



Control Number: 52195



Item Number: 1

Addendum StartPage: 0

Line No	(a) FERC Account	(b) Description	Jan-20			Feb-20			Mar-20			Apr-20		
			(c) Eligible Expense (\$)	(d) Non-Eligible Expense (\$)	(e) Total (\$)	(f) Eligible Expense (\$)	(g) Non-Eligible Expense (\$)	(h) Total (\$)	(i) Eligible Expense (\$)	(j) Non-Eligible Expense (\$)	(k) Total (\$)	(l) Eligible Expense (\$)	(m) Non-Eligible Expense (\$)	(n) Total (\$)
		<u>501 Fuel</u>												
1	501	Gas - Newman (B)	4,159,819	0	4,159,819	2,083,073	0	2,083,073	1,856,983	0	1,856,983	1,565,403	0	1,565,403
2	501	Oil - Newman	0	0	0	19,940	0	19,940	0	0	0	0	0	0
3	501	Gas - Rio Grande (B)	276,116	0	276,116	223,660	0	223,660	396,740	0	396,740	400,216	0	400,216
4	501	Oil - Rio Grande	0	0	0	0	0	0	0	0	0	0	0	0
5	501	Coal Reclamation - Four Corners (A)	55,044	0	55,044	55,044	0	55,044	55,044	0	55,044	55,044	0	55,044
6		Total Account 501	4,490,979	0	4,490,979	2,381,717	0	2,381,717	2,308,767	0	2,308,767	2,020,663	0	2,020,663
		<u>518 Nuclear Fuel</u>												
7	518	Palo Verde Unit 1	1,370,577	0	1,370,577	1,286,930	0	1,286,930	1,369,273	0	1,369,273	1,330,475	0	1,330,475
8	518	Palo Verde Unit 2	1,276,946	0	1,276,946	1,199,033	0	1,199,033	1,093,032	0	1,093,032	267,047	0	267,047
9	518	Palo Verde Unit 3	1,201,429	0	1,201,429	777,192	0	777,192	1,209,837	0	1,209,837	1,174,813	0	1,174,813
10	518	Dry Cask Storage												
11		Unit 1	0	0	0	0	0	0	23,000	0	23,000	(301,986)	0	(301,986)
12		Unit 2	0	0	0	0	0	0	23,000	0	23,000	(189,073)	0	(189,073)
13		Unit 3	0	0	0	0	0	0	23,000	0	23,000	(474,284)	0	(474,284)
14		Total Dry Cask Storage	0	0	0	0	0	0	69,000	0	69,000	(965,343)	0	(965,343)
15	518	RCF - Issuance Costs												
16		Unit 1	0	0	0	0	0	0	12,903	0	12,903	0	0	0
17		Unit 2	0	0	0	0	0	0	9,090	0	9,090	0	0	0
18		Unit 3	0	0	0	0	0	0	12,217	0	12,217	0	0	0
19		Total RCF Issuance	0	0	0	0	0	0	34,210	0	34,210	0	0	0
20		Total Account 518	3,848,952	0	3,848,952	3,263,155	0	3,263,155	3,775,352	0	3,775,352	1,806,992	0	1,806,992
		<u>547 Fuel</u>												
21	547	Gas - Rio Grande 9	380,190	0	380,190	276,146	0	276,146	89,056	0	89,056	74,454	0	74,454
22	547	Oil - Rio Grande 9	0	0	0	0	0	0	0	0	0	0	0	0
23	547	Gas - Copper	15,023	0	15,023	122,359	0	122,359	81,489	0	81,489	115,800	0	115,800
24	547	Oil - Copper	0	0	0	0	0	0	0	0	0	0	0	0
25	547	Gas - Montana	1,071,324	0	1,071,324	1,225,381	0	1,225,381	571,983	0	571,983	713,179	0	713,179
26	547	Diesel - Montana	0	0	0	0	0	0	0	0	0	0	0	0
27		Total Account 547	1,466,537	0	1,466,537	1,623,886	0	1,623,886	742,528	0	742,528	903,433	0	903,433
28		Total Fuel By Account	9,806,468	0	9,806,468	7,268,758	0	7,268,758	6,826,647	0	6,826,647	4,731,088	0	4,731,088

Notes:

- All costs are considered variable except for Dry Cask Storage which is semi-variable and Coal Reclamation - Four Corners which is fixed, as addressed in EPE witness Borden's direct testimony
- (A) Eligible expense represents recovery of final coal reclamation costs directly assigned to Texas pursuant to PUC Docket No. 46308. EPE sold its interest in Four Corners in July 2016.
- (B) Includes EPNG refund for Newman, Rio Grande and Montana of \$75,242, \$22,174 and \$25,767 respectively recorded in April 2020. Amounts may not add or agree to other schedules due to rounding.

		May-20			Jun-20			Jul-20			Aug-20			
Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
No	FERC Account	Description	Eligible Expense (\$)	Non-Eligible Expense (\$)	Total (\$)	Eligible Expense (\$)	Non-Eligible Expense (\$)	Total (\$)	Eligible Expense (\$)	Non-Eligible Expense (\$)	Total (\$)	Eligible Expense (\$)	Non-Eligible Expense (\$)	Total (\$)
<u>501 Fuel</u>														
1	501	Gas - Newman	4,224,284	0	4,224,284	4,778,087	0	4,778,087	5,014,052	0	5,014,052	5,079,140	0	5,079,140
2	501	Oil - Newman	0	0	0	0	0	0	0	0	0	0	0	0
3	501	Gas - Rio Grande	895,037	0	895,037	262,361	0	262,361	853,255	0	853,255	754,321	0	754,321
4	501	Oil - Rio Grande	0	0	0	0	0	0	0	0	0	0	0	0
5	501	Coal Reclamation - Four Corners (A)	55,044	0	55,044	55,044	0	55,044	55,044	0	55,044	55,044	0	55,044
6		Total Account 501	5,174,365	0	5,174,365	5,095,492	0	5,095,492	5,922,351	0	5,922,351	5,888,505	0	5,888,505
<u>518 Nuclear Fuel</u>														
7	518	Palo Verde Unit 1	1,378,709	0	1,378,709	1,337,744	0	1,337,744	1,385,768	0	1,385,768	1,386,466	0	1,386,466
8	518	Palo Verde Unit 2	946,352	0	946,352	1,128,436	0	1,128,436	1,170,045	0	1,170,045	1,173,093	0	1,173,093
9	518	Palo Verde Unit 3	1,217,315	0	1,217,315	1,180,966	0	1,180,966	1,225,035	0	1,225,035	1,261,251	0	1,261,251
10	518	Dry Cask Storage												
11		Unit 1	0	0	0	30,000	0	30,000	34,000	0	34,000	28,500	0	28,500
12		Unit 2	0	0	0	30,000	0	30,000	34,000	0	34,000	28,500	0	28,500
13		Unit 3	0	0	0	30,000	0	30,000	34,000	0	34,000	28,500	0	28,500
14		Total Dry Cask Storage	0	0	0	90,000	0	90,000	102,000	0	102,000	85,500	0	85,500
15	518	RCF - Issuance Costs												
16		Unit 1	0	0	0	13,101	0	13,101	0	0	0	0	0	0
17		Unit 2	0	0	0	9,003	0	9,003	0	0	0	0	0	0
18		Unit 3	0	0	0	12,668	0	12,668	0	0	0	0	0	0
19		Total RCF Issuance	0	0	0	34,772	0	34,772	0	0	0	0	0	0
20		Total Account 518	3,542,376	0	3,542,376	3,771,918	0	3,771,918	3,882,848	0	3,882,848	3,906,310	0	3,906,310
<u>547 Fuel</u>														
21	547	Gas - Rio Grande 9	507,420	0	507,420	536,449	0	536,449	586,376	0	586,376	355,399	0	355,399
22	547	Oil - Rio Grande 9	0	0	0	0	0	0	0	0	0	0	0	0
23	547	Gas - Copper	181,448	0	181,448	321,894	0	321,894	436,479	0	436,479	85,480	0	85,480
24	547	Oil - Copper	0	0	0	0	0	0	0	0	0	0	0	0
25	547	Gas - Montana	1,231,824	0	1,231,824	1,435,273	0	1,435,273	1,725,074	0	1,725,074	1,776,569	0	1,776,569
26	547	Diesel - Montana	0	0	0	0	0	0	0	0	0	0	0	0
27		Total Account 547	1,920,692	0	1,920,692	2,293,616	0	2,293,616	2,747,929	0	2,747,929	2,217,448	0	2,217,448
28		Total Fuel By Account	10,637,433	0	10,637,433	11,161,026	0	11,161,026	12,553,128	0	12,553,128	12,012,263	0	12,012,263

Notes:

- All costs are considered variable except for Dry Cask Storage which is semi-variable and Coal Reclamation -Four Corners which is fixed, as addressed in EPE witness Borden's direct testimony
- (A) Eligible expense represents recovery of final coal reclamation costs directly assigned to Texas pursuant to PUC Docket No. 46308. EPE sold its interest in Four Corners in July 2016.
- (B) Includes EPNG refund for Newman, Rio Grande and Montana of \$75,242, \$22,174 and \$25,767 respectively recorded in April 2020. Amounts may not add or agree to other schedules due to rounding.

			Sep-20			Oct-20			Nov-20			Dec-20		
Line	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
No	FERC		Eligible	Non-Eligible		Eligible	Non-Eligible		Eligible	Non-Eligible		Eligible	Non-Eligible	
	Account	Description	Expense (\$)	Expense (\$)	Total (\$)	Expense (\$)	Expense (\$)	Total (\$)	Expense (\$)	Expense (\$)	Total (\$)	Expense (\$)	Expense (\$)	Total (\$)
<u>501 Fuel</u>														
1	501	Gas - Newman	5,381,443	0	5,381,443	2,956,390	0	2,956,390	5,120,768	0	5,120,768	6,761,991	0	6,761,991
2	501	Oil - Newman	0	0	0	0	0	0	0	0	0	(6,316)	0	(6,316)
3	501	Gas - Rio Grande	1,114,659	0	1,114,659	926,372	0	926,372	2,182,480	0	2,182,480	1,516,961	0	1,516,961
4	501	Oil - Rio Grande	0	0	0	0	0	0	0	0	0	0	0	0
5	501	Coal Reclamation - Four Corners (A)	55,044	0	55,044	55,044	0	55,044	55,044	0	55,044	55,044	0	55,044
6		Total Account 501	6,551,146	0	6,551,146	3,937,806	0	3,937,806	7,358,292	0	7,358,292	8,327,680	0	8,327,680
<u>518 Nuclear Fuel</u>														
7	518	Palo Verde Unit 1	1,347,341	0	1,347,341	401,326	0	401,326	0	0	0	1,053,097	0	1,053,097
8	518	Palo Verde Unit 2	1,137,533	0	1,137,533	1,178,502	0	1,178,502	1,141,840	0	1,141,840	1,182,057	0	1,182,057
9	518	Palo Verde Unit 3	1,223,389	0	1,223,389	1,267,093	0	1,267,093	1,228,929	0	1,228,929	1,272,809	0	1,272,809
10	518	Dry Cask Storage												
11		Unit 1	32,000	0	32,000	49,000	0	49,000	17,000	0	17,000	(318,045)	0	(318,045)
12		Unit 2	32,000	0	32,000	49,000	0	49,000	17,000	0	17,000	266,425	0	266,425
13		Unit 3	32,000	0	32,000	49,000	0	49,000	17,000	0	17,000	683,416	0	683,416
14		Total Dry Cask Storage	96,000	0	96,000	147,000	0	147,000	51,000	0	51,000	631,796	0	631,796
15	518	RCF - Issuance Costs												
16		Unit 1	13,101	0	13,101	0	0	0	0	0	0	23,741	0	23,741
17		Unit 2	9,003	0	9,003	0	0	0	0	0	0	14,371	0	14,371
18		Unit 3	12,668	0	12,668	0	0	0	0	0	0	28,046	0	28,046
19		Total RCF Issuance	34,772	0	34,772	0	0	0	0	0	0	66,158	0	66,158
20		Total Account 518	3,839,035	0	3,839,035	2,993,921	0	2,993,921	2,421,769	0	2,421,769	4,205,917	0	4,205,917
<u>547 Fuel</u>														
21	547	Gas - Rio Grande 9	194,946	0	194,946	5,652	0	5,652	0	0	0	0	0	0
22	547	Oil - Rio Grande 9	0	0	0	0	0	0	0	0	0	0	0	0
23	547	Gas - Copper	3,655	0	3,655	112	0	112	112	0	112	112	0	112
24	547	Oil - Copper	0	0	0	0	0	0	0	0	0	0	0	0
25	547	Gas - Montana	1,132,147	0	1,132,147	1,118,199	0	1,118,199	979,721	0	979,721	1,464,071	0	1,464,071
26	547	Diesel - Montana	0	0	0	0	0	0	0	0	0	42	0	42
27		Total Account 547	1,330,748	0	1,330,748	1,123,963	0	1,123,963	979,833	0	979,833	1,464,225	0	1,464,225
28		Total Fuel By Account	11,720,929	0	11,720,929	8,055,690	0	8,055,690	10,759,894	0	10,759,894	13,997,822	0	13,997,822

