% joint and survivor annuity option that is actuarially equivalent to a single life annuity will be payable. If the participant is not married on the Benefit Commencement Date, a single life annuity will be payable. Elective–25%, 75%, and 100% joint and survivor annuities, a 120-month certain and life annuity, or a lump sum distribution.
Automatic Cash Out	Upon termination of service, if the lump sum value of the Accrued Benefit is less than $1,000, the lump sum amount is paid as soon as practical after termination.
Changes since January 1, 2018 Valuation	None.

Certification of Adjusted Funding Target Attainment Percentage for 2019

This is a certification of the 2019 Adjusted Funding Target Attainment Percentage ("AFTAP") as required under the Pension Protection Act of 2006 ("PPA"). It supersedes all prior certifications (if any) for the 2019 plan year, effective immediately.

The PPA imposes certain restrictions on plans based on the AFTAP level, and so the AFTAP must be established each year to administer these restrictions, if applicable. The determination of whether the benefit restriction of IRC 436 shall apply and the administration of such benefit restrictions, if any, based on the results of this AFTAP certification, are the responsibility of the plan administrator.

2019 Specific AFTAP Calculation & Certification

1.	2019 Actuarial Value of Assets (including Credit Balances)	$	302,164,872
2.	2019 Funding Target (IRC §430(h))	$	268,950,352
3.	2019 Credit Balances		
	a. Carryover balance	$	0
	b. Prefunding balance	$	24,489,067
	c. Total	$	24,489,067
4.	Non Highly Compensated Employee Annuity Purchases during prior Plan Year	$	0
5.	Non Highly Compensated Employee Annuity Purchases during 2nd prior Plan Year	$	0
6.	2019 Funded Ratio = (1) ÷ (2)		112.34%
7.	2019 Preliminary AFTAP = [(1) + (4) + (5)] ÷ [(2) + (4) + (5)]		112.34%
8.	Final 2019 AFTAP: if (7) is less than 100%, [(1) - (3)(c) + (4) + (5)] ÷ [(2) + (4) + (5)], otherwise (7)		112.34%

If the Funded Ratio as shown in line 7, calculated by including the Credit Balances in the actuarial value of assets, is less than 100%, then the AFTAP is calculated by excluding the Credit Balances from assets. Since the funding ratio for 2019 is above 100%, an adjustment for the Credit Balances was not made for purposes of calculating the AFTAP.

As the enrolled actuary for the Plan, I certify the AFTAP for the Retirement Income Plan for Employees of El Paso Electric Company for the 2019 Plan Year is 112.34%. Because the certified AFTAP for the 2019 Plan Year is 100% or greater, the Plan is not subject to any benefit restrictions.

In addition, because the certified AFTAP for the 2019 Plan Year is 90% or greater, the Plan may rely on the 2019 AFTAP for purposes of determining the applicability of benefit restrictions during the first nine (9) months of the 2020 Plan Year. As a result, no further action is required by the Plan Administrator until September 30, 2020.

For purposes of this certification, it was assumed that during the current plan year:

- There were no unpredictable contingent events that occurred during the current plan year that were taken into account for the plan current year, nor were there any associated Section 436 contributions;
- There were no plan amendments that took effect in the current plan year that were taken into account for the current plan year, nor were there any associated Section 436 contributions;
- There were no benefit accruals that were restored for the plan year, nor any associated Section 436 contributions.

The accuracy of the results presented in this certification is dependent upon the accuracy and completeness of the underlying information. The assets, census data, assumptions and methods, and plan provisions used in this certification are summarized in Sections IV, V, VI, and VII of this Report.

In the event the recertified AFTAP results in a material change as defined in Reg. §1.436-1(h)(4)(iii)(B), plan operations with respect to benefit restrictions may be adversely impacted, for which PricewaterhouseCoopers LLP and the undersigned enrolled actuary assume no responsibility.

The interest rates used for purposes of determining the 2019 AFTAP reflect the segment rates specified under the Highway and Transportation Funding Act ["HATFA"]. HATFA is effective for plan years beginning in 2013.

Please note that for the purpose of determining contribution requirements, the IRC and the Employee Retirement Income Security Act of 1974 ("ERISA") require that the assumptions and methods selected must be reasonable and, in addition, offer the actuary's best estimate of anticipated experience under the Plan. The interest rate and mortality assumptions used to measure the Funding Target are prescribed by IRC §430(h). In my opinion, all other assumptions are reasonable and represent my best estimate of anticipated experience under the Plan.

This certification is not intended to satisfy the requirements of any standard or to be used for any purpose other than those specifically stated herein. Significantly different results from those presented in this report may be required or applicable for other purposes.

The information contained in this certification was prepared for the internal use of El Paso Electric Company and purposes of compliance with the PPA requirements in connection with our actuarial valuation of the Plan.

This certification reflects the provisions of the PPA and any regulatory guidance provided prior to the issuance of this certification. PPA was signed into law on August 17, 2006. PPA includes provisions that affect funding for 2006 and later plan years. These provisions include, but are not limited to, changes to the allowable interest rate range used in the determination of Funding Target. The certification may need to be modified if subsequent regulatory guidance, legal or other changes (e.g., through Congressional technical corrections) affect the results of this certification. No assurance can be given that future legislative, judicial or administrative changes, on either a prospective or retroactive basis, will not adversely affect the accuracy of the certification. PricewaterhouseCoopers LLP undertakes no responsibility to advise you or anyone else of any new developments in the application or interpretation of applicable laws and regulations.

The content of this document is limited to the matters specifically addressed herein and does not address any other potential tax consequences, or the potential application of tax penalties, to any matter other than as set forth herein. Our conclusions are not binding upon any taxing authority or the courts and there is no assurance that any relevant taxing authority will not successfully assert a contrary position. In addition, no exceptions (including the reasonable cause exception) are available for any federal or state penalties imposed if any portion of a transaction is determined to lack economic substance or fails to satisfy any similar rule of law, and our advice will not protect you from any such penalties. This document supersedes all prior written or oral advice with respect to the issues addressed in this document and all such prior communications should not be relied upon by any person for any purpose.

Retirement Income Plan for Employees of El Paso Electric Company

2018 Actuary's Report

Private & Confidential

November 20, 2018

El Paso Electric Company
100 N. Stanton
El Paso, TX 79901-1442

Re: Retirement Income Plan for Employees of El Paso Electric Company

We are pleased to present this report containing the results of the January 1, 2018 actuarial valuation of the Retirement Income Plan for Employees of El Paso Electric Company ("the Plan") pursuant to our Statement of Work with El Paso Electric Company ("EPEC" or the "Company") executed on April 19, 2018.

El Paso Electric Company retained PwC to perform an actuarial valuation of the Plan for the purposes of:

1. Calculating the minimum funding requirement for El Paso Electric Company for the Plan year beginning January 1, 2018 under Internal Revenue Code ("IRC") Section 430, calculating the Adjusted Funding Target Attainment Percentage ("AFTAP") for purposes of benefit restrictions that may apply to the Plan under IRC Section 436, and calculating the maximum deductible contributions for El Paso Electric Company for the tax year ending December 31, 2018 under IRC Section 404. This report does not address whether additional contributions may be required during the plan year in order to satisfy the liquidity requirements under IRC Section 430(j)(4);

2. Calculating the benefit obligation as of January 1, 2018, net funded status as of January 1, 2018, and the net periodic benefit cost for the 2018 fiscal year in accordance with Accounting Standards Codification 715-30: Defined Benefit Plans – Pension ("ASC 715-30");

3. Providing information necessary to meet certain government filing requirements of the Plan.

This valuation reflects the provisions of the Pension Protection Act of 2006 ("PPA") and any regulatory guidance provided prior to the issuance of this report. PPA includes provisions that affect funding for 2006 and later plan years. The valuation may need to be modified if subsequent regulatory guidance, legal or other changes (e.g., through Congressional technical corrections) affect the results of this valuation. No assurance can be given that future legislative, judicial or administrative changes, on either a prospective or retroactive basis, will not adversely affect the accuracy of the valuation. PwC undertakes no responsibility to advise you or anyone else of any new developments in the application or interpretation of applicable laws and regulations.

Please note that for the purpose of calculating minimum required and maximum deductible contributions, the IRC and the Employee Retirement Income Security Act of 1974 ("ERISA") require that the assumptions and methods selected must be reasonable and, in addition, offer the actuary's best estimate of anticipated experience under the Plan. The interest rate and mortality assumptions used to measure the Funding Target are prescribed by IRC Section 430(h) subject to specified elections by the plan sponsor. In our opinion, all other assumptions are reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer our best estimate of anticipated experience under the plan.

Actuarial calculations under ASC 715-30 are for purposes of fulfilling the Company's financial reporting requirements. The calculations reported herein have been made on a basis consistent with our understanding of ASC 715-30.

ASC 715-30 requires that each significant assumption reflect the best estimate of the Plan's future experience solely with respect to that assumption. El Paso Electric Company has determined and taken responsibility for the actuarial assumptions and the accounting policies and methods employed in the valuation of obligations and costs under ASC 715-30.

In preparing the results presented in this report, we have relied upon information El Paso Electric Company provided to us regarding plan provisions, plan participants, unaudited plan assets, contributions and benefit payments. The census data and plan asset information used in calculating the results herein were collected as of January 1, 2018. While the scope of our engagement did not call for us to perform an audit or independent verification of this information, we have reviewed this information for reasonableness. The accuracy of the results presented in this report is dependent upon the accuracy and completeness of the underlying information.

A range of results, different from those presented in this report could be considered reasonable. Future actuarial measurements may differ significantly from the current measurement presented in this report due to a number of factors including but not limited to: plan experience differing from that anticipated by the economic and demographic assumptions; increases or decreases expected as part of the natural operation of the methods used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); rounding conventions; and changes in plan provisions or applicable law. Due to the limited scope of this report, an analysis of the potential range of such future measurements has not been performed.

This report was prepared for the internal use of El Paso Electric Company, the Plan, and their auditors in connection with our actuarial valuation of the Plan and not for reliance by any other person. PwC disclaims any contractual or other responsibility or duty of care to others based upon the services or deliverables provided in connection with this report.

This valuation has been conducted in accordance with the applicable Actuarial Standards of Practice as issued by the American Academy of Actuaries. This report is not intended to satisfy the requirements of any standard or to be used for any purpose other than those specifically stated herein. Significantly different results from those presented in this report may be required or applicable for other purposes.

The content of this document is limited to the matters specifically addressed herein and does not address any other potential tax consequences, or the potential application of tax penalties, to any matter other than as set forth herein. Our conclusions are not binding upon any taxing authority or the courts and there is no assurance that any relevant taxing authority will not successfully assert a contrary position. In addition, no exceptions (including the reasonable cause exception) are available for any federal or state penalties imposed if any portion of a transaction is determined to lack economic substance or fails to satisfy any similar rule of law, and our advice will not protect you from any such penalties. This document supersedes all prior written or oral advice with respect to the issues addressed in this document and all such prior communications should not be relied upon by any person for any purpose.

The undersigned actuaries are members of the Society of Actuaries, and Members of the American Academy of Actuaries and are Enrolled Actuaries under ERISA and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans. To the best of our knowledge, the individuals involved in this engagement have no relationship that may impair, or appear to impair, the objectivity of our work.

We appreciate this opportunity to be of service to El Paso Electric Company. We are available to answer any questions with respect to our report.

Respectfully submitted,

Cindy Fraterrigo

Mrs. Cindy Fraterrigo
Member, American Academy of Actuaries
Fellow of the Society of Actuaries
Enrolled Actuary (No. 17-06229)

Brandon A. Robertson

Mr. Brandon Robertson
Member, American Academy of Actuaries
Associate of the Society of Actuaries
Enrolled Actuary (No. 17-07568)

HIGHLIGHTS OF THE ACTUARY'S REPORT - FUNDING

This report presents the results of the actuarial valuation of the Retirement Income Plan for Employees of El Paso Electric Company and has been prepared to present the current funded status of the Plan and the funding requirements for the plan year ending December 31, 2018. The valuation was performed using census data for plan participants as of January 1, 2018 furnished by the Company, assets provided by Wells Fargo as of January 1, 2018, the actuarial assumptions and methods as summarized in Section VI, and the plan provisions effective January 1, 2018 as summarized in Section VII.

Contribution Requirements

The minimum required contribution under IRC Section 430 for the plan year ending December 31, 2018, after reflecting the excess assets, is $0.

The maximum tax-deductible contribution under IRC Section 404 for the plan year ending December 31, 2018 is $230,971,705. Contributions are deductible provided they are made no later than the due date, including extensions, of the Company's 2018 Federal Income Tax Return.

Quarterly Contribution Requirement

Under PPA, plans with a funding shortfall for the preceding plan year are required to make quarterly contributions. The minimum installment is based on the lesser of:

- 90% of the minimum required contribution for the current plan year ignoring the effect of credit balances, or
- 100% of the minimum required contribution for the preceding plan year ignoring the effect of credit balances.

Because the Plan did not have a funding shortfall for the 2017 Plan Year, quarterly contributions are not required for the plan year ending December 31, 2018. In addition, since the Plan does not have a funding shortfall for the 2018 Plan Year, no quarterly contributions will be required for the plan year ending December 31, 2019.

Adjusted Funding Target Attainment Percentage ("AFTAP")

PPA imposes certain restrictions on plans based on the AFTAP level, and so the AFTAP must be established each year to administer these restrictions, if applicable. The determination of whether the benefit restrictions of IRC §436 shall apply, and the administration of such benefit restrictions, if any, based on the results of this AFTAP certification, are the responsibility of the Plan Administrator.

The AFTAP for the 2018 Plan Year is 113.02%, as certified in the signed letter provided to El Paso Electric Company on September 28, 2018.

Because the certified AFTAP for the 2018 Plan Year is at least 80%, the plan is not subject to any restrictions or limitations. In addition, because the certified AFTAP for the 2018 Plan Year is at least 90%, the plan may rely on the 2018 AFTAP certification through September 2019. The 2019 AFTAP certification must be issued by September 30, 2019.

Key Funding Ratios

The PPA defines the funding target attainment percentage (FTAP) and other key funding ratios which are used for various purposes. Below is a summary of relevant funding ratios, thresholds, and implications of each.

2017 Funding Ratios	Percentage	Threshold	Implications
Use of credit balances	103.20%	80%	Eligible to apply credit balances for the 2018 plan year
Quarterly contributions	103.20%	100%	Quarterly contributions are not required for the 2018 plan year
At-risk Prong 1 Test At-risk Prong 2 Test	103.20% 95.80%	80% 70%	The plan is not at-risk for the 2018 plan year

2018 Funding Ratios	Percentage	Threshold	Implications
Use of credit balances	102.91%	80%	Eligible to apply credit balances for the 2019 plan year
Quarterly contributions	102.91%	100%	Quarterly contributions are not required for the 2019 plan year
At-risk Prong 1 Test At-risk Prong 2 Test	102.91% 93.07%	80% 70%	The plan is not at-risk for the 2019 plan year
Shortfall amortization exemption	113.02%	100%	Exempt for 2018 plan year
Eliminate shortfall bases	102.91%	100%	Shortfall amortization bases are eliminated for the 2018 plan year
PBGC 4010 filing for 2018 plan year[1]	83.42%	80%	PBGC 4010 filing is not required for the 2018 plan year if all other defined benefit plans in the controlled group have an FTAP ≥ 80%, or if the toal unfunded vested liability for all defined benefit plans in the controlled group is less than $15M. As of January 1, 2018, the total unfunded vested liability on a PBGC basis is $53,037,986.

PBGC Premiums

[1] Under HATFA, the adjustments based on the 25-year average segment rates do not apply for purposes relating to the determination of the PBGC 4010 ratio or for the $15M unfunded vested liability threshold. As such, the funding target is determined based on the following segment rates: 1.81%, 3.68%, and 4.53%.

Each year, a premium is paid to the PBGC to insure participant benefits. A flat premium of $74 per participant applies for the 2018 plan year. As of December 31, 2017, for purposes of computing the PBGC flat rate premium, there were 2,177 participants in the plan, resulting in a flat rate premium of $161,098 for 2018. The flat premium will increase to $80 per participant for 2019.

In addition, in any year in which the plan has an "unfunded vested benefit liability", as determined based on assumptions published by the Pension Benefit Guaranty Corporation ("PBGC"), which may differ from those used in determining other funding and financial reporting requirements, the plan must pay a "variable rate" premium of $38 per $1,000 of unfunded vested benefit liability (with a maximum variable rate premium of $523 per participant). The PBGC liability as of January 1, 2018 is $307,140,825 (based on the Standard Method) and the Market Value of Assets is $311,548,190. Because the market value of plan assets exceeds the unfunded vested benefits as of January 1, 2018, no variable rate premium is required for the plan year. The total PBGC premium for 2018 is $161,098, and this amount will be paid by October 15, 2018.

For 2019, the variable rate premium, if applicable, will increase to $43 per $1,000 of unfunded vested benefit liability, with a maximum variable rate premium of $541 per participant.

El Paso Electric Company elected to use the Alternative Method for calculating the PBGC variable rate premium in 2010 and this election was revoked in 2017. El Paso Electric Company will therefore be required to use the Standard Method for calculating the variable rate premium through 2021.

Changes in Actuarial Assumptions and Methods

For minimum funding purposes, the valuation interest rates were updated to the January 2018 segment rates of 3.92%, 5.52%, and 6.29%. These rates reflect the Bipartisan Budget Act of 2015 ("BBA 2015"), which further extended the corridor surrounding the 25-year average interest rate established by the Moving Ahead for Progress in the 21st Century Act ("MAP 21") and extended by the Highway and Transportation Funding Act of 2014 ("HATFA").

For maximum deductible contribution purposes, the valuation interest rates were updated to the January 2018 segment rates of 1.81%, 3.68%, and 4.53%, which do not reflect the provisions of MAP-21, HATFA, and BBA 2015.

The mortality assumption was updated from the 2017 IRS Static Mortality Tables to the 2018 IRS Static Mortality Tables, as published by the IRS.

The withdrawal assumption was lowered at all ages to reflect recent experience.

The retirement assumption was updated to reflect different rates for Final Average Pay/Cash Balance participants. The retirement rates for Final Average Pay participants were decreased at most ages and the retirement rates for Cash Balance participants were increased at younger ages based on an analysis of recent experience.

The benefit form and timing of benefit commencement assumptions for Cash Balance participants who are not retirement eligible at termination were updated based on recent experience to reflect a higher percentage of participants deferring commencement to a later date and a higher percentage of participants electing an annuity at commencement.

The inflation assumption was changed from 3.50% to 2.40%.

The cash balance interest crediting rate assumption was changed from 4.20% to 3.80%.

Administrative expenses were updated from $315,090 as of January 1, 2017 to $161,098 as of January 1, 2018.

All other actuarial assumptions were the same as those used in the January 1, 2017 actuarial valuation.

Changes in Plan Provisions

All plan provisions were the same as those used in the January 1, 2017 actuarial valuation.

HIGHLIGHTS OF THE ACTUARY'S REPORT – ACCOUNTING

This report presents the results of the actuarial valuation of the Retirement Income Plan for Employees of El Paso Electric Company prepared in accordance with the requirements of ASC 715-30 for the fiscal year ending December 31, 2018. The valuation was performed using census data for plan participants as of January 1, 2018 furnished by the Company, asset information provided by Wells Fargo as of January 1, 2018, the actuarial assumptions and methods as summarized in Section VI, and the plan provisions effective January 1, 2018, as summarized in Section VII.

The 2018 expense amounts developed in this report were based on a measurement date of January 1, 2018.

Amounts for disclosure in the Company's financial statements for the fiscal year ending December 31, 2018 will be based on asset information and plan provisions as of the end of the fiscal year, and census data for plan participants as of January 1, 2018 (updated to reflect any significant changes in participant information). Disclosure information will be provided separately in an end-of-year exhibit.

Pension Expense

The Net Periodic Pension Cost, or pension expense, for 2018 is $5.6 million, compared to $5.3 million for 2017. The expense increased primarily due to a decrease in the weighted average discount rate produced by the Ryan ALM Above Median Yield Curve at December 31, 2017, partially offset by the adoption of an updated mortality improvement scale, various demographic assumption changes as a result of analysis performed during 2017, and asset performance better than expected.

Funded Status

The Projected Benefit Obligation ("PBO") increased from $337,945,534 at January 1, 2017 to $362,689,644 at January 1, 2018. The funded status (Assets less PBO) improved from ($68,179,522) as of January 1, 2017 to ($58,301,056) as of January 1, 2018.

Changes in Actuarial Assumptions and Methods

The discount rate methodology is unchanged from the prior year. However, the yield curve was updated from the Ryan ALM Above Median Yield Curve as of December 31, 2016 to the Ryan ALM Above Median Yield Curve as of December 31, 2017. The weighted average discount rate has decreased from 4.30% to 3.77% for 2018.

The mortality assumption used in computing the PBO was updated to reflect a new mortality improvement scale released by the Society of Actuaries during 2017. Specifically, the mortality assumption was changed from the RP-2014 Total Data Set Mortality Tables, with projection from 2006 to 2014 using Scale MP-2014 improvement removed, then projected generationally from 2006 using Scale MP-2016, to the RP-2014 Total Data Set Mortality Tables, with projection from 2006 to 2014 using Scale MP-2014 improvement removed, then projected generationally from 2006 using Scale MP-2017. Scale MP-2017 represents a slower pace of future mortality improvement compared to Scale MP-2016.

The expected return on assets assumption was updated from 7.00%, net of all expenses, as of January 1, 2017, to 7.50%, gross of all expenses, as of January 1, 2018.

The withdrawal assumption was lowered at all ages to reflect recent experience.

The retirement assumption was updated to reflect different rates for Final Average Pay/Cash Balance participants. The retirement rates for Final Average Pay participants were decreased at most ages and the retirement rates for Cash Balance participants were increased at younger ages based on an analysis of recent experience.

The benefit form and timing of benefit commencement assumptions for Cash Balance participants who are not retirement eligible at termination were updated based on recent experience to reflect a higher percentage of participants deferring commencement to a later date and a higher percentage of participants electing an annuity at commencement.

The lump sum interest rate conversion assumption was changed from a fixed, long-term assumption of 5.35% to the IRC Section 417(e)(3) interest rates for August preceding the plan year (1.93%, 3.57%, 4.36% for 2018), reflecting a change to a mark-to-market approach.

The lump sum mortality conversion assumption was changed from the 2017 IRC Section 417(e) Table to the 2018 IRC Section 417(e) Table for lump sums assumed to be paid in 2018 and the 2019 IRC Section 417(e) Table for lump sums assumed to be paid in or after 2019.

The inflation assumption was changed from 3.50% to 2.40%.

The cash balance interest crediting rate assumption was changed from 4.20% to 3.80%.

All other actuarial assumptions were the same as those used in the January 1, 2017 actuarial valuation.

Changes in Plan Provisions

All plan provisions were the same as those used in the January 1, 2017 actuarial valuation.

Funding Requirements:	January 1, 2018	January 1, 2017
Minimum required contribution (before credit balances)	$0	$0
Contribution made for plan year	TBD	$7,300,000
Maximum tax deductible contribution	$230,971,705	$217,922,343
Carryover balance	$0	$0
Prefunding balance	$26,205,529	$27,179,086

PPA Liabilities:		
PPA Target Liability		
Active members		
Vested benefits	$93,496,363	$100,238,095
Nonvested benefits	16,242,093	15,209,343
Total	109,738,456	115,447,438
Retirees and beneficiaries	133,908,227	116,639,526
Terminated vested members	15,676,015	16,723,536
Total Target Liability	$259,322,698	$248,810,500
PPA Target Normal Cost (including expenses) [1]	$7,458,079	$7,921,951
Effective interest rate	5.73%	5.90%
Adjusted Funding Target Attainment Percentage	113.02%	114.12%

Plan Assets for Funding [2]:		
Market value (including receivables)	$311,548,190	$276,925,352
Actuarial value (including receivables)	293,091,184	283,952,000
Actual rate of return for prior plan year	17.39%	7.81%

[1] Includes assumed administrative expenses of $161,098 for the 2018 plan year and $315,090 for the 2017 plan year.
[2] The January 1, 2018 Market and Actuarial Value of Assets includes receivable contributions of $7,300,000 based on nine contributions made between January 1, 2018 and September 5, 2018, discounted to January 1, 2018 at the 2017 plan year effective interest rate of 5.90%. The January 1, 2017 Market and Actuarial Value of Assets includes receivable contributions of $7,300,000 based on nine contributions made between January 1, 2017 and September 5, 2017, discounted to January 1, 2017 at the 2016 plan year effective interest rate of 6.04%.

ASC 715-30 Accounting Components	January 1, 2018	January 1, 2017
Pension expense	$5,609,056	$5,267,753
Projected benefit obligation	362,689,644	337,945,534
Market related value of assets	287,187,506	277,554,111
Fair value of assets	304,388,588	269,766,012
Funded status	(58,301,056)	(68,179,522)
Accumulated other comprehensive income	89,506,333	97,352,552
PBO Discount rate (weighted average)	3.77%	4.30%
Salary scale	4.50%	4.50%
Expected return on assets[1]	7.50%	7.00%

Plan Participants:		
Number of participants:		
Active	1,101	1,092
Retirees and beneficiaries[2]	750	716
Terminated vested and disabled	349	361
Total	2,200	2,169

[1] The expected return on assets assumption was updated from 7.00%, net of all expenses, as of January 1, 2017, to 7.50%, gross of all expenses, as of January 1, 2018.
[2] Includes 34 Alternate Payees as of January 1, 2018, and 32 Alternate Payees as of January 1, 2017.

SECTION TABLE OF CONTENTS

A. Development of Funding Target

Valuation of the liability, or funding target, for funding purposes depends on whether or not the Plan is deemed to be at-risk. If a plan is deemed at-risk by failing to meet the thresholds set forth below, then the at-risk liability is determined by assuming that all employees who will be eligible to elect benefits during the current plan year and in the 10 succeeding plan years will retire at the earliest date possible and elect the most valuable benefit available under the plan. Additionally, if a plan is deemed at-risk for the current plan year and two of the preceding four plan years, then the plan is subject to an additional loading factor.

		FTAP	Threshold
1.	Prior year funding target attainment percentage (FTAP):		
	a. Not-at-risk assumptions	103.20%	80.00%
	b. At-risk assumptions	95.80%	70.00%
	c. More than 500 participants in controlled group in prior year?	Yes	
	d. At-risk status for 2018 plan year	Not-at-risk	

2.	At risk status:	
	a. Current year	No
	b. Year – 1	No
	c. Year – 2	No
	d. Year – 3	No
	e. Year – 4	No
	f. At risk for current year and 2 of 4 preceding years?	No
	g. Number of consecutive years at risk (max 5)	0

		Not-at-risk
3.	Target liability as of January 1, 2018:	
	a. Preliminary funding target	$259,322,698
	b. Number of plan participants	N/A
	c. Per-participant load, if applicable: $700 x (3)(b)	N/A
	d. Liability load, if applicable: 4% x (3)(a)[not-at-risk]	N/A
	e. Funding target before at-risk transition: (3)(a) + (3)(c) + (3)(d)	$259,322,698
	f. At-risk transition weighting: 20% x (2)(g)	N/A
	g. Funding target after at-risk transition	$259,322,698

		Not-at-risk
4.	Target normal cost as of January 1, 2018:	
	a. Preliminary target normal cost (incl expenses) [1]	$7,458,079
	b. Normal cost load, if applicable: 4% x (4)(a)[not-at-risk]	N/A
	c. Target normal cost before at-risk transition: (4)(a) + (4)(b)	$7,458,079
	d. At-risk transition weighting: 20% x (2)(g)	N/A
	e. Target normal cost after at-risk transition	$7,458,079

5.	Funding target liability and normal cost as of January 1, 2018:	
	a. Target liability	$259,322,698
	b. Target normal cost (including expenses) [1]	$7,458,079

[1] Includes assumed administrative expenses of $161,098 for the 2018 plan year.

B. Summary of Minimum Required Contribution as of January 1, 2018

1.	Effective interest rate	5.73%
2.	Target normal cost (including expenses) [1]	$7,458,079
3.	Shortfall amortization charge	0
4.	Credit for excess assets	
	a. Adjusted assets: Section II-D, (3)(d)	266,885,655
	b. Funding target	259,322,698
	c. Excess assets: (4)(a) - (4)(b), not less than zero	7,562,957
5.	Preliminary minimum required contribution (MRC): (2) + (3) - (4)(c), not less than zero	$0
6.	Balances available to offset minimum funding contribution	
	a. Prior year funded ratio (for eligibility to use credit balances)	103.20%
	b. Eligible to apply against MRC: Yes, if (6)(a) > 80%	Yes
	c. Funding standard carryover balance (COB)	$0
	d. Elected to apply COB against MRC?	N/A
	e. Prefunding balance (PFB)	26,205,529
	f. Elected to apply PFB against MRC?	Yes
	g. Balance available to offset MRC: (6)(c) + (6)(e), if eligible and elected	26,205,529
7.	MRC payable January 1, 2018 adjusted for carryover and prefunding balances, if elected: (5) - (6)(g), not less than zero	$0

The minimum required contribution under Section 102 of the Pension Protection Act of 2006 (which replaced Section 302 of the Employee Retirement Income Security Act) and IRC Section 430(a) for the plan year ending December 31, 2018 must be contributed no later than September 15, 2019. The contributions made to satisfy the MRC are adjusted to January 1, 2018 using the 2018 plan year's effective interest rate of 5.73% if the contribution is not made on January 1, 2018.

[1] Includes assumed administrative expenses of $161,098 for the 2018 plan year.

C. Summary of Maximum Deductible Contribution For Tax Year Ending December 31, 2018

1.	Funding target [1]		$319,923,641
2.	Target normal cost [1, 2]		9,707,239
3.	Development of cushion amount		
	a.	50% of funding target: 50% × (1)	$159,961,821
	b.	Funding target, reflecting future compensation increases	
		i. Not-at-risk maximum liability	347,234,227
		ii. At-risk maximum liability	359,881,197
		iii. Per-participant load	N/A
		iv. Liability load: 4% of (3)(b)(i)	N/A
		v. At-risk target: (3)(b)(ii) + (3)(b)(iii) + (3)(b)(iv), not less than (3)(b)(i)	359,881,197
		vi. Transition percentage	0.00%
		vii. Maximum funding target: (3)(b)(i) + [(3)(b)(vi) x ((3)(b)(v) - (3)(b)(i))]	347,234,227
	c.	Cushion amount: (3)(a) + (3)(b)(vii) - (1)	$187,272,407
4.	Actuarial value of assets		
	a.	Actuarial value of assets	$293,091,184
	b.	Discounted contributions included in (a) but not yet deducted [3]	7,159,602
	c.	Actuarial value of assets for maximum deductible calculation = (4)(a) - (4)(b)	285,931,582
5.	Preliminary limit (1) + (2) + (3)(c) - (4)(c)		230,971,705
6.	Not-at-risk maximum contribution limit		
	a.	Funding target, using at-risk assumptions	347,018,803
	b.	Target normal cost, using at-risk assumptions (incl. expenses) [2]	11,050,147
	c.	Not-at-risk contribution limit: (6)(a) + (6)(b) - (4)(c), not less than zero	72,137,368
7.	Minimum required contribution as of January 1, 2018 [4]		0
8.	Maximum tax deductible contribution [5]: Greater of (5), (6)(c) or (7)		$230,971,705

According to IRC Section 404(a)(6) of the Pension Protection Act of 2006, Company contributions for the plan year ending December 31, 2018 may be deducted if made no later than the due date, including extensions, for filing the Company's federal income tax return for the year ending December 31, 2018.