Notes:

- All costs are considered variable except for Dry Cask Storage which is semi-variable and Coal Reclamation -Four Corners which is fixed, as addressed in EPE witness Borden's direct testimony
- (A) Eligible expense represents recovery of final coal reclamation costs directly assigned to Texas pursuant to PUC Docket No 46308 EPE sold its interest in Four Corners in July 2016
- (B) Includes EPNG refund for Newman, Rio Grande and Montana of \$75,242, \$22,174 and \$25,767 respectively recorded in April 2020
- Amounts may not add or agree to other schedules due to rounding

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-1.1 FUEL BY ACCOUNT NUMBER
SPONSOR JENNIFER I BORDEN
PREPARERS ANA BOISSELIER / ALEJANDRA MONTALVO
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

Total Test Year					
Line No	(a) FERC Account	(b) Description	(c) Eligible Expense (\$)	(d) Non-Eligible Expense (\$)	(e) Total (\$)
		<u>501 Fuel</u>			
1	501	Gas - Newman	48,981,433	0	48,981,433
2	501	Oil - Newman	13,624	0	13,624
3	501	Gas - Rio Grande	9,802,178	0	9,802,178
4	501	Oil - Rio Grande	0	0	0
5	501	Coal Reclamation - Four Corners	660,528	0	660,528
6		Total Account 501	59,457,763	0	59,457,763
		<u>518 Nuclear Fuel</u>			
7	518	Palo Verde Unit 1	13,647,706	0	13,647,706
8	518	Palo Verde Unit 2	12,893,916	0	12,893,916
9	518	Palo Verde Unit 3	14,240,058	0	14,240,058
10	518	Dry Cask Storage			
11		Unit 1	(406,531)	0	(406,531)
12		Unit 2	290,852	0	290,852
13		Unit 3	422,632	0	422,632
14		Total Dry Cask Storage	306,953	0	306,953
15	518	RCF - Issuance Costs			
16		Unit 1	62,846	0	62,846
17		Unit 2	41,467	0	41,467
18		Unit 3	65,599	0	65,599
19		Total RCF Issuance	169,912	0	169,912
20		Total Account 518	41,258,545	0	41,258,545
		<u>547 Fuel</u>			
21	547	Gas - Rio Grande 9	3,006,088	0	3,006,088
22	547	Oil - Rio Grande 9	0	0	0
23	547	Gas - Copper	1,363,963	0	1,363,963
24	547	Oil - Copper	0	0	0
25	547	Gas - Montana	14,444,745	0	14,444,745
26	547	Diesel - Montana	42	0	42
27		Total Account 547	18,814,838	0	18,814,838
28		Total Fuel By Account	119,531,146	0	119,531,146

Notes:

All costs are considered variable except for Dry Cask Storage which is semi-variable and Coal Reclamation -Four Corners which is fixed, as addressed in EPE witness Borden's direct testimony

(A) Eligible expense represents recovery of final coal reclamation costs directly assigned to Texas pursuant to PUC Docket No. 46308 EPE sold its interest in Four Corners in July 2016

(B) Includes EPNG refund for Newman, Rio Grande and Montana of \$75,242, \$22,174 and \$25,767 respectively recorded in April 2020
Amounts may not add or agree to other schedules due to rounding

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-1.2: FUEL BURNED (A)
SPONSOR: JENNIFER I. BORDEN
PREPARER: DENISE PEREZ
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-1 2
PAGE 1 OF 1

Line No.	(a) Description	(b) Jan 2020	(c) Feb 2020	(d) Mar 2020	(e) Apr 2020	(f) May 2020	(g) Jun 2020	(h) Jul 2020	(i) Aug 2020	(j) Sep 2020	(k) Oct 2020	(l) Nov 2020	(m) Dec 2020	(n) Total Test Year (B)
<u>Palo Verde Unit 1</u>														
<u>Nuclear</u>														
1	Expense (\$)	1,370,577	1,286,930	1,405,176	1,028,489	1,378,709	1,380,845	1,419,768	1,414,966	1,392,442	450,326	17,000	758,793	13,304,021
2	MMBtu Burned	1,598,205	1,495,325	1,597,508	1,547,029	1,598,308	1,545,882	1,596,693	1,593,130	1,544,994	444,370	0	1,373,312	15,934,756
3	Price per MMBtu (\$)	0.86	0.86	0.88	0.66	0.86	0.89	0.89	0.89	0.90	1.01	0.00	0.55	0.83
<u>Palo Verde Unit 2</u>														
<u>Nuclear</u>														
4	Expense (\$)	1,276,946	1,199,033	1,125,122	77,974	946,352	1,167,439	1,204,045	1,201,593	1,178,536	1,227,502	1,158,840	1,462,853	13,226,235
5	MMBtu Burned	1,596,941	1,494,592	1,352,047	151,393	1,317,920	1,546,063	1,597,586	1,598,019	1,546,652	1,597,844	1,546,089	1,597,715	16,942,861
6	Price per MMBtu (\$)	0.80	0.80	0.83	0.52	0.72	0.76	0.75	0.75	0.76	0.77	0.75	0.92	0.78
<u>Palo Verde Unit 3</u>														
<u>Nuclear</u>														
7	Expense (\$)	1,201,429	777,192	1,245,054	700,530	1,217,315	1,223,634	1,259,035	1,289,751	1,268,057	1,316,093	1,245,929	1,984,271	14,728,290
8	MMBtu Burned	1,597,942	1,041,755	1,598,412	1,546,636	1,598,407	1,545,568	1,598,216	1,598,148	1,546,631	1,598,134	1,546,021	1,598,024	18,413,894
9	Price per MMBtu (\$)	0.75	0.75	0.78	0.45	0.76	0.79	0.79	0.81	0.82	0.82	0.81	1.24	0.80

Notes

- (A) For purposes of this schedule, gas burned at the Newman, Rio Grande, Montana, and Copper Stations approximate purchases. See Schedule I-1.3 (Fossil Fuel Purchased) for gas burned at the Newman, Rio Grande, Montana, and Copper Stations. In any given month, burns may not agree with purchases, however, EPE balances current month differences in succeeding months. The Company sold its share of Four Corners Station in July 2016.
- (B) The Company is not requesting forecasted fuel expense, consequently test year fuel burned presented on this schedule is not adjusted. Please refer to Schedule A-3, Adjustment No. 2 Fuel and Purchased Power Expense. Please see the direct testimony of EPE Witness Borden.

Amounts may not add or tie to other schedules due to rounding.

SCHEDULE I-1 2
PAGE 1 OF 1

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-1.3 FOSSIL FUEL PURCHASED
SPONSOR DAVID C. HAWKINS
PREPARER ANA R. BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-1.3
PAGE 1 OF 5

NEWMAN (A)														
Line No	(a) Description	(b) 2020 January	(c) 2020 February	(d) 2020 March	(e) 2020 April	(f) 2020 May	(g) 2020 June	(h) 2020 July	(i) 2020 August	(j) 2020 September	(k) 2020 October	(l) 2020 November	(m) 2020 December	(n) Total Test Year (G)
1	Gas - Apache (\$)	40,039	127,540	43,532	71,450	169,861	229,323	30,545	0	55,629	1,673	0	0	769,592
2	Gas - MMBTU	59,459	363,848	54,488	83,407	110,655	160,390	22,098	0	34,734	4,290	0	0	893,369
3	Gas - Price / MMBTU (\$)	0.67	0.35	0.80	0.86	1.54	1.43	1.38	0.00	1.60	0.39	0.00	0.00	0.86
4	Gas - BP Energy Company (\$)	68,432	14,925	18,863	36,392	149,229	218,606	441,695	374,494	469,103	60,490	0	67,715	1,919,944
5	Gas - MMBTU	124,591	35,613	116,760	203,146	96,504	165,645	332,220	264,277	334,585	143,870	0	28,540	1,845,751
6	Gas - Price / MMBTU (\$)	0.55	0.42	0.16	0.18	1.55	1.32	1.33	1.42	1.40	0.42	0.00	2.37	1.04
7	Gas - Castleton Commodities (\$)	6,062	0	0	(44,903)	6,245	0	0	3,586	2,027	0	0	0	(26,983)
8	Gas - MMBTU	14,089	0	0	11,854	4,029	0	0	2,359	1,665	0	0	0	33,996
9	Gas - Price / MMBTU (\$)	0.43	0.00	0.00	(3.79)	1.55	0.00	0.00	1.52	1.22	0.00	0.00	0.00	(0.79)
10	Gas - Concord Energy LLC (\$)	0	0	0	0	0	0	0	0	0	0	0	3,969	3,969
11	Gas - MMBTU	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Gas - ConocoPhillips Co (\$)	242,036	38,675	14,143	6,018	55,924	254,259	112,549	26,261	117,972	48,911	8,067	22,081	946,896
14	Gas - MMBTU	255,741	95,754	94,779	272,926	390,863	599,671	280,526	118,835	180,431	339,296	4,212	8,239	2,641,273
15	Gas - Price / MMBTU (\$)	0.95	0.40	0.15	0.02	0.14	0.42	0.40	0.22	0.65	0.14	1.92	2.68	0.36
16	Gas - Direct Energy (\$)	0	0	0	0	0	0	0	0	0	25,843	0	0	25,843
17	Gas - MMBTU	0	0	0	0	0	0	0	0	0	8,411	0	0	8,411
18	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.07	0.00	0.00	3.07
19	Gas - Eco-Energy Natural Gas, LLC (\$)	311,640	0	0	133,731	536,587	631,956	426,607	506,033	811,531	153,725	1,296,025	1,394,492	6,002,327
20	Gas - MMBTU	256,494	0	0	553,863	932,944	951,781	793,327	853,742	885,320	646,969	544,882	554,271	6,973,593
21	Gas - Price / MMBTU (\$)	1.21	0.00	0.00	0.24	0.58	0.66	0.54	0.59	0.69	0.24	2.38	2.52	0.86
22	Gas - EDF Trading North America (\$)	3,310	0	0	0	0	0	0	0	0	0	0	0	3,310
23	Gas - MMBTU	8,274	0	0	0	0	0	0	0	0	0	0	0	8,274
24	Gas - Price / MMBTU (\$)	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40
25	Gas - Koch (\$)	633,066	109,144	(81,440)	35,664	2,496	347,173	445,450	493,011	442,805	493,481	39,606	867,190	3,827,646
26	Gas - MMBTU	530,363	281,662	361,956	237,618	124,820	365,445	444,797	462,093	407,687	360,114	16,726	377,449	3,970,730
27	Gas - Price / MMBTU (\$)	1.19	0.39	(0.22)	0.15	0.02	0.95	1.00	1.07	1.09	1.37	2.37	2.30	0.96
28	Gas - Mico (\$)	358,955	106,056	285,620	80,313	96,032	163,106	170,961	33,095	28,763	3,049	509,030	11,329	1,846,309
29	Gas - MMBTU	556,806	190,566	561,486	176,657	58,881	127,866	126,275	26,705	19,701	46,261	282,011	4,119	2,177,334
30	Gas - Price / MMBTU (\$)	0.64	0.56	0.51	0.45	1.63	1.28	1.35	1.24	1.46	0.07	1.81	2.75	0.85
31	Gas - Morgan (\$)	0	131,818	(50,595)	114,791	1,258,908	1,080,519	1,527,175	1,804,839	1,412,188	605,537	803,065	1,582,497	10,270,742
32	Gas - MMBTU	0	337,995	499,190	533,454	837,550	785,043	1,116,547	1,378,520	979,990	400,491	391,108	652,353	7,912,241
33	Gas - Price / MMBTU (\$)	0.00	0.39	(0.10)	0.22	1.50	1.38	1.37	1.31	1.44	1.51	2.05	2.43	1.30
34	Gas - Sequent (\$)	311,746	37,143	0	0	183,663	16,851	21,061	225,177	0	236,979	0	0	1,032,620
35	Gas - MMBTU	256,054	112,556	0	0	141,280	12,182	15,572	165,571	0	176,162	0	0	879,377
36	Gas - Price / MMBTU (\$)	1.22	0.33	0.00	0.00	1.30	1.38	1.35	1.36	0.00	1.35	0.00	0.00	1.17
37	Gas - Shell (\$)	173,800	6,172	(860)	0	41,719	106,164	44,565	16,767	256,117	1,896	0	0	646,330
38	Gas - MMBTU	154,944	27,642	39,688	0	27,543	78,855	40,767	18,527	172,764	4,168	0	0	564,808
39	Gas - Price / MMBTU (\$)	1.12	0.22	(0.02)	0.00	1.51	1.35	1.09	0.91	1.48	0.45	0.00	0.00	1.14
40	Gas - United (\$)	336,599	250,116	321,417	0	0	0	295,248	0	0	0	1,086,114	1,269,306	3,558,800
41	Gas - MMBTU	151,621	112,665	144,782	0	0	0	215,509	0	0	0	523,724	525,388	1,673,689
42	Gas - Price / MMBTU (\$)	2.22	2.22	2.22	0.00	0.00	0.00	1.37	0.00	0.00	0.00	2.07	2.42	2.13
43	Total - Gas (\$)	2,485,685	821,589	550,680	433,456	2,500,664	3,047,957	3,515,656	3,483,263	3,396,135	1,631,574	3,741,907	5,218,579	30,827,345
44	Total - MMBTU	2,368,436	1,558,301	1,873,139	2,072,925	2,725,069	3,246,878	3,387,638	3,290,629	3,016,877	2,130,032	1,762,663	2,150,359	29,582,946
45	Total - Price / MMBTU (\$)	1.05	0.53	0.29	0.21	0.92	0.94	1.04	1.06	1.13	0.77	2.12	2.43	1.04
46	Gas - Transportation (B)(C) (\$)	1,532,252	1,131,544	1,185,429	1,368,248	1,510,525	1,664,447	1,449,706	1,552,759	1,612,753	1,418,575	1,243,760	1,522,207	17,192,205
47	Gas - Storage Fees (D) (\$)	76,480	56,218	62,159	61,864	87,473	61,180	56,017	72,373	77,615	80,703	89,707	93,465	855,254
48	Oil - (\$)	0	0	0	0	0	0	0	0	0	0	0	(6,316)	(6,316)
49	Oil - MMBTU (E)(F)	0	0	0	0	0	0	0	0	0	0	0	(3,038)	(3,038)
50	Oil - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.08	2.08