[1] Under HATFA, the 25-year average segment rates do not apply to the calculation of the maximum deductible limit. As such, the funding target and normal cost for maximum deductible contribution purposes are determined based on the following segment rates: 1.81%, 3.68%, and 4.53%.
[2] Includes assumed administrative expenses of $161,098 for the 2018 plan year
[3] The January 1, 2018 Actuarial Value of Assets includes receivable contributions totaling $7,300,000 discounted at 5.90% to January 1, 2018. This includes nine contributions made between January 1, 2018 and September 5, 2018 for the 2017 plan year, and assumes these contributions were not deducted in the 2017 tax year. If the contributions in line (4)(b) were deducted in 2017, then the maximum deductible contribution in line (8) would be decreased by the same amount
[4] MRC after applying carryover balance or prefunding balance, and reflecting actual contributions made through the date of this Report.
[5] The maximum tax deductible contribution is an estimate which assumes El Paso Electric Company deducts contributions during the tax year that corresponds to the plan year in which the contributions are classified. If El Paso Electric Company elects to contribute the maximum, this estimate may need to be refined to reflect timing and deductions.

D. Shortfall Amortization

1.	Amortization Interest Rates		
	a.	1st rate	3.92%
	b.	2nd rate	3.92%
	c.	3rd rate	3.92%
	d.	4th rate	3.92%
	e.	5th rate	3.92%
	f.	6th rate	5.52%
	g.	7th rate	5.52%
2.	Funding target		$259,322,698
3.	Adjusted plan assets		
	a.	Actuarial value of assets [1]	293,091,184
	b.	Funding standard carryover balance	0
	c.	Prefunding balance	26,205,529
	d.	Adjusted assets: (3)(a) - (3)(b) - (3)(c), not less than zero	266,885,655
4.	Funding shortfall: (2) - (3)(d), not less than zero		0
5.	Exemption from shortfall amortization		
	a.	Funding target: (2)	259,322,698
	b.	Prefunding balance, if used to reduce the minimum required contribution	0
	c.	Exempt from shortfall amortization?: [(3)(a) - (5)(b)] ≥ (5)(a)	Yes
6.	Shortfall amortization charge		$0

[1] The January 1, 2018 Actuarial Value of Assets includes receivable contributions of $7,300,000, based on nine contributions made between January 1, 2018 and September 5, 2018 for the 2017 plan year and discounted at 5.90% to January 1, 2018.

E. Reconciliation of Carryover and Prefunding Balances

			Carryover Balance	Prefunding Balance
1.	Net return on assets for prior year		17.39%	17.39%
2.	Balance at January 1, 2017, after applicable adjustments		$0	$27,179,086
3.	Portion used to offset prior year's funding requirement		$0	$0
4.	Net return on assets applied to outstanding balance: (1) x [(2) - (3)]		$0	$4,726,443
5.	Contributions for prior year in excess of MRC, with interest to beginning of current year [1]:			
	a.	Excess contributions resulting from election(s) to use balances to reduce prior year minimum funding requirement	N/A	$0
	b.	Interest on (a) at prior year net return on assets of 17.39%	N/A	$0
	c.	Prior year contributions in excess of preliminary minimum funding requirement	N/A	$6,760,720
	d.	Interest on (c) at prior year's effective interest rate of 5.90%	N/A	$398,882
	f.	Total available at beginning of current plan year	N/A	$7,159,602
	g.	Portion to be added to prefunding balance	N/A	0
6.	Balance at January 1, 2018 prior to waivers: (2) + (3) + (4) + (5)(g)		$0	$31,905,529
7.	Portion waived to avoid restrictions or reduced voluntarily		$0	($5,700,000)
8.	Balance at January 1, 2018 after waivers: (6) + (7)		$0	$26,205,529
9.	Prior year funded ratio (for eligibility to use credit balances)		103.20%	103.20%
10.	Eligible to apply against MRC? Yes, if (8) ≥ 80%		Yes	Yes

[1] See page 16 for a detailed schedule of contributions and credit balance elections made for the 2017 plan year.

F. Development of Required Quarterly Contributions

Under the Pension Protection Act of 2006, plans with a funding shortfall for the preceding plan year are required to make quarterly contributions. Because the Plan did not have a funding shortfall for the plan year ended December 31, 2017, there is no quarterly contributions requirement for the plan year ended December 31, 2018.

1.	Prior year funding target attainment percentage [1]	103.20%
2.	Quarterlies required? If (1) is less than 100%, then Yes	No

[1] Prior to reflecting credit balances.

G. Contribution Summary

Shown below is a schedule of the minimum required contributions and actual contributions made with corresponding due dates through September 13, 2019. Also shown is the plan year to which each contribution or credit balance election relates for minimum funding purposes.

The minimum required contributions for the 2018 and 2017 plan years have been satisfied by contributions and credit balance elections made to date.

Date	**2017 Plan Year**		**2018 Plan Year**	
	Minimum Required Contributions	**Actual Contributions**	**Minimum Required Contributions**	**Actual Contributions**
4/14/2017	$ 0			
7/14/2017	$ 0			
10/13/2017	$ 0			
1/15/2018	$ 0			
1/16/2018		$ 811,112		
2/2/2018		$ 811,111		
3/2/2018		$ 811,111		
4/3/2018		$ 811,111		
4/13/2018			$ 0	
5/2/2018		$ 811,111		
6/4/2018		$ 811,111		
7/3/2018		$ 811,111		
7/13/2018			$ 0	
8/2/2018		$ 811,111		
9/5/2018		$ 811,111		
9/14/2018	$ 0			
10/15/2018			$ 0	
1/15/2019			$ 0	
9/13/2019			$ 0	
Total	$ 0	$ 7,300,000	$ 0	TBD
Discounted Total at January 1, 2017	$ 0	$ 6,760,720	$ 0	TBD

Reconciliation of Minimum Required Contribution		
(1) Minimum Required Contribution	$ 0	$ 0
(2) Effective interest rate	5.90%	5.73%
(3) Contributions discounted to first day of the plan year:	$ 6,760,720	TBD
(4) Excess contributions: (3) - (1)	$ 6,760,720	TBD

H. Benefit Restrictions

Under the Pension Protection Act of 2006, certain restrictions on benefits may be triggered depending on the plan's funded status. These restrictions may include limits on:

1.	"Gateway" funding ratio for benefit restriction exemption:	
	a. Actuarial value of assets [1]	$293,091,184
	b. Not-at-risk Funding target	$259,322,698
	c. "Gateway" funded ratio: (1)(a) ÷ (1)(b)	113.02%
2.	Does the Plan satisfy the benefit restriction exemption? If (1)(c) ≥ 100%, then Yes	Yes
3.	Adjusted funding target attainment percentage ("AFTAP")	
	a. Funding standard carryover balance	$0
	b. Prefunding balance	$26,205,529
	c. Annuity purchases for nonhighly compensated employees in prior year	$0
	d. Annuity purchases for nonhighly compensated employees in 2nd prior year	$0
	e. Adjusted assets [2]: (1)(a) + (3)(c) + (3)(d)	$293,091,184
	f. Adjusted funding target: (1)(b) + (3)(c) + (3)(d)	$259,322,698
	g. Adjusted funding target attainment percentage: (3)(e) ÷ (3)(f)	113.02%

[1] The January 1, 2018 Actuarial Value of Assets includes receivable contributions of $7,300,000, based on nine contributions made between January 1, 2018 and September 6, 2018 for the 2017 plan year and discounted at 5.90% to January 1, 2018.
[2] Because the "Gateway" Funding Ratio in line 1(c) ≥ 100%, the assets are not reduced by the carryover and prefunding balances.

SECTION TABLE OF CONTENTS

A. Net Periodic Pension Cost/(Income) for the 2018 Fiscal Year under ASC 715-30

Net Periodic Pension Cost/(Income), or pension expense/(income), for incorporation into the Company's financial statements was determined in accordance with ASC 715-30. The following compares the components of pension expense for the fiscal year beginning January 1, 2018 with those of the prior fiscal year, assuming no events cause a subsequent remeasurement prior to the end of the fiscal year and no special expense determined under ASC 715-30 needs to be recognized during the year.

	Fiscal Year Beginning	
	January 1, 2018	January 1, 2017
Discount rate [1]	Ryan ALM Above Median Yield Curve	Ryan ALM Above Median Yield Curve
	Weighted average for PBO valuation:	Weighted average for PBO valuation:
	3.77%	4.30%
Salary scale	4.50%	4.50%
Expected return on assets[2]	7.50%	7.00%
1. Service cost [1]	$10,607,747	$8,155,856
2. Interest cost [1]	12,013,062	12,195,743
3. Expected return on plan assets	(21,075,409)	(19,189,051)
4. Amortization of amounts previously recognized in accumulated other comprehensive income		
a. Transition obligation/(asset)	0	0
b. Prior service cost	(3,467,078)	(3,467,078)
c. Net (gain)/loss	7,530,734	7,572,283
d. Total amortization	$4,063,656	$4,105,205
5. Net periodic pension cost/(income), before special event accounting: (1) + (2) + (3) + (4)(d)	$5,609,056	$5,267,753
6. Curtailment (gain) / loss	N/A	N/A
7. Settlement (gain) / loss	N/A	N/A
8. Special termination benefit	N/A	N/A
9. Total net periodic pension cost/(income), after accounting for special events: (5) + (6) + (7) + (8)	$5,609,056	$5,267,753

[1] El Paso Electric Company first elected to use the full December 31 Ryan ALM Above Median Yield Curve to calculate the Service and Interest Cost components of expense starting in the 2016 fiscal year. Detailed calculations for 2018, including the Ryan ALM Above Median Yield Curve spot rates, are shown in the Development of Interest on Projected Benefit Obligation and the Development of Service Cost sections.
[2] The expected return on assets assumption was updated from 7.00%, net of all expenses, as of January 1, 2017, to 7.50%, gross of all expenses, as of January 1, 2018.

B. Funded Status

The Plan's funded status for incorporation into the Company's financial statements was determined in accordance with ASC 715-30. The following compares the funded status as of January 1, 2018 with the prior year.

	Fiscal Year Beginning	
	January 1, 2018	January 1, 2017
Discount rate	Ryan ALM Above Median Yield Curve	Ryan ALM Above Median Yield Curve
	Weighted average for PBO valuation:	Weighted average for PBO valuation:
	3.77%	4.30%
Salary scale	4.50%	4.50%
1. Projected benefit obligation	$362,689,644	$337,945,534
2. Fair value of plan assets	$304,388,588	$269,766,012
3. Funded status: (2) – (1)	($58,301,056)	($68,179,522)
4. Amounts in Accumulated Other Comprehensive Income that have not yet been recognized as Components of Net Periodic Benefit Cost		
a. Net (asset)/obligation at transition	$0	$0
b. Net prior service cost	($20,409,534)	($23,876,612)
c. Net (gain)/loss	$109,915,867	$121,229,164
d. Total: (4)(a) + (4)(b) + (4)(c)	$89,506,333	$97,352,552
5. Net asset/(liability) included in retained earnings: (3) + (4)(d)	$31,205,277	$29,173,030

C. Development of Service Cost

Year	Service Cost Cash Flow	Ryan ALM Above Median Spot Rates at 12/31/2017	Time Weighted Discount [1]	Service Cost
(a)	(b)	(c)	(d)	(e) = (b)×[1+(c)]×(d)
2018	8,475	1.8436%	0.9918	8,561
2019	36,586	1.6556%	0.9764	36,315
2020	71,583	1.9532%	0.9537	69,600
2021	109,565	2.2255%	0.9268	103,805
2022	143,745	2.4739%	0.8969	132,112
2023	180,225	2.7000%	0.8648	160,062
2024	214,762	2.9048%	0.8313	183,714
2025	246,314	3.0894%	0.7971	202,403
2026	281,186	3.2546%	0.7628	221,473
2027	311,830	3.4015%	0.7289	235,028
2028	341,524	3.5307%	0.6958	246,019
2029	373,937	3.6431%	0.6638	257,247
2030	401,290	3.7395%	0.6331	263,541
2031	429,125	3.8206%	0.6039	269,028
2032	452,947	3.8875%	0.5762	271,155
2033	475,559	3.9409%	0.5503	272,011
2034	499,832	3.9817%	0.5260	273,390
2035	521,018	4.0110%	0.5034	272,797
2036	540,505	4.0298%	0.4824	271,230
2037	556,804	4.0392%	0.4629	268,139
2038	573,057	4.0402%	0.4448	265,201
2039	588,419	4.0341%	0.4281	262,052
2040	596,679	4.0219%	0.4126	256,069
2041	605,704	4.0049%	0.3981	250,812
2042	611,132	3.9842%	0.3847	244,455
2043	617,256	3.9609%	0.3721	238,748
2044	618,973	3.9362%	0.3601	231,688
2045	619,277	3.9111%	0.3488	224,450
2046	620,482	3.8867%	0.3379	217,821
2047	618,884	3.8640%	0.3274	210,435
2048	616,049	3.8536%	0.3162	202,276
2049	612,532	3.8536%	0.3044	193,658
2050	605,811	3.8536%	0.2931	184,426
2051	598,633	3.8536%	0.2823	175,479

[1] Benefit payments are assumed to be made 45.33% of the way through the year, which reflects assumed decrement (mortality) timing and that annuity payments are paid at the beginning of each month.

C. Development of Service Cost (Continued)

Year	Service Cost Cash Flow	Ryan ALM Above Median Spot Rates at 12/31/2017	Time Weighted Discount [1]	Service Cost
(a)	(b)	(c)	(d)	(e) = (b)×[1+(c)]×(d)
2052	589,209	3.8536%	0.2718	166,307
2053	576,416	3.8536%	0.2617	156,659
2054	562,884	3.8536%	0.2520	147,305
2055	546,441	3.8536%	0.2426	137,696
2056	528,032	3.8536%	0.2336	128,119
2057	508,109	3.8536%	0.2250	118,711
2058	485,427	3.8536%	0.2166	109,203
2059	462,592	3.8536%	0.2086	100,205
2060	439,639	3.8536%	0.2008	91,699
2061	417,682	3.8536%	0.1934	83,887
2062	394,887	3.8536%	0.1862	76,366
2063	371,655	3.8536%	0.1793	69,206
2064	348,865	3.8536%	0.1726	62,552
2065	326,659	3.8536%	0.1662	56,397
2066	305,135	3.8536%	0.1601	50,726
2067	284,187	3.8536%	0.1541	45,490
2068	263,897	3.8536%	0.1484	40,675
2069	244,325	3.8536%	0.1429	36,261
2070	225,484	3.8536%	0.1376	32,223
2071	207,384	3.8536%	0.1325	28,537
2072	190,036	3.8536%	0.1276	25,179
2073	173,450	3.8536%	0.1228	22,129
2074	157,638	3.8536%	0.1183	19,365
2075	142,611	3.8536%	0.1139	16,869
2076	128,383	3.8536%	0.1097	14,623
2077	114,963	3.8536%	0.1056	12,608
2078	102,362	3.8536%	0.1017	10,810
2079	90,584	3.8536%	0.0979	9,211
2080	79,634	3.8536%	0.0943	7,797
2081	69,514	3.8536%	0.0908	6,554
2082	60,222	3.8536%	0.0874	5,467
2083	51,751	3.8536%	0.0842	4,524
2084	44,089	3.8536%	0.0810	3,711

[1] Benefit payments are assumed to be made 45.33% of the way through the year, which reflects assumed decrement (mortality) timing and that annuity payments are paid at the beginning of each month.

C. Development of Service Cost (Continued)

Year	Service Cost Cash Flow	Ryan ALM Above Median Spot Rates at 12/31/2017	Time Weighted Discount [1]	Service Cost
(a)	(b)	(c)	(d)	(e) = (b)×[1+(c)]×(d)
2085	37,219	3.8536%	0.0780	3,016
2086	31,113	3.8536%	0.0751	2,428
2087	25,740	3.8536%	0.0724	1,934
2088	21,062	3.8536%	0.0697	1,524
2089	17,036	3.8536%	0.0671	1,187
2090	13,616	3.8536%	0.0646	913
2091	10,750	3.8536%	0.0622	694
2092	8,380	3.8536%	0.0599	521
2093	6,446	3.8536%	0.0577	386
2094	4,889	3.8536%	0.0555	282
2095	3,656	3.8536%	0.0535	203
2096	2,693	3.8536%	0.0515	144
2097	1,953	3.8536%	0.0496	101
2098	1,394	3.8536%	0.0477	69
2099	977	3.8536%	0.0460	47
2100	673	3.8536%	0.0443	31
2101	455	3.8536%	0.0426	20
2102	301	3.8536%	0.0410	13
2103	195	3.8536%	0.0395	8
2104	123	3.8536%	0.0380	5
2105	76	3.8536%	0.0366	3
2106	45	3.8536%	0.0353	2
2107	26	3.8536%	0.0340	1
2108	15	3.8536%	0.0327	1
2109	8	3.8536%	0.0315	0
2110	4	3.8536%	0.0303	0
2111	2	3.8536%	0.0292	0
2112	1	3.8536%	0.0281	0
2113	1	3.8536%	0.0271	0
			Assumed Administrative Expenses[2]:	$1,521,943
			Service Cost:	**10,607,747**

[1] Benefit payments are assumed to be made 45.33% of the way through the year, which reflects assumed decrement (mortality) timing and that annuity payments are paid at the beginning of each month.
[2] Equal to 0.5% of plan assets.

D. Development of Interest on Projected Benefit Obligation

Year	PBO Cash Flow [1]	Ryan ALM Above Median Spot Rates at 12/31/2017	Time Weighted Discount [2]	Present Value of PBO Cash Flow	Spot Rate × Discounted Cash Flow	Half Year Interest on Cash Flow [3]	Interest Cost
(a)	(b)	(c)	(d)	(e) = (b)×(d)	(f) = (c)×(e)	(g)	(h) = (f) + (g)
2018	12,766,722	1.8436%	0.9918	12,662,283	233,446	(168,476)	64,970
2019	13,854,056	1.6556%	0.9765	13,528,173	223,971		223,971
2020	14,866,101	1.9532%	0.9537	14,178,084	276,932		276,932
2021	15,851,758	2.2255%	0.9269	14,692,710	326,982		326,982
2022	16,683,305	2.4739%	0.8970	14,964,291	370,207		370,207
2023	17,569,868	2.7000%	0.8649	15,195,461	410,276		410,276
2024	18,359,451	2.9048%	0.8314	15,263,508	443,374		443,374
2025	18,996,102	3.0894%	0.7972	15,143,481	467,838		467,838
2026	19,615,353	3.2546%	0.7629	14,964,600	487,044		487,044
2027	20,093,195	3.4015%	0.7290	14,647,944	498,246		498,246
2028	20,490,891	3.5307%	0.6959	14,259,176	503,446		503,446
2029	20,861,248	3.6431%	0.6638	13,848,716	504,519		504,519
2030	21,048,901	3.7395%	0.6331	13,327,012	498,358		498,358
2031	21,154,424	3.8206%	0.6039	12,775,890	488,121		488,121
2032	21,155,166	3.8875%	0.5763	12,192,248	473,972		473,972
2033	21,047,074	3.9409%	0.5504	11,583,744	456,500		456,500
2034	20,895,869	3.9817%	0.5261	10,993,189	437,718		437,718
2035	20,663,245	4.0110%	0.5035	10,403,241	417,278		417,278
2036	20,326,257	4.0298%	0.4824	9,806,181	395,173		395,173
2037	19,924,647	4.0392%	0.4629	9,223,914	372,572		372,572
2038	19,476,215	4.0402%	0.4449	8,664,508	350,066		350,066
2039	18,985,126	4.0341%	0.4281	8,128,347	327,904		327,904
2040	18,387,798	4.0219%	0.4126	7,587,239	305,152		305,152
2041	17,769,707	4.0049%	0.3982	7,075,825	283,378		283,378
2042	17,077,559	3.9842%	0.3847	6,570,295	261,771		261,771
2043	16,383,525	3.9609%	0.3721	6,096,398	241,471		241,471
2044	15,640,110	3.9362%	0.3602	5,633,340	221,738		221,738
2045	14,888,023	3.9111%	0.3488	5,193,630	203,129		203,129
2046	14,141,291	3.8867%	0.3380	4,779,245	185,757		185,757
2047	13,363,784	3.8640%	0.3274	4,375,566	169,074		169,074
2048	12,601,500	3.8536%	0.3162	3,984,639	153,553		153,553
2049	11,857,254	3.8536%	0.3045	3,610,183	139,123		139,123
2050	11,093,581	3.8536%	0.2932	3,252,335	125,333		125,333
2051	10,358,140	3.8536%	0.2823	2,924,042	112,682		112,682

[1] Reflects annuity substitution for members assumed to receive a lump sum form of payment.
[2] Benefit payments are assumed to be made 44.96% of the way through the year, which reflects assumed decrement (mortality) timing and that annuity payments are paid at the beginning of each month.
[3] PBO cash flows are shown as the annuity cash flows. The time-weighted expected benefit payments includes expected lump sum payments and annuities for a total expected benefit payment of $18,349,579.

D. Development of Interest on Projected Benefit Obligation (Continued)

Year	PBO Cash Flow [1]	Ryan ALM Above Median Spot Rates at 12/31/2017	Time Weighted Discount [2]	Present Value of PBO Cash Flow	Spot Rate × Discounted Cash Flow	Half Year Interest on Cash Flow	Interest Cost
(a)	(b)	(c)	(d)	(e) = (b)×(d)	(f) = (c)×(e)	(g)	(h) = (f) + (g)
2052	9,635,388	3.8536%	0.2718	2,619,084	100,930		100,930
2053	8,923,955	3.8536%	0.2617	2,335,694	90,009		90,009
2054	8,250,893	3.8536%	0.2520	2,079,399	80,132		80,132
2055	7,582,533	3.8536%	0.2427	1,840,050	70,909		70,909
2056	6,949,692	3.8536%	0.2337	1,623,900	62,579		62,579
2057	6,349,520	3.8536%	0.2250	1,428,607	55,053		55,053
2058	5,782,339	3.8536%	0.2166	1,252,719	48,275		48,275
2059	5,254,925	3.8536%	0.2086	1,096,214	42,244		42,244
2060	4,763,967	3.8536%	0.2009	956,920	36,876		36,876
2061	4,313,347	3.8536%	0.1934	834,257	32,149		32,149
2062	3,896,356	3.8536%	0.1862	725,642	27,963		27,963
2063	3,513,212	3.8536%	0.1793	630,009	24,278		24,278
2064	3,163,082	3.8536%	0.1727	546,174	21,047		21,047
2065	2,843,763	3.8536%	0.1663	472,816	18,221		18,221
2066	2,553,150	3.8536%	0.1601	408,746	15,752		15,752
2067	2,288,598	3.8536%	0.1542	352,797	13,595		13,595
2068	2,048,087	3.8536%	0.1484	304,006	11,715		11,715
2069	1,829,501	3.8536%	0.1429	261,484	10,077		10,077
2070	1,630,795	3.8536%	0.1376	224,435	8,649		8,649
2071	1,450,636	3.8536%	0.1325	192,233	7,408		7,408
2072	1,286,431	3.8536%	0.1276	164,147	6,326		6,326
2073	1,137,256	3.8536%	0.1229	139,728	5,385		5,385
2074	1,001,851	3.8536%	0.1183	118,524	4,567		4,567
2075	879,473	3.8536%	0.1139	100,186	3,861		3,861
2076	768,343	3.8536%	0.1097	84,278	3,248		3,248
2077	667,966	3.8536%	0.1056	70,549	2,719		2,719
2078	577,552	3.8536%	0.1017	58,737	2,263		2,263
2079	496,373	3.8536%	0.0979	48,608	1,873		1,873
2080	423,750	3.8536%	0.0943	39,956	1,540		1,540
2081	359,093	3.8536%	0.0908	32,603	1,256		1,256
2082	301,859	3.8536%	0.0874	26,390	1,017		1,017
2083	251,524	3.8536%	0.0842	21,173	816		816
2084	207,603	3.8536%	0.0811	16,828	648		648

[1] Reflects annuity substitution for members assumed to receive a lump sum form of payment.
[2] Benefit payments are assumed to be made 44.96% of the way through the year, which reflects assumed decrement (mortality) timing and that annuity payments are paid at the beginning of each month.

D. Development of Interest on Projected Benefit Obligation (Continued)

Year	PBO Cash Flow [1]	Ryan ALM Above Median Spot Rates at 12/31/2017	Time Weighted Discount [2]	Present Value of PBO Cash Flow	Spot Rate × Discounted Cash Flow	Half Year Interest on Cash Flow	Interest Cost
(a)	(b)	(c)	(d)	(e) = (b)×(d)	(f) = (c)×(e)	(g)	(h) = (f) + (g)
2085	169,597	3.8536%	0.0780	13,237	510		510
2086	137,020	3.8536%	0.0752	10,297	397		397
2087	109,402	3.8536%	0.0724	7,917	305		305
2088	86,270	3.8536%	0.0697	6,011	232		232
2089	67,146	3.8536%	0.0671	4,505	174		174
2090	51,557	3.8536%	0.0646	3,331	128		128
2091	39,040	3.8536%	0.0622	2,429	94		94
2092	29,142	3.8536%	0.0599	1,746	67		67
2093	21,438	3.8536%	0.0577	1,236	48		48
2094	15,539	3.8536%	0.0555	863	33		33
2095	11,097	3.8536%	0.0535	593	23		23
2096	7,808	3.8536%	0.0515	402	15		15
2097	5,413	3.8536%	0.0496	268	10		10
2098	3,697	3.8536%	0.0477	177	7		7
2099	2,487	3.8536%	0.0460	114	4		4
2100	1,648	3.8536%	0.0443	73	3		3
2101	1,076	3.8536%	0.0426	46	2		2
2102	691	3.8536%	0.0410	28	1		1
2103	436	3.8536%	0.0395	17	1		1
2104	270	3.8536%	0.0380	10	0		0
2105	163	3.8536%	0.0366	6	0		0
2106	96	3.8536%	0.0353	3	0		0
2107	55	3.8536%	0.0340	2	0		0
2108	31	3.8536%	0.0327	1	0		0
2109	17	3.8536%	0.0315	1	0		0
2110	9	3.8536%	0.0303	0	0		0
2111	5	3.8536%	0.0292	0	0		0
2112	2	3.8536%	0.0281	0	0		0
2113	1	3.8536%	0.0271	0	0		0
2114	1	3.8536%	0.0261	0	0		0
2115	0	3.8536%	0.0251	0	0		0

PBO: 362,689,644 **Interest Cost: 12,013,062**

[1] Reflects annuity substitution for members assumed to receive a lump sum form of payment.
[2] Benefit payments are assumed to be made 44.96% of the way through the year, which reflects assumed decrement (mortality) timing and that annuity payments are paid at the beginning of each month.

E. Development of Expected Return on Plan Assets

The expected long term rate of return on plan assets is 7.50% per year.

1. Market related value of assets on January 1, 2018	$287,187,506
2. Interest at 7.50% on (1) to December 31, 2018	21,539,063
3. Expected benefit payments	18,349,579
4. Interest at 7.50% on (1) to December 31, 2018	675,669
5. Expected contributions	7,300,000
6. Interest at 7.50% on (1) to December 31, 2018 [1]	326,161
7. Expected expenses [2]	1,521,943
8. Interest at 7.50% on (1) to December 31, 2018	114,146
9. Expected return on plan assets: (2) – (4) + (6) – (8)	$21,075,409

[1] Expected timing of contributions was reflected in the calculation of Expected Return on Assets.
[2] The 7.50% assumed rate of return is gross of expenses. Assumed expenses of 0.5% of plan assets were added to the service cost component of expense.

F. Amortization of Net (Gain)/Loss

1. (Gain)/loss in AOCI at January 1, 2018	$109,915,867
2. Asset (gain)/loss not yet in market related value of assets as of January 1, 2018	(17,201,082)
3. Net (gain)/loss subject to amortization: (1) – (2)	$127,116,949
4. Corridor at January 1, 2018 [1]	36,268,964
5. Net (gain)/loss outside of corridor: excess of absolute value of (3) over (4)	90,847,985
6. Average remaining service period of active participants expected to receive benefits on January 1, 2018	12.06363
7. Amortization of net (gain)/loss: (5) ÷ (6)	$7,530,734

[1] 10% of the greater of PBO and fair value of assets at January 1, 2018

G. Amounts in Accumulated Other Comprehensive Income that have not yet been recognized as components of Net Periodic Benefit Cost

Obligation (Asset) Type	Date Determined		Initial Balance	Initial Period		Outstanding Balance January 1, 2018	Remaining Period		Annual Amount
Net Prior Service Cost / (Credit)	2/28/2014	$	(33,700,000)	9.72	$	(20,409,534)	5.89	$	(3,467,078)
Total Net Prior Service Cost / (Credit)					$	**(20,409,534)**		$	**(3,467,078)**
Net (Gain) / Loss	1/1/2018	$	109,915,867	12.06	$	109,915,867	12.06	$	7,530,734 [1]
Total Net (Gain) / Loss					$	**109,915,867**		$	**7,530,734**
Net Transition Obligation / (Asset)	N/A		N/A	N/A	$	0	N/A	$	0
Total Net Transition Obligation / (Asset)					$	**0**		$	**0**
Total					$	**89,506,333**		$	**4,063,656**

[1] After reflecting the 10% corridor.

SECTION TABLE OF CONTENTS

A. Changes in Trust Value of Assets, Plan Year Ending December 31, 2017

1.	Trust Value of Assets at the beginning of the year	$269,766,012
2. a.	Changes during the year: **Additions**	
i.	Contributions	7,300,000
ii.	Investment Income	2,518
iii.	Total	7,302,518
b.	Changes during the year: **Deductions**	
i.	Payments to members and beneficiaries	16,960,459
ii.	Administrative expenses	299,135
iii.	Other expenses	1,363,543
iv.	Total	18,623,137
c.	Net realized gain (loss) on the sale of assets	10,511,908
d.	Unrealized appreciation (depreciation)	35,431,287
e.	Change in accrued income	0
f.	Net increase (decrease) during the year: (2)(a)(iii) – (2)(b)(iv) + (2)(c) + (2)(d) + (2)(e)	34,622,576
3.	Trust value of assets at the end of the year: (1) + (2)(f)	$304,388,588

B. Market Value of Assets as of January 1, 2018 for Funding Purposes

1.	Trust Value of Assets as of January 1, 2018	$304,388,588
2.	Discounted contributions receivable for funding purposes [1]	7,159,602
3.	Market value of assets for funding purposes as of January 1, 2018: (1) + (2)	$311,548,190

[1] The Market Value of Assets includes receivable contributions of $7,300,000 based on nine contributions for the 2017 plan year made between January 1, 2018 and September 5, 2018, discounted to January 1, 2018 at the 2017 effective interest rate of 5.90%.