Notes

- (A) May include negative gas pricing
(B) Excludes city franchise tax fees paid to Oneok West Texas Transmission
(C) Represents Gas Transportation Invoices from El Paso Natural Gas and Oneok West Texas Transmission
(D) Represents Gas Storage Fees paid to Kinder Morgan and Oneok Texas Gas Storage
(E) The conversion factor used for Barrels to MMBtu is from the Aonli 2017 Newman Certificate of Analysis
(F) Includes evaporation and temperature fluctuations
(G) The Company is not requesting forecasted fuel expense, consequently test year fuel burned presented on this schedule is not adjusted Please refer to Schedule A-3, Adjustment No. 2 Fuel and Purchased Power Expense
Please see the direct testimony of EPE witness Jennifer I. Borden

Amounts may not add or agree to other schedules due to rounding

SCHEDULE I-1.3
PAGE 1 OF 5

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-1.3 FOSSIL FUEL PURCHASED
SPONSOR: DAVID C. HAWKINS
PREPARER: ANA R. BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-1.3
PAGE 2 OF 5

RIO GRANDE (A) (B)														
Line No	(a) Description	(b) 2020 January	(c) 2020 February	(d) 2020 March	(e) 2020 April	(f) 2020 May	(g) 2020 June	(h) 2020 July	(i) 2020 August	(j) 2020 September	(k) 2020 October	(l) 2020 November	(m) 2020 December	(n) Total Test Year (E)
1	Gas - Apache (\$)	0	1,375	0	0	78,270	0	622	538	0	0	0	0	80,805
2	Gas - MMBTU	0	10,000	0	0	53,100	0	518	633	0	0	0	0	84,251
3	Gas - Price / MMBTU (\$)	0.00	0.14	0.00	0.00	1.47	0.00	1.20	0.85	0.00	0.00	0.00	0.00	1.26
4	Gas - BP Energy Company (\$)	6,127	56,314	32,617	3,146	179,586	0	0	346	0	0	0	16,754	294,890
5	Gas - MMBTU	17,400	94,473	82,700	27,533	119,999	0	0	209	0	0	0	6,205	348,519
6	Gas - Price / MMBTU (\$)	0.35	0.60	0.39	0.11	1.50	0.00	0.00	1.66	0.00	0.00	0.00	2.70	0.85
7	Gas - Castleton Commodities (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Gas - MMBTU	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Gas - Concord Energy LLC (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Gas - MMBTU	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Gas - ConocoPhillips Co (\$)	3,300	19,023	4,196	56,387	0	42,000	902,571	518,977	21,000	0	0	0	1,569,454
14	Gas - MMBTU	5,500	53,332	14,852	602,900	465,001	380,000	1,201,327	1,062,202	750,000	572,386	0	0	5,107,500
15	Gas - Price / MMBTU (\$)	0.60	0.36	0.28	0.10	0.00	0.11	0.75	0.49	0.03	0.00	0.00	0.00	0.31
16	Gas - Direct Energy (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Gas - MMBTU	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Gas - Eco-Energy Natural Gas, LLC (\$)	9,000	3,250	1,500	0	0	0	0	0	0	0	0	0	13,750
20	Gas - MMBTU	12,000	5,000	5,000	0	0	0	0	0	0	0	0	0	22,000
21	Gas - Price / MMBTU (\$)	0.75	0.65	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.63
22	Gas - EDF Trading North America (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Gas - MMBTU	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25	Gas - Koch (\$)	0	0	0	0	410,905	0	12,240	0	0	254,827	1,438,417	25,778	2,142,167
26	Gas - MMBTU	0	0	0	0	341,000	0	9,000	0	0	327,591	796,907	9,045	1,483,543
27	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	1.21	0.00	1.36	0.00	0.00	0.78	1.80	2.85	1.44
28	Gas - Mico (\$)	9,162	91,977	38,447	420	14,800	0	0	0	0	0	86,416	0	241,222
29	Gas - MMBTU	12,746	242,183	73,430	7,001	10,000	0	0	0	0	0	47,876	0	393,236
30	Gas - Price / MMBTU (\$)	0.72	0.38	0.52	0.06	1.48	0.00	0.00	0.00	0.00	0.00	1.80	0.00	0.61
31	Gas - Morgan (\$)	0	0	(102,187)	(16,609)	133,812	404,878	0	9,332	0	(632)	2,067	117,229	547,890
32	Gas - MMBTU	0	0	525,000	84,967	85,000	264,626	0	20,328	0	4,424	1,060	52,007	1,037,412
33	Gas - Price / MMBTU (\$)	0.00	0.00	(0.19)	(0.20)	1.57	1.53	0.00	0.46	0.00	(0.14)	1.95	2.25	0.53
34	Gas - Sequent (\$)	2,700	0	0	0	0	0	0	0	0	0	0	0	2,700
35	Gas - MMBTU	4,500	0	0	0	0	0	0	0	0	0	0	0	4,500
36	Gas - Price / MMBTU (\$)	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60
37	Gas - Shell (\$)	366,930	2	(1,801)	0	0	0	0	650	0	0	0	0	365,781
38	Gas - MMBTU	302,000	9	31,300	0	0	0	0	718	0	0	0	0	334,027
39	Gas - Price / MMBTU (\$)	1.22	0.22	(0.06)	0.00	0.00	0.00	0.00	0.91	0.00	0.00	0.00	0.00	1.10
40	Gas - United (\$)	0	0	0	0	0	0	0	0	688,500	0	26,288	1,018,418	1,733,206
41	Gas - MMBTU	0	0	0	0	0	0	0	0	300,000	0	13,307	444,724	758,031
42	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.30	0.00	1.98	2.29	2.29
43	Total - Gas (\$)	397,219	171,941	(27,228)	45,344	817,373	446,878	915,433	529,843	709,500	254,195	1,553,188	1,178,179	6,991,865
44	Total - MMBTU	354,146	404,997	732,282	722,401	1,074,100	644,626	1,210,845	1,084,090	1,050,000	904,401	859,150	511,981	9,553,019
45	Total - Price / MMBTU (\$)	1.12	0.42	(0.04)	0.06	0.76	0.69	0.76	0.49	0.68	0.28	1.81	2.30	0.73
46	Gas - Transportation (C) (\$)	226,017	296,831	455,544	460,779	552,444	321,774	495,812	476,468	523,123	558,705	599,156	357,216	5,323,869
47	Gas - Storage Fees (D) (\$)	24,667	24,666	24,684	25,229	24,666	24,667	24,710	24,763	24,752	25,201	25,333	25,377	298,715
48	Oil - (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
49	Oil - MMBTU	0	0	0	0	0	0	0	0	0	0	0	0	0
50	Oil - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes

- (A) May include negative gas pricing
(B) New Mexico Gross Receipts/Compensating Tax has been excluded from the above amounts
(C) Represents Gas Transportation invoices from El Paso Natural Gas
(D) Represents Gas Storage Fees paid to Kinder Morgan
(E) The Company is not requesting forecasted fuel expense, consequently test year fuel burned presented on this schedule is not adjusted. Please refer to Schedule A-3, Adjustment No. 2 Fuel and Purchased Power Expense. Please see the direct testimony of EPE witness Jennifer I. Borden.

Amounts may not add or agree to other schedules due to rounding

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-1.3. FOSSIL FUEL PURCHASED
SPONSOR DAVID C HAWKINS
PREPARER ANA R BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-1.3
PAGE 3 OF 5

MONTANA (A)														
Line No	(a) Description	(b) 2020 January	(c) 2020 February	(d) 2020 March	(e) 2020 April	(f) 2020 May	(g) 2020 June	(h) 2020 July	(i) 2020 August	(j) 2020 September	(k) 2020 October	(l) 2020 November	(m) 2020 December	(n) Total Test Year (E)
1	Gas - Apache (\$)	8,352	69,433	12,393	28,606	40,441	53,060	8,686	0	12,770	316	0	0	234,057
2	Gas - MMBTU	12,404	198,080	15,512	33,393	26,345	37,110	6,284	0	7,974	810	0	0	337,912
3	Gas - Price / MMBTU (\$)	0.67	0.35	0.80	0.86	1.54	1.43	1.38	0.00	1.60	0.39	0.00	0.00	0.69
4	Gas - BP Energy Company (\$)	14,275	8,125	5,370	14,570	35,529	50,580	125,599	116,324	107,687	11,428	0	14,473	503,960
5	Gas - MMBTU	25,990	19,388	33,240	81,332	22,976	38,326	94,469	82,089	76,807	27,180	0	6,100	507,897
6	Gas - Price / MMBTU (\$)	0.55	0.42	0.16	0.18	1.55	1.32	1.33	1.42	1.40	0.42	0.00	2.37	0.99
7	Gas - Castleton Commodities (\$)	1,265	0	0	(17,977)	1,487	0	0	1,114	465	0	0	0	(13,646)
8	Gas - MMBTU	2,939	0	0	4,746	959	0	0	733	382	0	0	0	9,759
9	Gas - Price / MMBTU (\$)	0.43	0.00	0.00	(3.79)	1.55	0.00	0.00	1.52	1.22	0.00	0.00	0.00	(1.40)
10	Gas - Concord Energy LLC (\$)	0	0	0	0	0	0	0	0	0	0	0	848	848
11	Gas - MMBTU	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Gas - ConocoPhillips Co (\$)	148,346	21,055	4,026	2,409	13,315	246,602	32,004	8,157	27,081	9,240	1,508	4,719	518,462
14	Gas - MMBTU	140,720	52,129	26,982	109,270	93,058	267,802	79,770	36,912	41,419	64,100	788	1,761	914,711
15	Gas - Price / MMBTU (\$)	1.05	0.40	0.15	0.02	0.14	0.92	0.40	0.22	0.65	0.14	1.91	2.68	0.57
16	Gas - Direct Energy (\$)	0	0	0	0	0	0	0	0	0	4,882	0	0	4,882
17	Gas - MMBTU	0	0	0	0	0	0	0	0	0	1,589	0	0	1,589
18	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.07	0.00	0.00	3.07
19	Gas - Eco-Energy Natural Gas, LLC (\$)	65,010	0	0	53,541	127,752	146,219	280,390	273,349	316,609	29,042	288,451	269,790	1,850,153
20	Gas - MMBTU	53,506	0	0	221,747	222,119	220,219	341,918	350,918	308,758	122,225	124,836	105,962	2,072,208
21	Gas - Price / MMBTU (\$)	1.22	0.00	0.00	0.24	0.58	0.66	0.82	0.78	1.03	0.24	2.31	2.55	0.89
22	Gas - EDF Trading North America (\$)	690	0	0	0	0	0	0	0	0	0	0	0	690
23	Gas - MMBTU	1,726	0	0	0	0	0	0	0	0	0	0	0	1,726
24	Gas - Price / MMBTU (\$)	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40
25	Gas - Koch (\$)	132,061	59,418	(23,185)	26,433	594	80,327	126,667	153,137	101,650	93,228	7,404	185,353	943,087
26	Gas - MMBTU	110,637	153,338	103,044	141,882	29,717	84,555	126,481	143,533	93,588	68,033	3,127	80,676	1,138,611
27	Gas - Price / MMBTU (\$)	1.19	0.39	(0.23)	0.19	0.02	0.95	1.00	1.07	1.09	1.37	2.37	2.30	0.83
28	Gas - Mico (\$)	74,880	57,737	81,312	32,154	22,864	37,739	48,614	10,280	6,803	576	95,160	2,421	470,340
29	Gas - MMBTU	116,153	103,744	159,848	70,727	14,018	29,585	35,907	8,295	4,522	8,740	52,720	881	605,140
30	Gas - Price / MMBTU (\$)	0.64	0.56	0.51	0.45	1.63	1.28	1.35	1.24	1.46	0.07	1.81	2.75	0.78
31	Gas - Morgan (\$)	0	71,762	(30,547)	45,958	299,725	250,006	434,262	560,612	324,180	114,398	150,128	338,242	2,558,726
32	Gas - MMBTU	0	184,005	201,903	213,576	199,407	181,640	317,498	428,191	224,965	75,660	73,115	139,434	2,239,394
33	Gas - Price / MMBTU (\$)	0.00	0.39	(0.15)	0.22	1.50	1.38	1.37	1.31	1.44	1.51	2.05	2.43	1.14
34	Gas - Sequent (\$)	65,032	30,419	0	0	136,549	3,899	5,989	69,943	0	133,973	0	0	445,804
35	Gas - MMBTU	53,414	92,178	0	0	105,038	2,819	4,428	51,429	0	98,156	0	0	407,462
36	Gas - Price / MMBTU (\$)	1.22	0.33	0.00	0.00	1.30	1.38	1.35	1.36	0.00	1.36	0.00	0.00	1.09
37	Gas - Shell (\$)	36,256	3,360	(245)	0	9,933	24,564	12,672	5,208	58,794	356	0	0	150,898
38	Gas - MMBTU	32,322	15,049	11,302	0	6,557	18,245	11,593	5,755	39,659	788	0	0	141,270
39	Gas - Price / MMBTU (\$)	1.12	0.22	(0.02)	0.00	1.51	1.35	1.09	0.90	1.48	0.45	0.00	0.00	1.07
40	Gas - United (\$)	70,216	136,164	91,503	0	0	0	83,956	0	0	0	203,042	271,301	856,182
41	Gas - MMBTU	31,629	61,335	41,218	0	0	0	61,282	0	0	0	97,907	112,296	405,667
42	Gas - Price / MMBTU (\$)	2.22	2.22	2.22	0.00	0.00	0.00	1.37	0.00	0.00	0.00	2.07	2.42	2.11
43	Total - Gas (\$)	616,383	457,473	140,627	185,694	688,189	892,996	1,158,839	1,198,124	955,839	397,439	745,693	1,087,147	8,524,443
44	Total - MMBTU	581,440	879,246	593,049	876,673	720,194	880,301	1,079,630	1,107,855	798,074	467,281	352,493	447,110	8,783,346
45	Total - Price / MMBTU (\$)	1.06	0.52	0.24	0.21	0.96	1.01	1.07	1.08	1.20	0.85	2.12	2.43	0.97
46	Gas - Transportation (B)(C) (\$)	387,192	641,214	383,650	597,747	453,626	504,109	516,771	558,711	465,882	345,740	249,096	315,007	5,418,745
47	Gas - Storage Fees (D) (\$)	33,150	37,002	29,268	34,135	29,884	31,362	30,939	33,543	31,891	29,699	20,960	17,288	359,121
48	Oil - (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
49	Oil - MMBTU	0	0	0	0	0	0	0	0	0	0	0	0	0
50	Oil - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes

- (A) May include negative gas pricing
(B) Excludes city franchise tax fees paid to Oneok West Texas Transmission
(C) Represents Gas Transportation invoices from El Paso Natural Gas and Oneok West Texas Transmission
(D) Represents Gas Storage Fees paid to Kinder Morgan and Oneok Texas Gas Storage
(E) The Company is not requesting forecasted fuel expense, consequently test year fuel burned presented on this schedule is not adjusted Please refer to Schedule A-3, Adjustment No. 2 Fuel and Purchased Power Expense
Please see the direct testimony of EPE witness Jennifer I. Borden

Amounts may not add or agree to other schedules due to rounding

SCHEDULE I-1.3
PAGE 3 OF 5

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-1.3. FOSSIL FUEL PURCHASED
SPONSOR: DAVID C. HAWKINS
PREPARER: ANA R. BOISSELIER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-1.3
PAGE 4 OF 5

Line No.	(a) Description	(b) 2020 January	(c) 2020 February	(d) 2020 March	(e) 2020 April	(f) 2020 May	(g) 2020 June	(h) 2020 July	(i) 2020 August	(j) 2020 September	(k) 2020 October	(l) 2020 November	(m) 2020 December	(n) Total Test Year (E)
COPPER (A)														
1	Gas - ConocoPhillips Co (\$)	6,632	0	0	0	0	187,152	0	0	0	0	0	0	193,784
2	Gas - MMBTU	5,921	0	0	0	0	128,626	0	0	0	0	0	0	134,547
3	Gas - Price / MMBTU (\$)	1.12	0.00	0.00	0.00	0.00	1.46	0.00	0.00	0.00	0.00	0.00	0.00	1.44
4	Gas - Eco-Energy Natural Gas, LLC (\$)	0	0	0	0	0	0	245,945	37,908	0	0	0	0	283,853
5	Gas - MMBTU	0	0	0	0	0	0	179,850	27,977	0	0	0	0	207,827
6	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	1.37	1.35	0.00	0.00	0.00	0.00	1.37
7	Gas - Koch (\$)	0	0	0	18,762	0	0	0	0	0	0	0	0	18,762
8	Gas - MMBTU	0	0	0	72,161	0	0	0	0	0	0	0	0	72,161
9	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.26
10	Gas - Morgan (\$)	0	0	(25,306)	0	0	0	0	0	0	0	0	0	(25,306)
11	Gas - MMBTU	0	0	93,726	0	0	0	0	0	0	0	0	0	93,726
12	Gas - Price / MMBTU (\$)	0.00	0.00	(0.27)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.27)
13	Gas - Sequent (\$)	0	28,094	0	0	82,788	0	0	0	0	0	0	0	110,882
14	Gas - MMBTU	0	85,134	0	0	63,683	0	0	0	0	0	0	0	148,817
15	Gas - Price / MMBTU (\$)	0.00	0.33	0.00	0.00	1.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.75
16	Gas - Texas Gas Service (\$)	104	104	106	72	104	112	112	112	112	112	112	112	1,274
17	Gas - MMBTU	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Total - Gas (\$)	6,736	28,198	(25,200)	18,834	82,892	187,264	246,057	38,020	112	112	112	112	583,249
20	Total - MMBTU	5,921	85,134	93,726	72,161	63,683	128,626	179,850	27,977	0	0	0	0	657,078
21	Total - Price / MMBTU (\$)	1.14	0.33	(0.27)	0.26	1.30	1.46	1.37	1.36	0.00	0.00	0.00	0.00	0.89
22	Gas - Transportation (B)(C) (\$)	4,579	69,423	72,382	77,102	83,834	118,603	161,618	24,931	0	0	0	0	612,472
23	Gas - Storage Fees (D) (\$)	1,165	17,622	18,140	14,458	12,326	17,150	23,206	3,610	0	0	0	0	107,677
24	Oil - (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
25	Oil - MMBTU	0	0	0	0	0	0	0	0	0	0	0	0	0
26	Oil - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes:

- (A) May include negative gas pricing
(B) Excludes city franchise tax fees paid to Oneok WestTex Transmission.
(C) Represents Gas Transportation invoices from Oneok WestTex Transmission
(D) Represents Gas Storage Fees paid to Oneok Texas Gas Storage
(E) The Company is not requesting forecasted fuel expense, consequently test year fuel burned presented on this schedule is not adjusted. Please refer to Schedule A-3, Adjustment No. 2 Fuel and Purchased Power Expense
Please see the direct testimony of EPE witness Jennifer I. Borden