C. Actuarial Value of Assets as of January 1, 2018 for Funding Purposes

The Actuarial Value of Assets for 2017, as calculated below, is equal to a two-year quarterly average value of assets, as adjusted for contributions, benefit payments, expenses and investment return between the end of each quarter and the valuation date. The average value must fall within 10% of the actual market value of assets on the valuation date

	2016[1]	2017[2]
Expected Return on Assets	7.00%	7 00%
Segment Rates		
1st	4.43%	4.16%
2nd	5 91%	5 72%
3rd	6 65%	6.48%
Return for AVA calculation	6 65%	6 48%

	2016 - Q1	2016 - Q2	2016 - Q3	2016 - Q4	2017 - Q1	2017 - Q2	2017 - Q3	2017 - Q4	2018
Fair Value - Beginning of Period	$260 034,898	$262,186,549	$268,386,517	$278.688,169	$269,766,012	$277,917,174	$286,042,349	$296,696,772	$304,388,588
Receivable Contribution	7,085,913	5,818,247	4,529,721	0	7,159,340	4,744,119	2,389,016	0	7,159,602
Market Value - Beginning of Period	$267,120,811	$268,004,796	$272,916,238	$278,688,169	$276,925,352	$282,661,293	$288,431,365	$296,696,772	$311,548,190
Contributions for current year	0	0	0	7,159,340	0	0	0	7,159,602	
Benefit Payments	(6,327,125)	(2,738,560)	(3,945,249)	(2,780,642)	(6,359,281)	(3,684,225)	(3,104,095)	(3,812,858)	
Expenses - Wells Fargo[3]	(327,395)	(303,589)	(318,548)	(647,745)	(328,640)	(336,569)	(645,706)	(351,763)	
Expenses - Equitable	0	0	0	0	0	0	0	0	
Investment Return	7,538,505	7,953,591	10,035,728	(5,493,769)	12,423,862	9,790,865	12,015,209	11,856,437	
Market Value - End of Period	$268,004,796	$272,916,238	$278,688,169	$276,925,352	$282,661,293	$288,431,365	$296,696,772	$311,548,190	
Expected Return on Contributions	0	0	0	0	0	0	0	0	
Total Expected Return	4,385,568	4,430,292	4,501.790	4,604,692	4,432,019	4,546,545	4,642,215	4,772,754	

Adjusted Values	2016 - Q1	2016 - Q2	2016 - Q3	2016 - Q4	2017 - Q1	2017 - Q2	2017 - Q3	2017 - Q4	2018
Fair Value - Beginning of Period	$267,120,811	$268,004,796	$272,916,238	$278,688,169	$276,925,352	$282,661,293	$288,431,365	$296,696,772	$311,548,190
Net Adjustments									
Contributions through 12/31/2017	14,318,942	14,318,942	14,318,942	14,318,942	7,159,602	7,159,602	7,159,602	7,159,602	
Benefit Payments through 12/31/2017	(32,752,036)	(26,424,910)	(23,686,350)	(19.741,101)	(16,960,459)	(10,601,178)	(6,916,953)	(3,812,858)	
Expenses through 12/31/2017	(3,259,955)	(2,932,559)	(2,628,971)	(2,310,423)	(1,662,678)	(1,334,038)	(997,469)	(351,763)	
Expected Earnings through 12/31/2017	36,315,875	31,930,307	27,500,015	22,998,225	18,393,533	13,961,514	9,414,969	4,772,754	
Adjusted Value Jan 1, 2018	$281,743,638	$284,896,575	$288,419,875	$293,953,812	$283,855,351	$291,847,194	$297,091,513	$304,464,507	$311,548,190

1.	Average of Adjusted Values	$293,091,184
2.	Asset Corridor	
	90% of Fair Value	$280,393,371
	110% of Fair Value	$342,703,009
3	Actuarial Value of Assets	$293,091,184

[1] Segment rates for the 2016 plan year are the January 2016 MAP-21 segment rates (reflecting HATFA) under Section 430 (h)(2)(c) for Minimum funding purposes
[2] Segment rates for the 2017 plan year are the January 2017 MAP-21 segment rates (reflecting HATFA) under Section 430 (h)(2)(c) for Minimum funding purposes
[3] Quarterly Wells Fargo expenses for 2016 and 2017, per quarterly asset statements.

D. Fair Value of Assets as of January 1, 2018 for ASC 715-30 — $304,388,588

E. Market-Related Value of Assets as of January 1, 2018 for ASC 715-30

Expected Rate of Return on Plan Assets for 2017		7.00%
1.	Fair Value of Assets as of January 1, 2017	$ 269,766,012
2.	Interest on January 1, 2017 assets	$ 18,883,621
3.	Employer Contributions	

Date	a. Contribution	b. Interest to 12/31/2017
01/06/17	$ 894,448	$ 61,548
02/02/17	$ 800,694	$ 50,824
03/02/17	$ 800,694	$ 46,416
04/04/17	$ 800,694	$ 41,250
05/02/17	$ 800,694	$ 36,891
06/02/17	$ 800,694	$ 32,092
07/05/17	$ 800,694	$ 27,013
08/02/17	$ 800,694	$ 22,728
09/05/17	$ 800,694	$ 17,555
	$ 7,300,000	$ 336,317

4.	2017 Benefit Payments	$ 16,960,459
5.	Interest on Benefit Payments (compound)	$ 583,576
6.	Expected Fair Value of Assets as of December 31, 2017: (1) + (2) + (3)(a) + (3)(b) - (4) - (5)	$ 278,741,915
7.	Actual Fair Value of Assets as of December 31, 2017:	$ 304,388,588
8.	Gain / (Loss) for designated year:	
	a. 2017: (7) - (6)	$ 25,646,673
	b. 2016	$ 309,901
	c. 2015	$ (23,984,100)
9.	Gain / (Loss) not yet recognized: 2/3 × (8)(a) + 1/3 × (8)(b)	$ 17,201,082
10.	Market-Related Value of Assets as of December 31, 2017: (7) - (9)	$ 287,187,506

F. Estimated Investment Return

The following develops the approximate rate of return on the assets of the Plan during 2017:

			Trust Values		Time-weighted Values
1.	Trust value of assets, beginning of year	$	269,766,012	$	269,766,012
2.	Contributions during the plan year	$	7,300,000	$	4,848,116
3.	Benefit payment	$	(16,960,459)	$	(9,507,612)
4.	Expenses	$	(1,662,678)	$	(880,587)
5.	Interest and dividends (including accruals)	$	2,518		N/A
6.	Net realized gains/(losses)	$	10,511,908		N/A
7.	Unrealized gains/(losses)	$	35,431,287		N/A
8.	Other income	$	0		N/A
9.	Value of assets, end of year	$	304,388,588	$	264,225,929
10.	Trust investment experience: (5) + (6) + (7) + (8)			$	45,945,713
11.	Approximate rate of return: (10) / (9)				17.39%

SECTION TABLE OF CONTENTS

A. Reconciliation of Participant Data

	Actives	Vested Terminations	Disableds	Retirees and Beneficiaries [1, 2]	Total
Total as of January 1, 2017	1,092	351	10	716	2,169
New entrants	70	0	0	0	70
Rehires	3	(3)	0	0	0
Nonvested terminations	(7)	0	0	0	(7)
Vested terminations	(18)	18	0	0	0
Retirements	(23)	(22)	(2)	47	0
Disablements	0	0	0	0	0
Death without beneficiary	0	0	0	(20)	(20)
Death with beneficiary	(1)	(2)	0	3	0
Lump sums paid	(15)	(1)	0	0	(16)
QDROs	0	0	0	4	4
Data adjustments	0	0	0	0	0
Total as of January 1, 2018	1,101	341	8	750	2,200

[1] Consistent with prior years, Billy Matlock is included in the number of retired participants shown as of January 1, 2017 and January 1, 2018. In addition, the two rehired retirees who continue to receive their pension benefits (Dennis Malone and Brenda Delgado) are only included in the active participant count, despite being included in both the active and retiree data provided by the Company.
[2] Includes 34 QDRO alternate payees as of January 1, 2018, 11 of whom have survived the participant who earned the benefit. Therefore, 23 have been excluded for PBGC premium purposes.

B. Age and Service Distribution of Active Members

	Completed Years of Service on January 1, 2018 [1]										
Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	Over 40	Total
<25	3	29									32
25-29	3	72	11								86
30-34	8	76	40	10							134
35-39	7	50	42	17	3	1					120
40-44	5	37	43	27	19	5	2				138
45-49		22	32	30	17	15	19				135
50-54	1	10	21	20	9	26	30	18	1		136
55-59	1	7	8	12	10	18	37	32	30	7	162
60-64		2	9	12	5	9	15	10	32	22	116
65-69			4	1	5		1	5	7	14	37
70 & Up				1			1			3	5
Total	28	305	210	130	68	74	105	65	70	46	1,101

	January 1, 2018	January 1, 2017
Number of active members	1,101	1,092
Average age	46	46
Average years of service	15	15
Average compensation	$85,209	$83,184

[1] Credited service

C. Characteristics of Inactive Members

	January 1, 2018	January 1, 2017
Terminated Vested and Disabled Members		
Number	349	361
Average age	54.10	54.48
Deferred annuity benefits (annual accrued benefit)		
- Total	$2,200,827	$2,441,163
- Average	$6,306	$6,762
Deferred cash balance accounts		
- Total	$279,444	$106,794
- Average	$7,354	$4,272
Retired Members and Beneficiaries		
Number	750	716
Average age	70.75	70.53
Immediate annuity benefits (annual)		
- Total	$12,055,444	$11,008,045
- Average	$16,074	$15,374

SECTION TABLE OF CONTENTS

A. Actuarial Assumptions for Funding Purposes

Mortality — IRS 2018 Static Mortality Tables for annuitants and non-annuitants

Withdrawal and Disability — Sample rates are shown below:

Attained Age	Percentage of Employees Withdrawing from Employment During the Year of Age Shown: Males	Females	Percentage Disabled
20	5.0%	6.0%	0.14%
25	5.0%	6.0%	0.15%
30	5.0%	6.0%	0.16%
35	4.0%	6.0%	0.19%
40	3.0%	6.0%	0.30%
45	2.0%	4.0%	0.45%
50	1.0%	2.0%	0.69%

Retirement (Not-at-risk funding target) — Sample rates are shown below:

Percentage of Employees Retiring from Employment During the Year of Age Shown

	Active Participants			
	Final Average Pay			
Attained Age	Reduced Early Retirement	Unreduced Retirement	Cash Balance Participants	Terminated Vested Participants
55	3.0%	5.0%	10.0%	3.0%
56-59	3.0%	5.0%	10.0%	3.0%
60	3.0%	10.0%	10.0%	15.0%
61	3.0%	10.0%	10.0%	5.0%
62	20.0%	20.0%	20.0%	5.0%
63	10.0%	10.0%	10.0%	5.0%
64	10.0%	10.0%	10.0%	20.0%
65-69	25.0%	25.0%	25.0%	40.0%
70	100.0%	100.0%	100.0%	100.0%

Valuation Interest Rate

January 2018 HATFA segment rates under Section 430 (h)(2)(c) for Minimum Funding Purposes

1st Segment Rate	3.92%
2nd Segment Rate	5.52%
3rd Segment Rate	6.29%

A. Actuarial Assumptions for Funding Purposes (Continued)

Valuation Interest Rate (Continued)

January 2018 pre-HATFA and MAP-21 segment rates under Section 430 (h)(2)(c) for Maximum Funding Purposes

1st Segment Rate	1.81%
2nd Segment Rate	3.68%
3rd Segment Rate	4.53%

January 2018 Segment Rates for Determining the PBGC Standard Premium Funding Target

1st Segment Rate	2.33%
2nd Segment Rate	3.55%
3rd Segment Rate	4.11%

Cash Balance Interest Crediting Rate	3.80%
Benefit Form and Timing of Benefit Commencement for Final Average Pay Participants	
Retirement Eligible:	Immediate Single Life Annuity: 100%
Not Retirement Eligible:	Defer Single Life Annuity to Early Retirement: 100%
Benefit Form and Timing of Benefit Commencement for Cash Balance Participants	
Retirement Eligible:	Immediate Lump Sum: 90% Immediate Single Life Annuity: 10%
Not Retirement Eligible:	Immediate Lump Sum: 45% Immediate Single Life Annuity: 5% Defer Lump Sum to Normal Retirement: 45% Defer Single Life Annuity to Normal Retirement: 5%
Lump Sum Conversion Assumptions	
Interest Rate	Applicable segment rates shown above for minimum funding, maximum funding, and PBGC Variable Rate Premium purposes.
Mortality	2018 IRC Section 417(e) Table for lump sums assumed to be paid in 2018, and the 2019 IRC Section 417(e) Table for lump sums assumed to be paid in or after 2019.
Salary Scale	4.50%
IRS Section 415(b) Limits	$220,000
Annual Compensation Limit	$275,000

A. Actuarial Assumptions for Funding Purposes (Continued)

Marital Status:	
Percentage Married	75% of participants eligible for pre-retirement death benefits are assumed to have an eligible spouse.
Age Difference	Males are assumed to be 3 years older than females.
Provision for Administrative Expenses	$161,098
Changes since January 1, 2017 Valuation	For minimum funding purposes, the interest rate assumptions are the January 2018 HATFA segment rates (3.92% / 5.52% / 6.29%) published by the IRS, as compared to the January 2017 HATFA segment rates (4.16% / 5.72% / 6.48%). For maximum funding purposes, the interest rate assumptions are the January 2018 pre-HATFA segment rates (1.81% / 3.68% / 4.53%) published by the IRS, as compared to the January 2017 pre-HATFA segment rates (1.57% / 3.77% / 4.73%). The mortality table was updated to the IRS 2018 Static Mortality Tables from the IRS 2017 Static Mortality Tables. The withdrawal assumption was lowered at all ages to reflect recent experience. The retirement assumption was updated to reflect different rates for Final Average Pay / Cash Balance participants. The retirement rates for Final Average Pay participants were decreased at most ages and the retirement rates for Cash Balance participants were increased at younger ages based on an analysis of recent experience. The benefit form and timing of benefit commencement assumptions for Cash Balance participants who are not retirement eligible at termination were updated based on recent experience to reflect a higher percentage of participants deferring commencement to a later date and a higher percentage of participants electing an annuity at commencement. The cash balance interest crediting rate assumption was changed from 4.20% to 3.80%. Administrative expenses were updated from $315,090 as of January 1, 2017 to $161,098 as of January 1, 2018.

B. Actuarial Assumptions for Accounting Purposes [1]

Discount Rate	Ryan ALM Above Median Yield Curve as of December 31, 2017. The single equivalent rate that produces the same PBO is 3.77%.
Expected Return on Assets	7.00% per annum, net of all expenses, for fiscal 2017; 7.50% per annum, gross of all expenses, for fiscal 2018.
Mortality	
ASC 715	RP-2014 Total Data Set Mortality Tables, (with projection from 2006 to 2014 using Scale MP-2014 improvement removed), then projected generationally using Scale MP-2017.
Lump Sum Conversion Assumptions	
Interest Rate	Actual IRC Section 417(e)(3) segment rates in effect for the period following the measurement date (1.93%, 3.57%, 4.36%).
Mortality	2018 IRC Section 417(e) Table for lump sums assumed to be paid in 2018, and the 2019 IRC Section 417(e) Table for lump sums assumed to be paid in or after 2019.
Inflation	2.40%
Provision for Expenses	For fiscal 2017, the expected rate of return on assets assumption was selected to be net of administrative expenses paid from the trust. Beginning in 2018, assumed administrative expenses of 0.50% of plan assets will be added to the Service Cost component of expense and the expected rate of return on assets assumption was selected to be gross of administrative expenses paid from the trust.
Changes since January 1, 2017 valuation	The discount rate methodology is unchanged from the prior year. However, the yield curve was updated from the Ryan ALM Above Median Curve as of December 31, 2016 to the Ryan ALM Above Median Yield Curve as of December 31, 2017.

[1] All other assumptions are similar to those used for funding purposes in Section A.

B. Actuarial Assumptions for Accounting Purposes (Continued)

Changes since January 1, 2017 valuation (Continued)	The mortality assumption was updated from the RP-2014 Total Data Set Mortality Tables (with projection from 2006 to 2014 using Scale MP-2014 improvement removed), then projected generationally from 2006 using Scale MP-2016, to the RP-2014 Total Data Set Mortality Tables (with projection from 2006 to 2014 using Scale MP-2014 improvement removed), then projected generationally from 2006 using Scale MP-2017.
	The expected return on assets assumption was updated from 7.00%, net of all expenses, as of January 1, 2017, to 7.50%, gross of all expenses, as of January 1, 2018.
	The withdrawal assumption was lowered at all ages to reflect recent experience.
	The retirement assumption was updated to reflect different rates for Final Average Pay / Cash Balance participants. The retirement rates for Final Average Pay participants were decreased at most ages and the retirement rates for Cash Balance participants were increased at younger ages based on an analysis of recent experience.
	The benefit form and timing of benefit commencement assumptions for Cash Balance participants who are not retirement eligible at termination were updated based on recent experience to reflect a higher percentage of participants deferring commencement to a later date and a higher percentage of participants electing an annuity at commencement.
	The lump sum interest rate conversion assumption was changed from a fixed, long-term assumption of 5.35% to the IRC Section 417(e)(3) interest rates for August preceding the plan year (1.93%, 3.57%, 4.36% for 2018), reflecting a change to a mark-to-market approach.
	The lump sum mortality conversion assumption was changed from the 2017 IRC Section 417(e) Table to the 2018 IRC Section 417(e) Table for lump sums assumed to be paid in 2018 and the 2019 IRC Section 417(e) Table for lump sums assumed to be paid in or after 2019.
	The inflation assumption was changed from 3.50% to 2.40%.
	The cash balance interest crediting rate assumption was changed from 4.20% to 3.80%.

C. Assumptions Rationale

Mortality	
Funding	The mortality assumption used is prescribed by IRC section 430(h).
ASC 715 Accounting	Given the size of the participant population, there are not enough participant deaths to develop a credible/partially credible mortality table based on participant experience, so management has adopted the newest Society of Actuaries mortality tables and projection scale to be its best estimate of mortality experience.
Withdrawal and Disability	Withdrawal and disability rates are based on the plan sponsor's historical experience and expectations for the future with periodic adjustment based on observed gains and losses caused by withdrawal and disability patterns different than assumed and expectations of management. These assumptions were updated at December 31, 2017 based on analysis of historical experience from 2014 to 2017.
Retirement	Retirement rates are based the plan sponsor's historical experience and expectations for the future with periodic adjustment based on observed gains and losses caused by retirement patterns different than assumed and expectations of management. This assumption was updated at December 31, 2017 based on analysis of historical experience from 2014 to 2017.
Valuation Interest Rates	
Funding	The interest rate assumption used is prescribed by IRC section 430(h), reflecting a 0 month look back period as elected by the plan sponsor.
ASC 715 Accounting	The Ryan ALM Above Median Yield Curve is management's best approximation of the strategy that would be employed if it were to individually select high quality bonds to mirror the projected benefit cash flows, where higher yielding bonds would be targeted.
Cash Balance Interest Crediting Rate	This assumption is based on a 20-year expectation of long-term government bond rates, since the interest crediting rate is defined in the Plan provisions to be based on the 30-year Treasury Bond rate, not less than 3.80%.

C. Assumptions Rationale (Continued)

Expected Return on Assets	This assumption was developed as a weighted average rate based on the target asset allocation of the plan and 20-year expected capital market forecasts as provided to management by Russell Investments.
Benefit Form and Timing of Benefit Commencement for Final Average Pay and Cash Balance Participants	This assumption is based on the plan sponsor's historical experience and best expectations for the future given the plan provisions with periodic monitoring of observed gains and losses resulting from plan experience different than assumed. For the annuity form of payment, a single life annuity is assumed as it is actuarially equivalent (based on the Plan's actuarial equivalent interest rate and mortality assumptions) to all other annuity forms.
Lump Sum Conversion Assumption	
Interest	
Funding	Consistent with valuation interest rates prescribed for minimum funding, maximum funding and PBGC variable rate premium purposes.
ASC 715 Accounting	This assumption reflects a mark-to-market approach and is equal to the three tier rates prescribed by IRS section 417(e)(3) in effect for the period following the measurement date.
Mortality	The mortality assumption used is prescribed by IRC section 417(e) for the current year.
Salary Scale	The salary scale assumption is set based on the plan sponsor's historical experience and expectations for future salary increases with periodic adjustment based on observed gains and losses resulting from salary increases different than assumed and expectations of management.
Marital Status	The percentage married and spouse age difference assumptions are based on historical experience and management's expectations for the future with periodic adjustment based on observed gains and losses resulting from plan experience different than assumed and expectations of management.

C. Assumptions Rationale (Continued)

Expenses	
Funding	Assumed to be equal to the administrative expenses paid from the trust during the prior year.
ASC 715 Accounting	Beginning in 2018, the expected return on assets assumption will be gross of expenses, and a load equal to the assumed administrative expenses will be added to the service cost component of expense.
Inflation	This assumption was developed based on a 20-year expected inflation rate as provided to management by Russell Investments.

D. Actuarial Methods for Funding Purposes

1. Actuarial Cost Method

The actuarial cost method is the Unit Credit Actuarial Cost Method, as required by the IRS.

Under this cost method, the target liability is defined as the present value of the accrued benefits on the valuation date. The funding shortfall is the excess, if any, of the amount by which the target liability exceeds the actuarial value of Plan Assets.

The target normal cost, determined on the valuation date, is the amount required to fund the benefits expected to be earned in the current year plus expected administrative expenses.

2. Asset Valuation Method

The Actuarial Value of Assets for 2018 is equal to a two-year quarterly average value of assets, as adjusted for contributions, benefit payments, expenses and investment return between the end of each quarter and the valuation date. A development of the January 1, 2018 Actuarial Value of Assets is shown in Section IV.

E. Actuarial Methods for ASC 715-30

1. Actuarial Cost Methods

The actuarial cost method used to determine the net periodic pension cost under ASC 715-30 is the Projected Unit Credit cost method.

2. Asset Valuation Method

The Market-Related Value of Assets is developed by smoothing gains / losses on the Fair Value of Assets over three years. A development of the January 1, 2018 Market-Related Value of Assets is shown in Section IV.

3. Experienced Gain/Loss Amortization Method

The amortization of unrecognized net gains and losses will be included as a component of the net pension expense only if the unrecognized net gains and losses exceed 10% of the greater of Projected Benefit Obligation and Market-Related Value of Assets. If amortization is required, the excess will be amortized over the average expected future working lifetime of the active participants in the plan.

4. Annuity Substitution

For computing the Projected Benefit Obligation, annuity substitution is applied. Therefore, cash balances are converted to annuities using the lump sum conversion assumptions and the annuity payment cash flows are discounted based on the underlying yield curve.

For computing expense, the assumptions for benefit form, timing and lump sum conversion are applied for determining the first year of expected benefit payments (reflecting both lump sums and annuities) for the half-year offset in the interest cost and EROA calculations.

SECTION TABLE OF CONTENTS

Below is a summary of the plan provisions that are pertinent to the valuation herein and may exclude certain provisions that are not deemed relevant to our calculations. This summary is based on our understanding of the plan provisions set forth in the applicable statutes of El Paso Electric Company. If there is a discrepancy between the summary below and applicable statutes, the applicable statutes shall govern.

Plan Year	A Plan Year means a calendar year.
Participation Requirements	
Final Average Pay	Prior to April 1, 2014, each employee who has completed a year of Eligibility Service shall become a Member in the plan. An employee receives a year of Eligibility Service if he completes 1,000 or more Hours of Service within a 12 month period commencing with his date of employment or any anniversary date.
Cash Balance Participants, for Final Average Pay Benefit	Effective April 1, 2014, an employee hired or re-hired on or after April 1, 2014 shall become a Cash Balance Member on his employment commencement date or re-employment commencement date. An employee who is hired or re-hired after December 31, 2013 and before April 1, 2014 shall become a Cash Balance Member on April 1, 2014.
Vesting Service	Any Plan Year during which the employee completes 1,000 or more Hours of Service.
Benefit Accrual Service	
Final Average Pay	Prior to July 1, 1976, a Member receives credit for each month of employment. After July 1, 1976, a Member receives credit for one full year for each Plan Year in which he completes 1,000 or more Hours of Service.
Cash Balance	Prior to July 1, 1976, a Member receives credit for each month of employment. After July 1, 1976 and prior to January 1, 2014, a Member receives credit for one full year for each Plan Year in which he completes 1,000 or more Hours of Service. A Cash Balance Member (other than a Cash Balance Member who is hired or re-hired after December 31, 2013 and before April 1, 2014) who completes at least one Hour of Service during the period beginning January 1, 2014 and ending March 31, 2014 shall receive credit for 0.25 year of Benefit Accrual Service for the 2014 Plan Year. After March 31, 2014, no additional Benefit Accrual Service shall be earned by a Cash Balance Member.

Considered Earnings	An employee's annualized rate of basic compensation, excluding overtime, bonuses, expense allowances, profit sharing, and any other extra compensation in any form.
Average Monthly Earnings	For a Final Average Pay Participant, the monthly average of a Participant's Considered Earnings computed by summing his Considered Earnings as of any date and for each of the days beginning the four years preceding such date, and dividing by sixty. For a Cash Balance Participant who is employed by the employer as of April 1, 2014 and becomes a Cash Balance Participant as of April 1, 2014, the monthly average of a Participant's Considered Earnings computed by summing his Considered Earnings as of March 31, 2014 and as of March 31 of the preceding four calendar years and dividing by sixty.
Accrued Benefit	
Final Average Pay	The monthly accrued benefit payable as a single life annuity upon Normal Retirement is the greater of (a), (b), (c) or (d) below, less any frozen benefit provided under group annuity contracts deemed purchased prior to August 1, 1989 as illustrated in Appendix A of the plan document: (a) 1-1/4% of Average Monthly Earnings multiplied by years of Benefit Accrual Service. (b) $25.00 multiplied by years of Projected Benefit Accrual Service at normal retirement date, not to exceed 10. This amount multiplied by the ratio of years of Benefit Accrual Service earned to date, divided by years of Projected Benefit Accrual Service at normal retirement date. This benefit shall be no greater than $250 per month. (c) Amount of benefit payable in accordance with the Plan in effect on June 30, 1982 with Earnings frozen at the rate on June 30, 1982. (d) Amount of accrued benefit earned as of October 17, 1990 under the prior benefit formula.

Accrued Benefit (Continued)

Cash Balance

The Accrued Benefit for a Cash Balance Member is (a) plus (b), as follows:

(a) The benefit accrued under the Plan prior to becoming a Cash Balance Member, as determined under the Final Average Pay formula above.

(b) The Cash Balance Account, consisting of pay credits and interest credits.

Pay Credits

For each Plan Year beginning January 1, 2014, a Cash Balance Member shall receive a pay credit to his Cash Balance Account as of the last day of the Plan Year (or termination date, if earlier). The pay crediting rate is based upon the member's age and years of Vesting Service, as shown below:

Age Plus Vesting Service	Percentage of Base Pay for the Plan Year
Less than 30	3.00%
30-39	4.00%
40-49	5.00%
50-59	6.00%
60-69	7.00%
70-79	8.00%
80 or More	9.00%

Interest Credits

Interest credits are allocated to the Cash Balance Account as of the last day of each month. The interest credit is determined by multiplying the Cash Balance Account as of the last day of the preceding month by the 30-Year Treasury Bond Rate for the month, which when compounded monthly for the 12 months of the Plan Year, is equal to the 30-Year Treasury Bond Rate for August of the preceding year (but no less than 3.80% for the Plan Year, compounded monthly).

Normal Retirement

Commencement of a Member's Accrued Benefit on the first day of the month coincident with or next following the later of a Member's 65th birthday or completion of 5 years of Vesting Service.

Late Retirement

A participant who continues working after reaching his 65th birthday will continue to accrue benefits in accordance with the formula, using earnings and service to actual retirement.

Early Retirement	
Final Average Pay	After attainment of age 55 and completion of 5 years of Vesting Service, the participant may elect to commence his Accrued Benefit on a reduced basis prior to age 65. If the participant retires with at least 20 years of Vesting Service, he may receive his Accrued benefit as early as age 62 without any reduction. If the sum of the participant's age and years of Vesting Service equals or exceeds 85, he may receive his Accrued Benefit without any reduction.
Cash Balance	Early retirement under the plan is age 55 and completion of 3 years of Vesting Service. However, a Cash Balance Member can receive a single life annuity that is actuarially equivalent to his Frozen Final Average Pay Accrued Benefit, if applicable, payable at his normal retirement date, in addition to his unreduced Cash Balance Account, at any time.
Disability Benefit	
Final Average Pay	Payable to a participant beginning at Normal Retirement Date after becoming totally and permanently disabled while employed by the company. The annuity payable is based on Average Monthly Earnings at date of Disability and Benefit Service, including all credit for all years while disabled, at Normal Retirement Date. The qualified joint and spouse survivor death benefit will apply.
Cash Balance	Payable to a participant immediately after becoming totally and permanently disabled while employed by the company. The benefit payable is the Frozen Final Average Pay Accrued Benefit as of March 31, 2014 and the Cash Balance Account based on Considered Earnings and Vesting Service through date of Disability.
Separation Benefit	
Final Average Pay	Upon termination on or after attaining 5 years of Vesting Service, 100% of the Accrued Benefit will be payable as of the Normal Retirement Date, or the participant may elect Early Retirement upon attainment of age 55.

Separation Benefit (Continued)

Cash Balance	Upon termination on or after attaining 3 years of Vesting Service, 100% of the Frozen Final Average Pay Accrued Benefit will be payable as of the Normal Retirement Date, or the participant may elect to commence benefits any time after his termination date. In addition, 100% of the Cash Balance Account will be payable as of the first day of any month following his termination of employment.

Pre-Retirement Spouse's Benefit

Before Normal Retirement Age	Payable upon the death of a participant employed by the company who had completed 5 years of Vesting Service. If the participant dies before attaining age 50 with 10 years of service, the amount payable to the spouse, to whom the participant was legally married during the one year period immediately preceding his death, is 50% of the amount the participant would have been entitled to had the participant separated from service on the date of his death, survived to the earliest retirement age, retired with an immediate qualified joint and survivor annuity and died the day after the earliest retirement age. If the participant dies after attaining age 50 with 10 years of service, the amount payable to the eligible spouse is 50% of the participant's Accrued Benefit, commencing immediately.

Pre-Retirement Death Benefit

After Normal Retirement Age	If the participant dies after his Normal Retirement Age but before benefit payments commence, survivorship benefits will be paid in accordance with the form in which the participant's benefits would be paid if he had retired on the first day of the month following his date of death.