Amounts may not add or agree to other schedules due to rounding

SCHEDULE I-1.3
PAGE 4 OF 5

Gas Storage (A) (B)														
Line No	(a) Description	(b) 2020 January	(c) 2020 February	(d) 2020 March	(e) 2020 April	(f) 2020 May	(g) 2020 June	(h) 2020 July	(i) 2020 August	(j) 2020 September	(k) 2020 October	(l) 2020 November	(m) 2020 December	(n) Total Test Year (C)
1	Gas - Apache	0	0	0	0	0	0	0	10,512	0	0	0	0	10,512
2	Gas - MMBTU	0	0	0	0	0	0	0	12,324	0	0	0	0	12,324
3	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.85	0.00	0.00	0.00	0.00	0.85
4	Gas - BP Energy Company (\$)	0	0	0	2,200	0	0	0	0	0	4,550	0	0	6,750
5	Gas - MMBTU	0	0	0	27,700	0	0	0	0	0	12,955	0	0	40,655
6	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.00	0.35	0.00	0.00	0.17
7	Gas - Castleton Commodities (\$)	0	0	0	(15,720)	0	0	0	0	0	0	0	0	(15,720)
8	Gas - MMBTU	0	0	0	2,990	0	0	0	0	0	0	0	0	2,990
9	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	(5.26)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(5.26)
10	Gas - ConocoPhillips Co (\$)	0	0	(750)	(51,195)	0	0	0	0	0	4,725	0	0	(47,220)
11	Gas - MMBTU	0	0	4,983	98,953	0	0	0	0	0	38,194	0	0	142,130
12	Gas - Price / MMBTU (\$)	0.00	0.00	(0.15)	(0.52)	0.00	0.00	0.00	0.00	0.00	0.12	0.00	0.00	(0.33)
13	Gas - Eco-Energy Natural Gas, LLC (\$)	0	0	0	0	0	0	0	3,036	0	0	0	0	3,036
14	Gas - MMBTU	0	0	0	0	0	0	0	3,559	0	0	0	0	3,559
15	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.85	0.00	0.00	0.00	0.00	0.85
16	Gas - Koch (\$)	0	0	0	0	0	0	3,250	0	19,465	0	0	0	22,715
17	Gas - MMBTU	0	0	0	0	0	0	12,955	0	25,863	0	0	0	38,818
18	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.00	0.75	0.00	0.00	0.00	0.59
16	Gas - Mico (\$)	0	0	0	23,010	0	0	0	0	0	0	0	0	23,010
17	Gas - MMBTU	0	0	0	38,865	0	0	0	0	0	0	0	0	38,865
18	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.59
19	Gas - Morgan (\$)	0	0	0	0	0	0	0	0	0	(38,436)	0	0	(38,436)
20	Gas - MMBTU	0	0	0	0	0	0	0	0	0	109,111	0	0	109,111
21	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.35)	0.00	0.00	(0.35)
22	Gas - United (\$)	0	0	0	0	0	0	0	0	0	0	0	29,835	29,835
23	Gas - MMBTU	0	0	0	0	0	0	0	0	0	0	0	12,955	12,955
24	Gas - Price / MMBTU (\$)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.30	2.30
25	Total - Gas (\$)	0	0	(750)	(41,705)	0	0	3,250	13,548	19,465	(29,161)	0	29,835	(5,519)
26	Total - MMBTU	0	0	4,983	168,508	0	0	12,955	15,883	25,863	160,260	0	12,955	401,407
27	Total - Price / MMBTU (\$)	0.00	0.00	(0.15)	(0.25)	0.00	0.00	0.25	0.85	0.75	(0.18)	0.00	2.30	(0.01)

Notes:

- (A) May include negative gas pricing
(B) The majority of the gas flowed through our storage facility is burned at Newman Station
(C) The Company is not requesting forecasted fuel expense, consequently test year fuel burned presented on this schedule is not adjusted. Please refer to Schedule A-3, Adjustment No. 2 Fuel and Purchased Power Expense.
Please see the direct testimony of EPE witness Jennifer I. Borden

Amounts may not add or agree to other schedules due to rounding

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-1.4: NON-RECURRING FUEL
AND PURCHASED POWER EXPENSES
SPONSOR: DAVID C. HAWKINS
PREPARER: VICTOR MARTINEZ
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-1.4
PAGE 1 OF 1

El Paso Electric Company does not have any non-recurring base rate fuel and purchased power expenses.

Attached are EPE's short and long-term fuel procurement and purchased power practices in place during the test year.

Table of Contents

- I. DOCUMENT COMPILATION OF POLICIES AND PROCEDURES ON:
FUEL PROCUREMENT AND ADMINISTRATION
OFF-SYSTEM SALES AND PURCHASES - DECEMBER 2019
(Pg. 2-70)

- II. DOCUMENT COMPILATION OF POLICIES AND PROCEDURES ON:
FUEL PROCUREMENT AND ADMINISTRATION
OFF-SYSTEM SALES AND PURCHASES – MARCH 2020
(Pg. 71-73)

ATTACHMENT 1

FUEL PROCUREMENT AND ADMINISTRATION
OFF-SYSTEM SALES AND PURCHASES - DECEMBER 2019



Resource Management Department

DOCUMENT COMPILATION OF POLICIES AND PROCEDURES ON:

**FUEL PROCUREMENT AND ADMINISTRATION
AND
OFF-SYSTEM SALES AND PURCHASES**

Updated December 20, 2019

 El Paso Electric	RESOURCE MANAGEMENT DEPARTMENT	Document No.	1
		Version No.	1.7
		Issued Date	12/20/2019
FUEL PROCUREMENT & ADMINISTRATION		Document Classification Internal Use	

TABLE OF CONTENTS:

ABBREVIATIONS

- I. FUEL PLANNING
- II. FUEL PROCUREMENT
- III. FUEL CONTRACT NEGOTIATIONS
- IV. FUEL CONTRACT ADMINISTRATION
- V. FUEL HANDLING
- VI. ENVIRONMENTAL CONSIDERATIONS
- VII. FUEL REGULATORY AFFAIRS

APPENDIX A NUCLEAR FUEL REQUEST FOR FUNDS REVIEW
 APPENDIX B EMERGENCY GAS PROCEDURES
 APPENDIX C INTERSTATE FLOW CONTROL ACTION PLAN

Abbreviations:

A-Annual	LTC-Long Term Contract
AGC-Automatic Generation Control	LTT-Long Term Trading
ANPP-Arizona Nuclear Power Project	LTT&F-Long Term Trading and Fuels
APS-Arizona Public Service Company	MCT-Mountain Clock Time
BTH-Bottom of the Hour	MPT-Mountain Prevailing Time
CEA-Commodity Exchange	MO-Month
CFTC- Commodity Futures Trading Commission	MTC-Mid Term Contract
COC-Critical Operating Condition	NITS-Network Integration Transmission Service
DA-Day-Ahead	OATT-Open Access Transmission Tariff
DA< Day-Ahead and Long-Term Trading	OGC-Office of General Counsel
E&O-Engineering and Operating	OWT-Oneok WesTex
EA&C-Energy Accounting & Credit	PG-Power Generation Department
EBB-Electronic Bulletin Board	PR-Pre-scheduler
EPE -El Paso Electric Company	PV Management-EPE's Palo Verde Management
EPNG-El Paso Natural Gas Company	PVNGS-Palo Verde Nuclear Generating Station
ES-Energy Scheduler	RA-Regulatory Affairs
FA-Financial Accounting Department	RFF-Request for Funds
FC-Four Corners	RM-Resource Management
FCSS – Fuel Cycle Scoping Software	RP-Resource Planning
FERC-Federal Energy Regulatory Commission	RP&M-Resource Planning & Management
FF-Financial Forecast	RT-Real-Time Marketing or Real-Time Trading
FM-Forward Marketer	SEM-Sequent Energy Management
FPP-Fuel and Purchased Power Budget Forecast	SOC-Strained Operating Condition
H-Hour	SRSG-Southwest Reserve Sharing Group
IA-Internal Audit	WACOG-Weighted Average Cost of Gas
ICE-Intercontinental Exchange	WECC-Western Electricity Coordinating Council
IM-Instant Messaging	WSPP - WSPP Inc.

El Paso Electric Company ("EPE" or "Company") is committed to providing its customers with reliable, efficient, and economic electric service. An effective fuels procurement and administration policy is important in meeting this commitment. The Company's policies and procedures on Fuels Procurement and Administration ("Fuels Policies and Procedures") address the fuel practices as established by the following departments: RP, RM, Contract Administrator, EA&C, Environmental, PV Management, and RA. The interaction and communication between departments is documented. The Fuels Policies and Procedures is fully implemented and will be updated as required in keeping with the Company's commitment to obtaining reliable and economic fuel supplies and thereby providing the best possible electric service to its customers. In addition, Company generating units shall be dispatched in an economically and environmentally efficient manner while providing a reliable supply of electric power to the Company's customers.

The responsibility for incorporating the Company's fuels policies into its operating and planning functions is shared by several departments. Therefore, the Company's fuels policies and each department's responsibilities under their relevant policies are documented in these Fuels Policies and Procedures. These Fuels Policies and Procedures should also be treated as a general guide to assist in EPE's fuel procurement of reliable and least cost fuel; except for specific management approvals discussed in Section II.

I. FUELS PLANNING

Utilizing third-party software for load forecasting and planned generation maintenance schedules, DA< shall estimate the Company's fuel requirements and forecast fuel availability and pricing based on an evaluation of current and expected market conditions and trends. In generation fuel planning, DA< personnel shall endeavor to provide an economic, reliable fuel supply with maximum flexibility and shall minimize over- or under-supply of fuel. Fuel forecasts shall be documented in a timely manner for use in Company procurement, planning, budgeting, and regulatory activities. DA< and RP will work and coordinate closely to assist in meeting planning and operational study needs.

- A. DA< personnel shall maintain monthly and long-term estimates and fuel requirements using appropriate computer models and other planning tools. These forecasts shall be updated at least annually or as deemed necessary. These forecasts shall be considered **CONFIDENTIAL** and treated appropriately.
 1. RP and DA< shall use the computer program PROMOD and/or Aurora to provide monthly and long-term estimates of generation fuel requirements. RP will update a PROMOD and/or Aurora base-case periodically, with input from various departments, including RM. In addition, RP, in conjunction with RM as appropriate, will perform sensitivity analyses as needed to evaluate projected fuel costs, and future generating unit additions (termed long-term planning studies). The fuel requirements will be based on the prices and availabilities of the different

fuels, as obtained from DA<, and input into PROMOD and/or Aurora for the economic dispatch of EPE's resources. When required, PROMOD and/or Aurora sensitivities of alternative fuels and fuel oil inventory level planning shall be made by DA< (because of the operational nature of the review), with assistance from RP and Environmental (pertaining to oil procurement) as a means of developing a long-term fuel strategy. The fuel requirements shall be updated periodically by either RP or DA< to reflect substantive long-term changes in generation requirements, mix, and/or fuel regulations affecting availability and prices. DA< and RP shall use the latest PROMOD and/or Aurora base-case to perform short-term purchased power/sales analyses, as well as any required periodic projected short-term sales margin studies.

2. DA< will prepare a one-year "Fuel and Purchased Power Budget Forecast" (FPP) annually using the latest PROMOD and/or Aurora base-case, as obtained from RP. The FPP budget estimate will provide a monthly listing of estimated fuel requirements (by generating plant) and purchased energy, along with their estimated costs during the budget period.
 3. DA< will develop, and update as required, estimated monthly and daily fuel requirements. DA< will consider any available natural gas imbalance volumes and supply in storage in determining gas procurement needs.
- B. DA< personnel shall be aware of fuel availabilities and prices under existing fuel contracts and market conditions.
1. DA< personnel shall contact transportation (intra- and interstate), natural gas, and fuel oil suppliers to EPE's generation resources periodically for price and availability estimates as needed.
 2. DA< personnel shall calculate the natural gas storage price using a weighted average of natural gas purchases in storage.
 3. RM shall contact APS, the Operating Agent for the Palo Verde Nuclear Generating Station (PVNGS), periodically for PVNGS fuel price information and forecasts and fuel loading schedules.
 4. DA< shall calculate the fuel oil inventory price using a weighted average of fuel oil purchases into inventory as additional oil supplies are delivered to EPE's current inventory. PG personnel shall report fuel oil inventory levels at least quarterly.

5. DA< shall contact potential fuel suppliers for all local generation fuel types, as required, to survey current prices and availabilities.
 6. DA< personnel will also regularly review energy and fuel-related magazines, journals, reports, newsletters, etc. to evaluate market supply, demand, prices, and to monitor prices paid by other utilities if available.
 7. Environmental will be responsible for all fuel content and chemistry analyses.
 8. See Sections V.B and VI.A.4 for additional inventory details.
- C. Forecasts of short and long-term fuel prices and availability forecasts shall be performed by DA< for use in procurement, planning, budgeting, and regulatory activities.
1. DA< will derive natural gas price forecasts using forecasts from governmental agencies, natural gas suppliers, national fuel associations, private forecasting services and/or market indices.
 2. DA< will calculate fuel oil forecasts based on estimated average inventory prices and market fuel oil price forecasts. Market fuel oil forecasts will be based on forecasts for ultra-low sulfur No.2 fuel oil (diesel) from governmental agencies, major/local oil companies, national fuel associations, private forecasting services and will include a transportation expense estimated to EPE's local area power plants and facilities.
 4. FF will develop the PVNGS nuclear fuel forecasts, which are based on nuclear fuel assumptions, cash flow information, operations schedule, and nuclear fuel component pricing obtained from RM. RM obtains this information from APS, the PVNGS operating agent. Using this information and estimated monthly PVNGS energy, FF develops nuclear fuel prices that include nuclear fuel trust interest. FF also provides rates for amortized expenses for post-load interest, revolving credit facility and dry cask storage to RP, which then adds these expenses to the fuel rates. APS may from time to time provide EPE a specific mills/kWh forecast using the projects Fuel Cycle Scoping Software (FCSS) and/or APS will provide cash flow and core loading information for in-house forecast development by EPE's FF. RP will provide EPE's FF the estimated PVNGS MMBtu usage by month over the term so that a \$/MMBtu price forecast can be determined based on the latest PVNGS maintenance schedule. The energy is based on plant modeling in PROMOD and/or Aurora.