Special Death Benefit for Cash Balance Members	Payable upon the death of a participant who has not received a lump sum distribution or commenced a pension distribution from the Plan of his total Accrued Benefit. The amount payable to the Cash Balance Member's surviving spouse or beneficiary is (1) the Cash Balance Member's Accrued Benefit attributable to his Cash Balance Account, and if applicable, (2) the benefit that would be payable as a Pre-Retirement Spouse's Benefit Before Normal Retirement Age or Pre-Retirement Death Benefit After Normal Retirement Age based on the Cash Balance Member's Accrued Benefit not attributable to his Cash Balance Account. The total Special Death Benefit for Cash Balance Members shall be payable as a lump sum distribution or single life annuity.
Payment Options	
Final Average Pay	Automatic–If the participant is married on his Benefit Commencement Date, a 50% joint and survivor annuity option that is actuarially equivalent to a single life annuity will be payable. If the participant is not married on the Benefit Commencement Date, a single life annuity will be payable. Elective–25%, 75%, and 100% joint and survivor annuities, or a 120-month certain and life annuity.
Cash Balance	Automatic–If the participant is married on his Benefit Commencement Date, a 50% joint and survivor annuity option that is actuarially equivalent to a single life annuity will be payable. If the participant is not married on the Benefit Commencement Date, a single life annuity will be payable. Elective–25%, 75%, and 100% joint and survivor annuities, a 120-month certain and life annuity, or a lump sum distribution.
Automatic Cash Out	Upon termination of service, if the lump sum value of the Accrued Benefit is less than $1,000, the lump sum amount is paid as soon as practical after termination.
Changes since January 1, 2017 Valuation	None.

SCHEDULE G-2.2: POSTRETIREMENT BENEFITS OTHER THAN PENSION
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

Item 1.

The Company's requested expense for Postretirement Benefits Other Than Pensions (OPEB) is based on a Generally Accepted Accounting Principles (GAAP) calculation.

Item 2.

The type of OPEB benefits provided by the Company includes medical and life insurance coverage for retirees.

The amount of $(3,848,723) is the latest actuarial estimate for the 2020 Net Periodic Benefit Cost as presented in Item 3 in the table below.

The Company does not provide OPEB to employees after termination but before retirement, therefore no such costs for terminated employees are included in the requested amount.

Item 3.

The expensed costs and the costs eligible for capitalization per GAAP and the actual funded amounts for the test year and the three most recent calendar years are presented below.

	Employer contributions (1)	Benefits paid from corporate assets (2)	Costs Eligible for Capitalization (3)	Net Periodic Benefit Cost (4)	Transition Obligation (5)	Total Cost (6) = (4)+(5)
2020	$ 465,000	$ 177,869	$ 2,577,806	$(3,848,723)	$ 0	$(3,848,723)
2019	$ 450,000	$ 176,331	$ 2,423,100	$(4,851,791)	$ 0	$(4,851,791)
2018	$ 450,000	$ 141,182	$ 2,795,327	$(5,705,203)	$ 0	$(5,705,203)
2017	$ 450,000	$ 0	$(4,776,589)	$(4,776,589)	$ 0	$(4,776,589)

(1) Refer to Schedule G-2.2 Attachment A pages 1 through 31, 32 through 46, 59 through 74, and 78 through 92 for documentation supporting the employer contributions for the calendar years 2020, 2019, 2018, and 2017, respectively.

(2) Refer to Schedule G-2.2 Attachment A pages 20 through 29, 47 through 58, and 75 through 77 for the benefits paid from corporate assets for key employees for the calendar years 2020, 2019, and 2018, respectively.

(3) & (4) Refer to Schedule G-2.2 Attachment A pages 109, 133, and 167 for the actuarial reports that include the costs eligible for capitalization and net periodic benefit costs for the calendar years 2020, 2019, 2018, and 2017, respectively. Upon adoption of ASU 2017-07, Compensation- Retirement Benefits, effective January 1, 2018, the Company continued to record all components of net periodic benefit cost as an operating expense

in its regulatory-basis financial statements, but has elected to conform to the GAAP capitalization policy, which is that only the service cost component is eligible for capitalization. For further details refer to Schedule G-2 Question 4 for the test year amount expensed. Refer to Schedule A-3 Adjustment 4 for requested expense.

Item 4.

For Regulatory Accounting Principles (RAP) the Company was amortizing the unrecognized transition obligation on a straight-line basis over 20 years. The Company finished amortizing the unrecognized transition obligation as of December 31, 2012.

Item 6.

Retiree expenses are paid directly from the trust, therefore there are no amounts paid attributable to retirees included in the test year for benefits listed in Item 2 above.

MEMORANDUM

TO: TREASURY SERVICES
FROM: NATHAN HIRSCHI
DATE: January 16, 2020

2020 Wire Transfer – Contribution to VEBA

Please use this memorandum as your authority to wire transfer 12 monthly payments of $37,500 each (for January thru December 2020) for a total of $450,000. This amount represents additional contributions to the VEBA Trust. These individual transactions should take place at the beginning of each respective month until further notice.

Please deposit as follows:

Bank Name: Wells Fargo Bank, N.A.

ABA: [redacted]

BNF: Trust Wire Clearing

BNFA: [redacted]

Amount: 12 transfers in the amount of $37,500 each (for January thru December 2020) (for a total of $450,000.00)

Wells Fargo Client Account Name: EPEC VEBA TRUST
Attention: Crystal M. Sanders
[redacted]

These monies should be expensed as follows:
W/O AP7630990000 ACCOUNT 228310 EXPENSE TYPE 250 COST CENTER 9990

Nathan T. Hirschi

Prepared by: Steven Sierra

Approved by: Russell Hidson

Note: $450,000 Estimated 2020 VEBA Employer Contributions is based on the Expense Requested per New Mexico Rate Case No. 15-00127 and the 2020 RIP and VEBA Contributions Memo.

SMS 1/16/2020

MEMORANDUM

TO: TREASURY SERVICES
FROM: NATHAN HIRSCHI
DATE: August 7, 2020

2020 Wire Transfer – Contribution to 401(h) Retiree Health Care Subaccount

Please use this memorandum as your authority to wire transfer 4 monthly payments of $37,500 each (for September thru December 2020) for a total of $150,000. This amount represents additional contributions to the 401(h) Retiree Health Care Subaccount. These individual transactions should take place at the beginning of each respective month until further notice.

Please deposit as follows:

Bank Name: Wells Fargo Bank, N.A.

ABA: [redacted]

BNF: Trust Wire Clearing

BNFA: [redacted]

Amount: 4 transfers in the amount of $37,500 each (for September thru December 2020) (for a total of $150,000.00)

Wells Fargo Client Account Name: EPEC 401(h) Retiree Health Care
Attention: Daniel Lytle
[redacted]

These monies should be expensed as follows:
W/O AP7740990000 ACCOUNT 228310 EXPENSE TYPE 250 COST CENTER 9990

Prepared by: Steven Sierra 8/7/2020

Approved by: Nathan T. Hirschi
Russell G. Gibson

MEMORANDUM

TO: TREASURY SERVICES
FROM: NATHAN HIRSCHI
DATE: July 6, 2020

2020 Wire Transfer – Contribution to 401(h) Retiree Health Care Subaccount

Please use this memorandum as your authority to wire transfer a payment of $5,000.00. This amount represents the initial contribution to the 401(h) Retiree Health Care subaccount. This transaction is necessary to obtain the IRS determination letter for the trust subaccount.

Please deposit as follows:

Bank Name: Wells Fargo Bank, N.A.

ABA: [redacted]

BNF: Trust Wire Clearing

BNFA: [redacted]

Amount: A transfer in the amount of $5,000.00

Wells Fargo Client Account Name: EPEC 401(h) Retiree Health Care
Attention: Daniel Lytle
[redacted]

These monies should be expensed as follows:
W/O AP7740990000 ACCOUNT 228310 EXPENSE TYPE 250 COST CENTER 9990

Prepared by: Steven Sierra 7/6/2020
Cynthia Prieto

Approved by: Nathan T. Hirschi
Russell G. Gibson

MEMORANDUM

TO: TREASURY SERVICES
FROM: NATHAN HIRSCHI
DATE: July 6, 2020

2020 Wire Transfer – Contribution to VEBA-Life Insurance Trust

Please use this memorandum as your authority to wire transfer a payment of $5,000.00. This amount represents the initial contribution to the VEBA-Life Insurance trust account. This transaction is necessary to obtain the IRS determination letter for the trust account.

Please deposit as follows:

Bank Name: Wells Fargo Bank, N.A.

ABA: [redacted]

BNF: Trust Wire Clearing

BNFA: [redacted]

Amount: A transfer in the amount of $5,000.00

Wells Fargo Client Account Name: EPEC Post-Retirement Life Insurance Trust Russell Investments
Attention: Daniel Lytle
[redacted]

These monies should be expensed as follows:
W/O AP7730990000 ACCOUNT 228310 EXPENSE TYPE 250 COST CENTER 9990

Prepared by: Steven Sierra 7/6/2020 Approved by: Nathan T. Hirschi

Cynthia Prieto Russell G. Gibson

MEMORANDUM

TO: TREASURY SERVICES
FROM: NATHAN HIRSCHI
DATE: July 6, 2020

2020 Wire Transfer – Contribution to VEBA-Union Trust

Please use this memorandum as your authority to wire transfer a payment of $5,000.00. This amount represents the initial contribution to the VEBA-Union trust account. This transaction is necessary to obtain the IRS determination letter for the trust account.

Please deposit as follows:

Bank Name: Wells Fargo Bank, N.A.

ABA: [redacted]

BNF: Trust Wire Clearing

BNFA: [redacted]

Amount: A transfer in the amount of $5,000.00

Wells Fargo Client Account Name: EPEC Collectively Bargained Post-Retirement Health Benefits TRT Russell Investments
Attention: Daniel Lytle
[redacted]

These monies should be expensed as follows:
W/O AP7720990000 ACCOUNT 228310 EXPENSE TYPE 250 COST CENTER 9990

Prepared by: Steven Sierra 7/6/2020 Approved by: Nathan T. Hirschi

Cynthia Prieto Russell G. Gibson

Sanchez, Pamela K

From: Davis, Candance
Sent: Tuesday, January 21, 2020 4:32 PM
To: Melson, Karin; Ortiz, Myrna A; Schyberg, Leana; Sierra, Steven A; Thompson, Lori
Subject: Veba Trust

ACH Transfer Confirmation

Crediting:	**Trust Wire Clearing**
Account:	[redacted]
Bank:	**Wells Fargo Bank S.F.**
	37,500.00
Amount:	**$37,500.00**
For:	**Retiree's Medical Deductions to the VEBA Trust** [redacted]
Date of Transfer:	**1/21/2020**

Candance Davis | El Paso Electric Company
Cash Management
P O Box 982 | El Paso Texas, 79960
T (915) 521-4731 | F (915) 543-2204
candance.davis@epelectric.com

El Paso Electric

Sanchez, Pamela K

From: Davis, Candance
Sent: Thursday, February 6, 2020 12:54 PM
To: Melson, Karin; Ortiz, Myrna A; Schyberg, Leana; Sierra, Steven A; Thompson, Lori
Subject: VEBA Trust

ACH Transfer Confirmation

Crediting:	**Trust Wire Clearing**
Account:	[redacted]
Bank:	Wells Fargo Bank S.F.
	37,500.00
Amount:	**$37,500.00**
For:	Retiree's Medical Deductions to the VEBA Trust [redacted]
Date of Transfer:	**2/4/2020**

The Electric Company
El Paso Electric

Candance Davis | El Paso Electric Company
Cash Management
P O Box 982 | El Paso Texas, 79960
T (915) 521-4731 | F (915) 543-2204
candance.davis@epelectric.com

Sanchez, Pamela K

From: Ortiz, Myrna A
Sent: Monday, February 22, 2021 9:57 AM
To: Sanchez, Pamela K
Subject: FW: VEBA Trust

El Paso Electric

Myrna Ortiz | El Paso Electric Company
Director - Financial and Energy Accounting
P O Box 982 | El Paso Texas, 79960
T (915) 543-2235 | C (915) 487-1211
myrna.ortiz@epelectric.com

From: Davis, Candance <Candance.Davis@epelectric.com>
Sent: Tuesday, March 31, 2020 4:06 PM
To: Melson, Karin <Karin.Melson@epelectric.com>; Ortiz, Myrna A <myrna.ortiz@epelectric.com>; Schyberg, Leana <Leana.Schyberg@epelectric.com>; Sierra, Steven A <Steven.Sierra@epelectric.com>; Thompson, Lori <Lori.Thompson@epelectric.com>
Subject: VEBA Trust

	ACH Transfer Confirmation
Crediting:	Trust Wire Clearing
Account:	[redacted]
Bank:	Wells Fargo Bank S.F.
	37,500.00
Amount:	**$37,500.00**
For:	Retiree's Medical Deductions to the VEBA Trust [redacted]
Date of Transfer:	**3/31/2020**

El Paso Electric

Candance Davis | El Paso Electric Company
Cash Management
P O Box 982 | El Paso Texas, 79960
T (915) 521-4731 | F (915) 543-2204
candance.davis@epelectric.com

Sanchez, Pamela K

From: Gomez, Guadalupe J
Sent: Thursday, April 30, 2020 9:03 AM
To: Melson, Karin; Ortiz, Myrna A; Schyberg, Leana; Sierra, Steven A; Thompson, Lori
Subject: VEBA Trust

ACH Transfer Confirmation

Crediting:	**Trust Wire Clearing**
Account:	[redacted]
Bank:	**Wells Fargo Bank S.F.**
Amount:	**$37,500.00**
For:	**Retiree's Medical Deductions to the VEBA Trust** [redacted]
Date of Transfer:	**4/27/2020**

El Paso Electric

Lupe J. Gomez | El Paso Electric Company
Cash Management
P O Box 982 | El Paso Texas, 79960
T (915) 543-2073 | F (915) 543-2204
lupe.gomez@epelectric.com

Sanchez, Pamela K

From: Davis, Candance
Sent: Thursday, May 28, 2020 1:45 PM
To: Melson, Karin; Sanchez, Pamela K; Sierra, Steven A; Thompson, Lori
Subject: VEBA Trust

ACH Transfer Confirmation

Crediting:	**Trust Wire Clearing**
Account:	[redacted]
Bank:	**Wells Fargo Bank S.F.**
	37,500.00
Amount:	**$37,500.00**
For:	**Retiree's Medical Deductions to the VEBA Trust** [redacted]
Date of Transfer:	**5/28/2020**

El Paso Electric

Candance Davis | El Paso Electric Company
Cash Management
P O Box 982 | El Paso Texas, 79960
T (915) 521-4731 | F (915) 543-2204
candance.davis@epelectric.com

Sanchez, Pamela K

From:	Green, Terry (Eugene)
Sent:	Thursday, June 18, 2020 10:16 AM
To:	Melson, Karin; Ortiz, Myrna A; Thompson, Lori; Sanchez, Pamela K; Sierra, Steven A
Subject:	VEBA TRUST

VEBA Trust

	ACH Transfer Confirmation
Crediting:	Trust Wire Clearing
Account:	[redacted]
Bank:	Wells Fargo Bank S.F.
	37,500.00
Amount:	**$37,500.00**
For:	Retiree's Medical Deductions to the VEBA Trust [redacted]
Date of Transfer:	**6/17/2020**

Terry Green | El Paso Electric Company
Principal Financial Analyst
P.O. Box 982 | El Paso, Texas 79960
100 N. Stanton Street, Location 122
El Paso, Texas 79901
T: (915) 543-4163 | F: (915) 543-2204
terry.green@epelectric.com

Sanchez, Pamela K

From: Davis, Candance
Sent: Tuesday, July 28, 2020 1:34 PM
To: Melson, Karin; Ortiz, Myrna A; Sanchez, Pamela K; Sierra, Steven A; Thompson, Lori; Prieto, Cynthia S
Subject: VEBA Trust

Follow Up Flag: Follow up
Flag Status: Flagged

	ACH Transfer Confirmation
Crediting:	Trust Wire Clearing
Account:	[redacted]
Bank:	Wells Fargo Bank S.F.
	37,500.00
	5,000.00
	5,000.00
	5,000.00
Amount:	**$52,500.00**
For:	Retiree's Medical Deductions to the VEBA Trus[redacted]
Date of Transfer:	**7/28/2020**

El Paso Electric

Candance Davis | El Paso Electric Company
Cash Management
P O Box 982 | El Paso Texas, 79960
T (915) 521-4731 | F (915) 543-2204
candance.davis@epelectric.com

Sanchez, Pamela K

From: Valadez, Ashley
Sent: Monday, August 10, 2020 8:31 AM
To: Melson, Karin; Ortiz, Myrna A; Sanchez, Pamela K; Sierra, Steven A; Thompson, Lori
Subject: VEBA Trust

ACH Transfer Confirmation

Crediting: Trust Wire Clearing
Account: [redacted]
Bank: Wells Fargo Bank S.F.
37,500.00

Amount: **$37,500.00**
For: Retiree's Medical Deductions to the VEBA Trust [redacted]
Date of Transfer: **8/7/2020**

El Paso Electric

Ashley Valadez | El Paso Electric Company
Financial Analyst - Cash Management
P.O. Box 982 | El Paso, Texas 79960
T: (915) 485-6764
Ashley.Valadez@epelectric.com

Sanchez, Pamela K

From: Davis, Candance
Sent: Friday, October 2, 2020 3:15 PM
To: Sanchez, Pamela K
Subject: FW: VEBA Trust

Hi Pam,

So apparently, we didn't send one last month. Sorry about that.