5. DA< develops the firm purchased energy price forecast, as necessary, which will be based on regional market data reflecting the price at which EPE could expect to purchase or sell energy at the PVNGS switchyard.
6. DA< shall determine emergency power prices based on current market peak conditions and/or based on pertinent reasonable ceiling limits.

II. FUEL PROCUREMENT PROCEDURE

DA< personnel will procure natural gas and fuel oil, and nuclear fuel supplies to meet EPE's generation needs.

GENERAL TRANSACTION INTENT – to Meet EPE's Obligations

Statement of Intent: As stated above, it is intended that any fuel and purchased power procured will be for EPE's use and expected to be taken to delivery. Therefore, all fuel and purchased power should be considered Forward Contracts within the meaning of the Commodity Exchange Act (CEA) and the Rules of the Commodity Futures Trading Commission (CFTC) since:

- a) EPE is a commercial market participant with respect to the specified commodity and is entering into the transaction in connection with its business;
- b) EPE intends to make or take physical delivery of the specified nonfinancial commodity; and
- c) if any transaction includes volumetric optionality, any exercise, or non-exercise, of such volumetric optionality by the holder thereof is based primarily on factors outside of EPE control and which influence demand for, or the supply of, the specified nonfinancial commodity, such as the impact on its commercial needs of physical factors (such as weather, customer demand, transport, shipping, or other operational constraints) or regulatory requirements.

A proactive review of transactions is performed at least annually to assist in complying with the requirements of the Dodd-Frank Act. Each year, RM selects and reviews a random sample of transactions in RM's deal capture software (webTrader) to help ensure that EPE's transactions comply with EPE's intent to enter into only Forward contracts that are expected to be taken to delivery. The **Office of the General Counsel (OGC)**¹ also periodically coordinates in-house training classes discussing Dodd-Frank requirements. This proactive

¹ References to the Office of General Counsel in this document include both EPE's internal and external counsel.

review and provision of training are subject to change based on Dodd-Frank and CFTC changes as the rules continue to be developed.

EPE's fuel procurement, review and approval procedure is presented below.

- A. **Gas Procurement:** DA< personnel will determine EPE's expected gas demand for **current** and/or **next day**, **balance of month**, **monthly**, "**mid-term**" (greater than one month, but less than one year), **annual** (one year) or **long-term** (greater than one year) needs via a review of planning studies and historical gas demand. The mix of contract terms may vary based on market and supply conditions and EPE's management review.

All-natural gas procurement **confirmations** of one month or longer received from suppliers are to be faxed (and/or emailed), reviewed and disseminated by the **Contract Administrator** for management review and approval. These confirmations are to be included in the appropriate documentation memorandums as discussed below. All gas purchases are to be entered into the webTrader system as soon as possible but no later than the **following day** of the transaction date by the **trader**.

Gas Purchase Approval Summary Table:

Gas Transaction Type	EPE Gas Purchaser	Purchase Type	Approval Prior to Commitment	After the Fact Documentation Signatures	Final Management Approval Level
Daily Gas Purchase	Pre-Scheduler	Index Price Fixed Price	No No	Yes, Daily Deal Sheet Yes, Daily Deal Sheet	Supervisor, DA< Supervisor, DA<
Monthly Gas Purchase	Pre-Scheduler or Long-Term Trader	Index Price Fixed Price	Yes Yes	Yes, Spot Memo and Confirmations	Supervisor, Director RP&M Supervisor, Director RP&M
Mid-Term Purchase	Long-Term Trader	Index Price Fixed Price	Yes Yes	Yes, MTC Memo and Confirmations	DA< Management DA< Management
Annual Purchase	Long-Term Trader	Index Price Fixed Price	Yes Yes	Yes, A Memo and Confirmations	DA< Management DA< Management
Long-Term Purchase	Long-Term Trader	Index Price Fixed Price	Yes Yes	Yes, LTC Memo and Confirmations	DA< Management* DA< Management*

All gas purchases are based on competitive survey.

* VP may require/request senior management approval before commitment.

1. LTT personnel will issue a competitive bid request for gas proposals to procure EPE's **annual** and **long-term** gas requirements based on the gas requirements review of planning studies and/or historical gas demand performed in Section I.A. Once bid responses are received (which may be submitted to EPE via fax, email and/or IM), the procurement decision will be based on economics, credit of supplier, and reliability of gas supply.
 - a. LTT personnel will document all pertinent procurement activity, including the reason for annual and long-term gas supply, bid response information, options available and recommended action in a separate purchase memorandum.
 - b. The DA< Supervisor, Director – Resource Planning & Management (RP&M) and Vice President Power Gen, System Planning & Dispatch (“VP”) comprise EPE's **DA< Management**. DA< Management will review and approve any annual and long-term purchase **before** procurement is made. DA< Management will review and sign the annual and long-term gas contract memorandums.
 - c. Once approved by DA< Management, LTT personnel will contact the winning bidder via phone call and/or IM and either begin contract negotiations as described in Section III or use a master agreement confirmation if already in place. All confirmations will be included in documentation memorandums.

2. LTT personnel will issue a competitive bid request to procure EPE's **mid-term** gas requirements based on the gas requirements review of planning studies and/or historical gas demand performed in Section I.A. Once bid responses are received (which may be submitted to EPE via fax, email and/or IM), the procurement decision will be based on economics, credit of supplier, and reliability of gas supply.
 - a. LTT personnel will document all pertinent procurement activity, including the reason for mid-term gas supply, bid response information, options available, and recommended action in a separate purchase memorandum.
 - b. DA< Management will review and approve the purchase **before** procurement is made of mid-term gas contracts. DA< Management will review and sign the mid-term gas contract memorandums.
 - c. Once approved by DA< Management, LTT personnel will contact winning bidder via phone and/or IM and either begin contract negotiations or use a master agreement confirmation if already in place. All confirmations will be included in documentation memorandums.
3. If **monthly** gas procurement is required based on a review of planning studies performed in Section I.A and/or historical gas demand to meet daily gas requirements, DA< personnel will issue a competitive bid request for proposal. Once bid responses are received from the survey (which may be submitted to EPE via fax, email and/or IM), procurement will be based on economics, credit of supplier, and reliability of gas supply.
 - a. DA< personnel will document all pertinent procurement activity, including the reason for monthly gas supply, bid survey information, options available, recommended action and then result in a monthly purchase memorandum.
 - b. The DA< Supervisor and Director will review/approve the purchase volume **before** procurement is made with the understanding that the lowest priced and reliable bidder will be accepted. The DA< Supervisor and Director will review and sign the monthly memorandums.
 - c. Once approved by the DA< Supervisor and Director, DA< personnel will contact winning bidder via phone and/or IM and either begin contract negotiations or use a master agreement confirmation if already in place. All confirmations will be included in documentation memorandums.

4. If **daily** or any rest of month gas procurement is required, Gas Pre-schedulers will solicit competitive offers by phone, IM, ICE and/or other recognized industry resources. Procurement decisions will be based on economics, credit of supplier, and reliability of the available gas supply. **RT** personnel are to provide intra-day gas usage information as needed to Gas Pre-scheduler as changes become known based on the latest unit commitment information. RT personnel are **not** authorized to procure natural gas unless specifically authorized by management. RT personnel are authorized to assist in balancing EPE's gas requirements with scheduled volumes using various methods available – such as flow day diversion (move gas between delivery points), Interstate gas storage injection / withdrawal revisions to initial nomination, or other as available but only after i) appropriate training / certification by the pre-schedulers and ii) **desk-top procedures** are completed/approved and in place to assist. RT may also assist by purchasing and selling power under SOC or COC conditions to control gas usage.

Gas Pre-schedulers will review RT's previous late-night balancing efforts as needed and adjust training to make sure RT personnel are making the appropriate gas balancing adjustments.

- a. Gas Pre-schedulers will document all pertinent **daily** procurement activity; including the reason for incremental gas supply, survey bid response information, recommended action, and the final decision in a daily memorandum and/or deal sheet.
 - b. If a competitive phone survey and/or IM are used, Gas Pre-schedulers personnel will contact winning bidder via phone and/or IM and either begin contract negotiations, use a master agreement confirmation if already in place or use confirmation letter/notice. Otherwise, recognized industry transaction confirmation will be used.
 - c. The Supervisor DA< will review and sign daily documentation memorandums or deal sheets after procurement.
5. DA< Management and section personnel will participate in periodic (at least quarterly) meetings to evaluate the procurement of long-term, annual and mid-term, fixed and market index-based price gas contracts as part of DA<'s portfolio concept. If the group consensus is to procure a particular type of contract, the DA< personnel will attempt to procure said contract after a competitive price bid/survey is performed and availability is determined.

DA< personnel will periodically compare EPE's procured natural gas supply base price position with the appropriate index price on a historical basis. If

DA< Management decides to adjust contract procurement amount, DA< personnel will review the natural gas supply mix and evaluate the need and opportunity for a change in long-term and/or mid-term portfolio contracts based on current market conditions and expectations. Any supply procurement will be discussed in the approval documentation memorandums for long-term, annual, or mid-term contracts discussed above. It should be noted, however, that management of EPE's gas supply portfolio may not affect EPE's base price until later periods due to timing issues associated with EPE's gas requirements and existing gas supply contracts in place at the time.

Emergency situations associated with either disruption of natural gas supplies and situations on EPE's system may significantly impact the volume of natural gas procured and/or price in the short-term. DA<'s emergency or curtailment procurement of gas supplies to meet reliability issues may or may not, depending on the situation, be used in EPE's base price to index comparison since they were made to meet reliability concerns.

- B. **Nuclear Fuel Procurement:** DA< personnel will review all nuclear fuel contract proposals from the PVNGS Operating Agent (APS) considering factors such as reliability, nuclear fuel requirement and/or economic planning needs.
- a. DA< personnel will document all pertinent review activity, including the reason for the nuclear procurement proposal, the options available, and the recommended action in a separate review memorandum.
 - b. As part of DA<'s review, OGC will review the nuclear contract and any associated authorization letter as to form and legal content as discussed in Section III.
 - c. DA< will review and approve the nuclear contract and any associated authorization notification before authorization is provided to the PVNGS Operating Agent.
- C. **Fuel Oil Procurement:** RP and DA< personnel will determine the estimated need for additional fuel oil based on reliability. EPE's fuel oil inventory will be used for emergency purposes and is subject to operator training because of potential environmental emission limitations in the El Paso area. These limitations include ozone, carbon monoxide and particulate matter as determined and monitored by Environmental. Section IV A and B references inventory fuel handling procedures. Only fuel oil No. 2 (light gas oil) ultra-low sulfur diesel will be procured due to environmental concerns. A competitive bid process will be used to procure fuel oil, unless market-based contracts are already in place and approved.

- a. DA< personnel will document all pertinent procurement activity, including the reason for procuring additional fuel oil supply, bid response information/contract information, the options available, and the recommended action in a separate purchase memorandum.
- b. Environmental and plant managers will be notified of the pending fuel oil procurement, so they can ensure oil quality, adequate truck delivery equipment, and health/safety compliance.
- c. The DA< Management will review and approve before any fuel oil procurement is made.
- d. Environmental and plant managers will be notified of the approval and pending fuel oil procurement to coordinate/manage deliveries, quality checks, and environmental off-loading concerns in a timely manner.
- e. Once approved by DA< Management, DA< personnel will contact the winning bidder/contract counterparty via phone, email and/or IM to coordinate deliveries, quality, and off-loading requirements.
- f. DA< may provide contact information as needed to coordinate activities as needed in Sections II 3 D. (a.) through (e.) to the fuel oil supplier, PG, and Environmental.

III. FUEL CONTRACT NEGOTIATIONS

Contract Administrator, with assistance from DA< as needed, shall be responsible for negotiating fuel supply agreements for the Rio Grande, Newman, Montana, and Copper Generating Stations. DA< will oversee APS applicable nuclear fuel contracts. Since APS is the PVNGS Operating Agent, APS shall be responsible for providing the fuel supply for the PVNGS under the guidelines established in the ANPP Participation Agreement (excluding uranium concentrates provided independently by any PVNGS Participant). APS shall present fuel supply recommendations to PVNGS for their review and approval. DA< shall be responsible for overseeing and reviewing APS nuclear fuel supply recommendations and providing a recommendation concerning approval to EPE's Administrative Committee representative.

A. Gas Contracts:

- 1. DA< personnel, in conjunction with the Contract Administrator, will develop draft contracts to exchange/negotiate with natural gas supply vendor.

2. OGC will review all draft gas supply contracts and provide recommendations as to form and content to ensure legal appropriateness and state/federal regulatory compliance.
3. OGC will provide final contract review and approval as to form prior to DA< Management review and approval.
4. Master gas/fuel oil contracts may be in place for future LT, Annual, MTC, monthly and/or daily deliveries as long as they are based on market prices and approved by DA< Management and OGC as to form.
5. A creditworthiness review will be performed by EA&C on all new natural gas suppliers and a periodic review will be performed on existing gas suppliers to help ensure supplier creditworthiness and delivery reliability.

B. Nuclear Contracts:

1. APS is responsible for developing contracts to purchase nuclear fuel, exchange nuclear fuel forms and negotiate with PVNGS nuclear fuel suppliers.
2. RM or others as assigned and OGC will review proposed contracts and provide input to APS to use in such contracts and recommend approval of all Participants' authorization letters/notices allowing APS to negotiate final contracts with the PVNGS nuclear fuel supplier.
3. RM will notify APS of significant and general comments on proposed contracts. APS is to provide timely notice if EPE's significant comments were/were not accepted by the PVNGS nuclear fuel supplier. EPE's authorization letter/notice will state in some form that APS must use best efforts in implementing RM and OGC's general comments and any understanding as to EPE's acceptance of APS' review of EPE's comments.
4. OGC will provide final authorization letter/notice review and approval as to form prior to, or in tandem with RM review and recommendation for authorization approval.
5. If APS provides notice that EPE's significant comments (legal or otherwise) were not accepted by PVNGS nuclear fuel supplier, RM and OGC will discuss and determine recommendation to Power Generation Management on any appropriate action. The Senior Vice President of Operations, Vice President Power Gen,

System Planning & Dispatch, Director – PV Management and Director of Generation Operations comprise Power Generation Management.

C. Fuel Oil Characteristics

Fuel Oil Characteristics shall be based on oil specifications established by EPE's PG and/or Environmental for the local units and in conjunction with APS for PVNGS as applicable. Such specifications shall take into account the operating characteristics of each generating unit in EPE's system and the regulatory and environmental constraints established by federal, state and local authorities.

IV. FUEL CONTRACT ADMINISTRATION

Administration of existing fuel supply contracts shall assure that performance complies under all agreements and is in the best interests of the Company and its customers. Company personnel shall closely interface with suppliers under existing fuel contracts to ensure an open line of communication regarding contract administration.

- A. Company personnel, as identified below, shall verify delivery schedules, delivered amounts, unit costs, methods of delivery and quality of delivered fuels.
1. PG shall be responsible for verifying and reporting fuel quantities delivered to Rio Grande, Newman, Montana, and Copper Generating Stations. EPE's PG and Environmental shall also be responsible for verifying the quality of fuel delivered to the Rio Grande, Newman, Montana and Copper Generating Stations.
 2. DA< shall be responsible for developing and verifying fuel costs for fuel delivered to the Rio Grande, Newman, Montana and Copper Generating Stations via the pipeline nomination process. DA< and EA&C will verify during the gas invoice review process that such costs follow contract provisions at the receipt point where it was purchased. DA< and/or EA&C shall report immediately any problems relating to quantity and cost directly to the supplier and see that appropriate action is taken. Environmental and DA< shall report immediately any problems relating to quality to the supplier and see that appropriate action is taken.
 3. PG shall report monthly the quantity and estimated cost of fuel consumed, as available, in all Company power plants.
 4. DA< shall assist in monitoring Company fuel usage and determine whether fuel deliveries follow contract provisions.

5. EA&C shall receive the original monthly invoices for natural gas purchased from the Company's natural gas suppliers, as well as any fuel oil supply invoices. Upon verification of unit price and volumes received from DA< and PG, respectively, the invoices will be forwarded for payment. The same procedure shall apply to fuel oil transportation invoices if separate.
 6. APS shall be responsible for verifying the quantity, quality and cost of fuel, pursuant to contract terms, delivered to the PVNGS (excluding uranium concentrates contracts entered independently by any PVNGS Participant). APS will send Requests For Funds (RFF) to PVNGS Participants for their share of nuclear fuels costs. The RFF will include invoices for fuel components and expenses for PVNGS other than for diesel fuel oil for on-site electric generation for station service in the event of the loss of transmission facilities used to bring in off-site power. RM is responsible for reviewing RFFs for reasonableness by comparing the RFF price, quantity, and delivery to contract terms. Power Generation Management will be responsible for approving EPE's share of RFFs. The approved RFF will be sent to Cash Management for payment. If an RFF must be paid under protest, RM will write a protest letter or email explaining the discrepancies to APS. The final protest letter or email will be forwarded to EPE's Cash Management. Company personnel on the PVNGS Administrative Committee, PVNGS E&O Committee, PVNGS Audit Committee and RM shall monitor all fuel-related activities at PVNGS. RM shall also participate in the Nuclear Fuel Task Force meetings to monitoring nuclear fuel-related activities. Appendix A provides additional review details on RFF.
- B. EPE's IA conducts audits to ensure adherence to PVNGS contract provisions. These audits shall be performed periodically by IA or a designated representative at the various Audit Committees of PVNGS. PV Management will respond to all audit requests pertaining to PVNGS.
1. IA (or its designated representative) shall perform a periodic review of the monthly fuel adjustment factors, as determined by FA and customer billings. The review shall consist of recalculating the fuel computations and their application in accordance with applicable tariffs and rate schedule requirements.
 2. IA (or its designated representative) shall verify the costs pertaining to any agreements and to ascertain compliance with the Trust agreements.
 3. IA (or its designated representative) shall review the fuel suppliers' cost computations and supplier compliance with all provisions of existing fuel agreements shall be ascertained.

4. IA (or its designated representative) shall observe the oil inventories periodically to ascertain that oil inventory exists and that the quantities agree with the fuel oil reports. These shall be coordinated with the PG for the local power plants.
5. IA (or its designated representative) reviews shall be made of the fuel purchase policies and procedures to ascertain that internal controls are adequate.

V. FUEL HANDLING

Company personnel shall coordinate fuel deliveries in an efficient, reliable, environmentally friendly and economical manner.

- A. DA< and PG personnel shall determine and monitor alternate methods of transporting Company fuels in an environmentally conscientious manner and the most economical means of fuel transportation and act as liaison with fuel transport companies to coordinate fuel deliveries.
 1. DA< personnel shall maintain current information regarding available fuel transportation methods, procedures, routes and the costs associated with each method of transporting fuel to Company generating units.
 - a. Natural gas shall be delivered to the Newman, Montana, Rio Grande and Copper Generating Station units via pipelines owned and operated by El Paso Natural Gas Company (EPNG) on the interstate system and ONEOK Westex Transmission (ONEOK) on the intrastate system. DA< personnel shall maintain current information on alternate suppliers (if any) and on the costs of transporting natural gas from various gas-producing areas to the El Paso area. In addition, DA< personnel shall be aware of current supplier (EPNG and ONEOK) policy and charges for transporting natural gas obtained from other sources, including market sources. Also, DA< personnel shall monitor Federal and State legislation and regulatory proceedings concerning the transportation of natural gas and analyze the impacts of such legislation or regulatory proceedings on the Company.
 - b. Any natural gas **imbalance** and shrinkage volumes will be considered operational supply and considered in all natural gas procurement activities.
 - c. Fuel oil shall be delivered to Newman and Montana Stations via freight (truck). The delivery method shall be based on the transport mode available to the station and on the economics involved if two modes are available. Additionally, the reliability of the transportation method shall be

considered. DA< personnel shall be aware of the costs associated with transporting fuel oil from various suppliers to the El Paso area and update such information periodically. Also, PG and/or DA< personnel will notify Environmental of all fuel oil usage and transportation arrangements at the local power stations.

2. RP and DA< and/or operating personnel shall interface with fuel transport companies to coordinate fuel deliveries.
 - a. Fuel deliveries to the PVNGS and the disposal of radioactive waste material shall be coordinated by APS.
 - b. Fuel oil deliveries to the Newman and Montana Plants shall be coordinated by PG. PG personnel shall communicate directly with Environmental, fuel oil supplier and transporting company to arrange timely delivery of fuel oil. PG shall supervise the unloading of the fuel, verify the volumes received and determine the on-site disposition of the fuel oil. RP and DA< shall assist and oversee as needed to assure contract compliance.
 - c. Fuel deliveries for resale from the Company's fuel oil inventory shall be initiated by DA<, contract developed by RP and coordinated/managed by PG. PG shall communicate directly with Environmental, fuel oil buyer and transporting company to arrange timely delivery of fuel. PG and Environmental shall supervise/manage loading of the fuel and verify quantities taken. RP and DA< shall assist and oversee as needed to assure contract compliance. Please note, loading of fuel oil from the Newman Power Plant is NOT PERMITTED under current air permit conditions. Any such loading would require a permitting action in advance.
 - d. Natural gas deliveries to Newman, Montana, Rio Grande and Copper shall be coordinated and monitored by PG and Environmental. PG shall report any problems immediately to the fuel supplier and to DA< personnel for appropriate action.
- B. Fuel oil inventories shall provide a reliable and environmentally acceptable source of emergency backup energy.
 1. PG, with assistance from DA<, as needed, shall perform fuel oil inventory control for Newman and Montana as applicable. PG shall oversee any physical activity related to fuel oil and shall maintain all related facilities in working order, including tank and delivery piping integrity, in the event fuel oil is required at EPE's local generating units during periods of gas constraints or curtailments.

DA< shall monitor EPE's fuel oil inventory. RP, with assistance from DA< as needed for operational guidance, will determine the appropriate fuel oil quantity for reliability. Environmental will verify the fuel energy content of the fuel and/or chemistry analysis. Any appropriate inventory level analysis shall consider the following:

- a. Most current estimates of fuel oil requirements by generating station as applicable, derived from (i) estimated alternate fuel availabilities, (ii) forecast energy for load, (iii) forecast economic dispatch of generating units, (iv) forecast scheduled unit maintenance, and (v) forecast firm purchases and sales of energy;
 - b. Firm contract(s) fuel oil volumes and delivery lag considerations;
 - c. Replacement cost of fuels and market conditions;
 - d. Inventory carrying costs and finance charges if applicable;
 - e. Operating considerations including (i) transportation, (ii) unloading equipment, (iii) available personnel, and (iv) blending and storage facilities;
 - f. Fuel oil quality requirements relating to (i) equipment specifications and (ii) environmental regulations as obtained from Environmental; and
 - g. Supply for contingencies and emergencies.
2. APS, as the Operating Agent for PVNGS, shall perform inventory control for PVNGS. PV Management and Company personnel on the PVNGS E&O Committee shall maintain awareness of the inventory level and provide input to APS when required.
 3. Inventory control for natural gas storage is needed to assist in meeting the pipeline imbalance requirements for EPE's local generating stations. Gas Pre-schedulers will:
 - a. Review and monitor gas markets to economically inject/withdraw gas from its storage facility as possible to meet EPE's hourly, daily, and monthly operational needs to maintain reliable service – particularly to assist during operational imbalance alert and warning conditions and any restrictions imposed by the pipeline.