But here you go:

ACH Transfer Confirmation

Crediting:	Trust Wire Clearing
Account:	[redacted]
Bank:	Wells Fargo Bank S.F.
	37,500.00
Amount:	$37,500.00
For:	Retiree's Medical Deductions to the VEBA Trust [redacted]
Date of Transfer:	09/2/2020

El Paso Electric

Candance Davis | El Paso Electric Company
Cash Management
P O Box 982 | El Paso Texas, 79960
T. (915) 521-4731 | F (915) 543-2204
candance.davis@epelectric.com

Sanchez, Pamela K

From: Davis, Candance
Sent: Friday, October 2, 2020 2:15 PM
To: Melson, Karin; Ortiz, Myrna A; Sanchez, Pamela K; Sierra, Steven A; Thompson, Lori
Subject: VEBA Trust

Follow Up Flag: Follow up
Flag Status: Flagged

ACH Transfer Confirmation

Crediting:	Trust Wire Clearing
Account:	[redacted]
Bank:	Wells Fargo Bank S.F.
	37,500.00
Amount:	**$37,500.00**
For:	Retiree's Medical Deductions to the VEBA Trust [redacted]
Date of Transfer:	**10/2/2020**

Candance Davis | El Paso Electric Company
Cash Management
P O Box 982 | El Paso Texas, 79960
T (915) 521-4731 | F (915) 543-2204
candance.davis@epelectric.com

El Paso Electric

Sanchez, Pamela K

From: Valadez, Ashley
Sent: Tuesday, November 3, 2020 9:38 AM
To: Melson, Karin; Ortiz, Myrna A; Sanchez, Pamela K; Sierra, Steven A; Thompson, Lori; Evelyn.Lagpao@unionbank.com
Subject: VEBA Trust

Follow Up Flag: Follow up
Flag Status: Flagged

ACH Transfer Confirmation

Crediting:	**Trust Wire Clearing**
Account:	[redacted]
Bank:	Wells Fargo Bank S.F.
	37,500.00
Amount:	**$37,500.00**
For:	Retiree's Medical Deductions to the VEBA Trust [redacted]
Date of Transfer:	**11/3/2020**

El Paso Electric

Ashley Valadez | El Paso Electric Company
Financial Analyst - Cash Management
P.O. Box 982 | El Paso, Texas 79960
T: (915) 485-6764
Ashley.Valadez@epelectric.com

Sanchez, Pamela K

From: Davis, Candance
Sent: Wednesday, December 2, 2020 1:47 PM
To: Melson, Karin; Ortiz, Myrna A; Sanchez, Pamela K; Sierra, Steven A; Thompson, Lori
Subject: VEBA Trust

ACH Transfer Confirmation

Crediting:	**Trust Wire Clearing**
Account:	[redacted]
Bank:	**Wells Fargo Bank S.F.**
	37,500.00
Amount:	**$37,500.00**
For:	**Retiree's Medical Deductions to the VEBA Trust** [redacted]
Date of Transfer:	**12/2/2020**

Candance Davis | El Paso Electric Company
Financial Analyst-Cash Management
P O Box 982 | El Paso Texas, 79960
T (915) 521-4731 | F (915) 543-2204
candance.davis@epelectric.com

El Paso Electric

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

PAGE 98 [redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
12/09/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 11/20 - 12/20 [redacted]	232.42
12/09/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 07/20 - 09/20 [redacted]	5,811.08
12/09/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 09/20 - 12/20 [redacted]	12,679.48
12/21/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 10/20 - 12/20 [redacted]	2,331.70
12/21/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 09/20 - 12/20 [redacted]	9,411.72
	TOTAL EMPLOYEE CONTRIBUTION	1,156,116.66
EMPLOYER CONTRIBUTION		
01/21/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION [redacted] EPEC VEBA	37,500.00
02/04/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION [redacted] EPEC VEBA	37,500.00
03/31/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION [redacted] EPEC VEBA	37,500.00

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

[redacted]
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
04/27/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION [redacted]	37,500.00
05/28/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION [redacted]	37,500.00
06/17/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION [redacted]	37,500.00
07/28/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION [redacted]	37,500.00
08/10/20	ADDITION TO ACCOUNT [redacted]RIBUTION	37,500.00
	TOTAL EMPLOYER CONTRIBUTION	300,000.00
	TOTAL CONTRIBUTIONS	1,495,857.18

OTHER RECEIPTS

INTERFUND TRANSFER RECEIPTS

DATE	DESCRIPTION	
01/10/20	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCT [redacted] FOR RUSSELL INV[redacted]	285,518.22
01/16/20	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCT [redacted] RX CLAIMS 12/15/2019 [redacted]	13,482.02

2435

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

PAGE 126
DECE[redacted]
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
09/11/20	ADDITION TO ACCOUNT WIRE RECEIPT EXPRESS SCRIPTS Q1 2020 REBATES [redacted]	34,752.42
12/15/20	ADDITION TO ACCOUNT WIRE RECEIPT EXPRESS SCRIPTS Q2 2020 REBATE [redacted]	19,588.36
12/21/20	ADDITION TO ACCOUNT MISCELLANEOUS INCOME PROCEEDS FROM ROCKSPRING LAND SALE [redacted]	26,495.97
	TOTAL OTHER RECEIPTS	104,029.32

TRANSFER FROM CHECKING ACCOUNT

DATE	DESCRIPTION	
01/17/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	320.65
01/24/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	4,565.15
01/27/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	14,490.22

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

PAGE 127
[redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
02/28/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	5,147.70
03/02/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	6,920.59
03/19/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	4,225.47
03/27/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	232.17
03/31/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	4,565.15

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

PAGE 128
[redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
03/31/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	7,590.74
04/15/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	66.41
04/20/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	3,787.17
04/24/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	7,590.74
05/22/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	9,339.60

EL PASO ELECTRIC COMPANY
2021 RATE CASE FILING
SCHEDULE G-2 2 POSTRETIREMENT BENEFITS OTHER THAN PENSION
SPONSOR: CYNTHIA S PRIETO
PREPARER. MYRNA A. ORTIZ
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

[redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
05/26/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	3,817.97
05/29/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	5,455.05
07/01/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	2,579.00
07/08/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	11,414.07
07/14/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	133.49

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

PAGE 130
[redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
07/29/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	8,384.22
07/30/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	3,787.41
07/31/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	7,775.88
08/26/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	1,420.40
09/25/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	7,067.76

2440

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

PAGE 131 [redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
09/25/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	575.27
09/29/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	294.62
10/21/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	1,855.28
10/22/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	1,237.25
10/22/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	1,625.25

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

[redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
10/22/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	5,485.73
11/03/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	3,297.77
11/12/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	3,775.16
11/13/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	240.36
11/17/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	7,404.32

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

PAGE 133
[redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
11/17/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	6,770.55
11/18/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	1,414.00
11/25/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	3,480.50
12/02/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [redacted]	409.98
	TOTAL TRANSFER FROM CHECKING ACCOUNT	158,543.05
	TOTAL OTHER RECEIPTS	3,926,993.06

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EL PASO ELECTRIC COMPANY
POST-RETIREMENT LIFE INSURANCE TRUST
BASE CURRENCY: USD

DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
CONTRIBUTIONS		
EMPLOYER CONTRIBUTION		
07/28/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION INITIAL FUNDING [redacted]	5,000.00
	TOTAL EMPLOYER CONTRIBUTION	5,000.00
	TOTAL CONTRIBUTIONS	5,000.00
OTHER RECEIPTS		
INTERFUND TRANSFER RECEIPTS		
09/09/20	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT [redacted]	441,427.73
09/11/20	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT ASSET TRANSFER FROM ACCOUNT [redacted]	4,987,086.34
	TOTAL INTERFUND TRANSFER RECEIPTS	5,428,514.07
TRANSFER FROM CHECKING ACCOUNT		
10/02/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM ELPASOELECEC WELLS FARGO BANK THE ELECTRIC COMPANY EPE [redacted]	3,787.17

2444

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EL PASO ELECTRIC COMPANY
POST-RETIREMENT LIFE INSURANCE TRUST
BASE CURRENCY: USD

PAGE 24
[redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
10/27/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM ELPASOELECEC WELLS FARGO BANK [redacted]	353.26
11/03/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM ELPASOELECEC WELLS FARGO BANK THE ELECTRIC COMPANY EPE [redacted]	3,787.17
11/03/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM ELPASOELECEC WELLS FARGO BANK THE ELECTRIC COMPANY EPE [redacted]	3,787.17
11/25/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM ELPASOELECEC WELLS FARGO BANK THE ELECTRIC COMPANY EPE [redacted]	3,799.47
12/29/20	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM ELPASOELECEC WELLS FARGO BANK THE ELECTRIC COMPANY EPE [redacted]	3,811.77
	TOTAL TRANSFER FROM CHECKING ACCOUNT	19,326.01

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EL PASO ELECTRIC COMPANY
COLLECTIVELY BARGAINED

PAGE [redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
12/09/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 11/20 - 12/20	560.06
12/09/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 01/20 - 10/20	7,548.66
12/09/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 06/20 - 9/20	2,508.17
12/09/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 10/20/ - 11/20	6,724.71
12/09/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 05/20 - 6/20	5,012.60
12/21/20	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM RETIREE MEDICAL PREMIUMS 11/20 - 12/20	6,051.93
	TOTAL EMPLOYEE CONTRIBUTION	185,164.32
EMPLOYEE ROTH		
12/07/20	ADDITION TO ACCOUNT EMPLOYEE ROTH ARM RETIREE MEDICAL PREMIUMS 06/20 - 7/20	5,767.46
	TOTAL EMPLOYEE ROTH	5,767.46
EMPLOYER CONTRIBUTION		
07/28/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION INITIAL FUNDING	5,000.00
	TOTAL EMPLOYER CONTRIBUTION	5,000.00
	TOTAL CONTRIBUTIONS	195,931.78

WELLS FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC 401(H) RETIREE HEALTH
CARE ACCOUNT

PAGE 16
[redacted]
DECEMBER 31,2019
THROUGH DECEMBER 31,2020

DATE	DESCRIPTION	
EMPLOYER CONTRIBUTION		
09/02/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION	37,500.00
10/02/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION	37,500.00
11/03/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION	37,500.00
12/02/20	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION	37,500.00
	TOTAL EMPLOYER CONTRIBUTION	150,000.00
	TOTAL CONTRIBUTIONS	159,574.66
OTHER RECEIPTS		
RECEIPT FROM PRIOR TRUSTEE/CUSTODIAN		
07/28/20	ADDITION TO ACCOUNT CASH-PRIOR TRUSTEE/CUSTODIAN	5,000.00
	TOTAL RECEIPT FROM PRIOR TRUSTEE/CUSTODIAN	5,000.00
	TOTAL OTHER RECEIPTS	5,000.00

MEMORANDUM

TO: TREASURY SERVICES
FROM: NATHAN HIRSCHI
DATE: January 7, 2019

2019 Wire Transfer – Contribution to VEBA

Please use this memorandum as your authority to wire transfer 12 monthly payments of $37,500 each (for January thru December 2019) for a total of $450,000. This amount represents additional contributions to the VEBA Trust. These individual transactions should take place at the beginning of each respective month until further notice.

Please deposit as follows:

Bank Name: Wells Fargo Bank, N.A.

ABA: [redacted]

BNF: Trust Wire Clearing

BNFA: [redacted]

Amount: 12 transfers in the amount of $37,500 each (for January thru December 2019) (for a total of $450,000.00)

Wells Fargo Client Account Name: EPEC VEBA TRUST
Attention: Crystal M. Sanders
[redacted]

These monies should be expensed as follows:
W/O AP7630990000 ACCOUNT 228310 EXPENSE TYPE 250 COST CENTER 9990

Prepared by: Myrna Ortiz 1/7/19

Approved by: Russell H. Hixon 1-7-19

Note: $450,000 Estimated 2019 VEBA Employer Contributions is based on the Expense Requested per New Mexico Rate Case No. 15-00127 and the 2019 RIP and VEBA Contributions Memo.
Discussed w/ PWC on 12/6/18.

SNS 1/7/19
MO 1/7/19

Sanchez, Pamela K

From:	Davis, Candance
Sent:	Wednesday, January 9, 2019 12:28 PM
To:	Kelley, Mayra; Ortiz, Myrna A; Schyberg, Leana; Sierra, Steven A; Thompson, Lori
Subject:	Veba Trust

	ACH Transfer Confirmation
Crediting:	**Trust Wire Clearing**
Account:	[redacted]
Bank:	**Wells Fargo Bank S.F.**
	37,500.00
Amount:	**$37,500.00**
For:	**Retiree's Medical Deductions to the VEBA Trust** [redacted]
Date of Transfer:	**1/9/2019**

El Paso Electric

Candance Davis | El Paso Electric Company
Cash Management
P O Box 982 | El Paso Texas, 79960
T (915) 521-4731 | F (915) 543-2204
candance.davis@epelectric.com

Sanchez, Pamela K

From:	Gomez, Guadalupe J
Sent:	Monday, February 4, 2019 2:23 PM
To:	Kelley, Mayra; Ortiz, Myrna A; Schyberg, Leana; Sierra, Steven A; Thompson, Lori
Subject:	Veba Trust

	ACH Transfer Confirmation
Crediting:	**Trust Wire Clearing**
Account:	[redacted]
Bank:	**Wells Fargo Bank S.F.**
Amount:	**$37,500.00**
For:	**Retiree's Medical Deductions to the VEBA Trust** [redacted]
Date of Transfer:	**2/4/2019**

El Paso Electric

Lupe J. Gomez | El Paso Electric Company
Cash Management
P.O Box 982 | El Paso Texas, 79960
T (915) 543-2073 | F (915) 543-2204
lupe.gomez@epelectric.com