- b. Monitor gas storage volumes and procured prices of all gas injected/withdrawn to develop a Weighted Average Cost of Gas (WACOG) in storage. The WACOG of storage will also account for any applicable fuel related transportation charges.
 - c. Utilize storage experience to potentially use gas storage capacity to meet possible seasonal gas requirement needs as capacity permits and with DA< Management approval.
 - C. DA< personnel shall interface and communicate with PG, Environmental, APS (the Operating Agent for PVNGS) and interconnected utilities to ensure the most economical use of available fuel and energy sources.
 - 1. DA< shall maintain full knowledge of Company's generating unit availability through direct communication with PG and, in the case of PVNGS, with APS and EPE's PV Management.
 - 2. DA< personnel shall contact PG for the most up-to-date information on the availability of the Rio Grande, Newman, Montana, and Copper units. DA< personnel will then evaluate the wholesale power markets to prepare monthly fuel costs and usage estimates and for acquiring short-term market natural gas purchases.
 - 3. Under normal operating conditions, the Company's generating units shall be dispatched based on estimated unit fuel costs obtained from DA< and unit input/output equations for generation dispatch provided by PG.
 - 4. Gas Pre-schedulers shall periodically determine natural gas availability for dispatching the Newman, Montana, Rio Grande, and Copper generating units by communicating directly with the fuel suppliers and transporter and in the case of the interstate system, by using the on-line DART Services offered by EPNG as needed.
 - 5. In the event of natural gas curtailments, Gas Pre-schedulers and/or PG personnel shall contact the appropriate natural gas transportation system dispatcher (interstate or intrastate) to determine the severity and duration of the curtailment. Fuel and/or resource switching will be used to maintain reliability. Concurrently, PG will notify Gas Pre-schedulers, if not already involved, to assist. **Appendix B** provides more detailed procedure guidance in case of a natural gas curtailment/disruption emergency. Gas emergency procedures are subject to change based on DA< gas curtailment experience.

6. RM personnel shall dispatch Company generating units to maintain system reliability with the intent to minimize EPE's cost of electricity.
 - a. RM personnel shall fully utilize Company baseload nuclear generation within the constraints of unit availabilities, transmission constraints and system load requirements.
 - b. RM personnel shall weigh the cost of purchased power against unit operation costs at the Newman, Montana, Rio Grande, and Copper power plants, along with import constraints, for dispatching the most economical source of power to meet EPE's system load requirements.

VI. ENVIRONMENTAL CONSIDERATIONS

Environmental considerations shall be incorporated into all fuel purchase decisions and operation of generating facilities.

- A. Operating personnel shall be consulted regarding the use of fuel in an environmentally acceptable manner.
 1. APS, as Operating Agent for the PVNGS, shall be responsible for meeting all environmental standards set by government authorities. Recommendations for installing pollution control or waste disposal equipment will be a joint decision involving all participants in the units through the E&O and Administrative Committees. In addition, PG and DA< will notify Environmental to assist in monitoring environmental activities at PVNGS as required.
 2. Environmental will communicate environmental compliance requirements for fuel and natural gas use to DA<
 3. PG and/or Environmental shall maintain full awareness of all environmental standards and requirements that apply to the Newman, Montana, Rio Grande and Copper generating units. PG and/or Environmental shall monitor and verify compliance with all environmental standards, regulation requirements and take corrective action as required.
 4. PG and/or Environmental shall periodically obtain various energy and chemistry analyses of the fuel oil stored in the Company's fuel oil inventory for use in all fuel oil decisions by Company personnel. A detailed chemistry analysis will be performed at least every 3 years and upon new fuel oil deliveries with periodic minor analyses performed as needed by PG and/or Environmental. Environmental will pay for all fuel-related analyses.

- B. Consideration of air quality standards applicable to the various locations of Company generating facilities shall be made prior to fuel purchases.
 - 1. PG and Environmental shall specify unit fuel types and fuel specifications to DA< prior to or during negotiations for a firm or market fuel supply for the Newman, Montana, Rio Grande or Copper generating units.
 - 2. APS shall take environmental constraints into consideration when making any decision involving fuel for PVNGS.

VII. FUEL REGULATORY AFFAIRS

OGC, Contract Administrator, RP and DA< personnel shall maintain awareness of current and pending legislative, judicial and regulatory proceedings and/or decisions pertinent to the Company's fuel supply, fuel transportation and initiate action as required. Intervention in regulatory/rate hearings of regulated fuel suppliers and transporters shall be required when advantageous to assure an adequate, reliable and economic fuel supply and delivery system. For example:

- A. OGC, DA< and RP personnel shall be aware of rate/regulatory filings made by regulated fuel suppliers/transporters which serve the Company.
 - 1. OGC, RP, with assistance from DA< as needed for operational guidance, shall monitor EPNG regulatory/rate filings with the FERC.
 - 2. OGC, RP, with assistance from DA< as needed for operational guidance, shall monitor ONEOK's regulatory/rate filings with the Railroad Commission of Texas (RRC).
- B. The consequences of regulatory/rate filings of any suppliers shall be analyzed and a response filed on behalf of the Company when appropriate.
 - 1. Contract Administrator, with assistance from DA< as needed for operational guidance, shall determine the impact on the Company, financial or otherwise, of any rate/regulatory filing by Company fuel suppliers.
 - 2. Contract Administrator, with assistance from DA< as needed for operational guidance, shall recommend, based on its review of the impacts on the Company, whether or not the Company shall file an intervention into the proceedings of any rate/regulatory filing initiated by a Company fuel supplier.

3. Upon approval by RM Management, RM will contact OGC to prepare and submit an intervention and/or comments in the relevant proceeding.
 4. OGC and RP, with assistance from DA< as needed for operational guidance, shall monitor fuel regulatory proceedings in which the Company has intervened and recommend further action as required.
- C. OGC, Contract Administrator and DA< personnel shall maintain awareness of proposed, pending and current local, state or Federal legislation and regulations which could affect the Company's fuel situation.
1. DA< personnel shall determine the impact of any fuel legislation or regulations which could affect the Company.
 2. DA< personnel shall recommend a proper course of action in support of/or against fuel legislation or regulations.

APPENDIX A

NUCLEAR FUEL REQUEST FOR FUNDS REVIEW

RM personnel reviews and approves for payment nuclear fuel requests for funds (RFF) from Arizona Public Service (APS), who is the Operating Agent for Palo Verde Nuclear Generating Station (PVNGS). The RFF includes invoices for nuclear fuel and services. In order to approve these invoices, RM reviews the timing of invoices in relationship to scheduled nuclear fuel outages and known fuel purchase events. RM performs a reasonableness check of the invoices by comparing the invoices to their supporting nuclear fuel contracts.

The nuclear fuel cycle includes the steps of mining uranium oxide, converting it to UF₆ gas, enriching the gas, fabricating the fuel into assemblies, storing spent fuel in dry casks storage at the plant site and paying other nuclear fees assessed by the U.S. government for such spent fuel (spent fuel fees are currently suspended). When the steps for mining, conversion and enrichment are procured from a single source, the product is called enriched uranium product. For an invoice based on a contract with per unit price and quantity defined, the invoice is compared to the contract. For invoices that include a menu of services to be based on escalation of the base prices, a reasonableness check includes a review of the base price, pertinent section of the contract and calculation formula that was used. In addition to the invoice check, the total invoices for the year are tracked against the budget.

The final check is concerned with invoice timing. At this check, RM is concerned that costs are being incurred for actual refueling outages and future needs.

All unexpected expenses will be explained on that month's invoice.

It should be noted that RM performs various reasonableness invoice checks in addition to EPE's periodic and detailed accounting audit review. Once these reasonableness checks are performed, RM recommends the payment of the RFF subject to final approval by the PG VP. After these approvals, the recommendation is sent to EPE's Accounting and Cash Management areas for processing and payment.

Any protest to an RFF payment will be written by RM. A final protest letter or email will be sent to APS and EPE's Cash Management for filing with the RFF.

APPENDIX B

**EL PASO ELECTRIC COMPANY
NATURAL GAS EMERGENCY PROCEDURES
Revised/Reviewed: December 2019**

The purpose of El Paso Electric Company's (EPE) general natural gas emergency procedures are to assist in the coordination of EPE's natural gas deliveries during natural gas emergencies to ensure continued, reliable, and economical electrical service to its customers. These procedures will provide Resource Management (RM), Power Generation (PG), and System Operations (SO) guidelines to follow under various natural gas emergency scenarios. RM includes Real-Time Marketing (RT), Day-Ahead Pre-schedulers, Gas Pre-schedulers, Energy Schedulers and Long-Term Trading (LTT).

Upon being notified of a natural gas emergency situation by either El Paso Natural Gas Company (EPNG) or ONEOK WesTex (OWT), it will be the responsibility of RM in coordination with PG and SO to assess the situation and take the appropriate action. These general procedures or guidelines are designed to assist in the coordination and planning for natural gas emergency situations EPE might experience. These guidelines are discussed in the following procedures.

Documentation:

During any natural gas emergency, the appropriate documentation of information, actions and communication between RM, PG, and SO is important. It may be required in future regulatory filings. The pertinent information to be recorded should include, but not limited to, the following:

- The time at which EPE was notified of the emergency situation via email, text message and/or phone message,
- Name, email and/or phone number of the individual notifying EPE of the emergency,
- Event type (overpull/draft alert situation or gas emergency due to cold weather, pipeline failure, hurricane, etc.),
- Location of the problem and units affected,
- Probable duration of the emergency,
- Request fax notice/email of the emergency,
- Action taken to minimize impact to EPE's system, and
- End of Emergency (EPE's system back to normal).

PG and SO should document their respective actions and provide these details to RM to potentially put in a general incident memorandum for regulatory use or future reference. The completed memorandum should also be provided to Environmental as needed. This information may be required by the Public Utility Commission of Texas as part of any future rate/reconciliation case filing in various schedules (such as FR-2.2: Gas Curtailment and FR-2.1: Fuel Oil Burns) and to assist in any environmental compliance filings, as needed.

EPNG COMMUNICATION PROTOCOL:

EPNG will notify EPE during a Strained Operating Condition (SOC) and Critical Operating Condition (COC) to bring additional attention to critical Electronic Bulletin Board (EBB) postings

by the following communication methods: Text Message, Automated telephone calls with a pre-recorded message, and email. The Gas Pre-Schedulers will forward the SOC, COC, or emergency alerts sent by EPNG via email to the following people: Vice President Power Gen, System Planning & Dispatch, Director – Resource Planning & Management, Supervisor – Day Ahead & Long-Term Trading, Supervisor – Real Time Trading, Pre-scheduler, System Operations and Power Generation.

TYPE OF SITUATION:

When an interstate gas emergency occurs, EPNG will provide EPE with a formal notice and request EPE to limit interstate natural gas supplies or limit/stop burning interstate natural gas. Based on this notice, RM and SO can determine the most appropriate course of action to ensure system reliability. Currently, the available options include the following:

- Increase Purchased Power (PP) - RM will monitor the system and the market for power,
- Load Shifting - switching load to EPE's other generation resources if possible,
- Increase Natural Gas Purchase - Gas Pre-schedulers to increase procurement of natural gas (if available) at the affected stations through market purchases, EPNG makeup opportunity or gas storage,
- Gas Supply Shifting - fuel switching from EPNG's interstate system to ONEOK's WesTex intrastate system or vice versa (Newman and Montana only) or use a combination of both inter and intrastate (Newman and Montana only) supply to help increase delivered pressure or to utilize supplemental fuel oil (all available units as needed), or
- Load Shedding - the process of dropping load (such as interruptible) to help reduce demand to be initiated by System Operations which may inform Commercial Services who then contacts interruptible customers to reduce their electricity usage to their respective base firm amount.

The chosen action should be based on the type of situation, as discussed below.

EL PASO ELECTRIC COMPANY ANTICIPATED ACTIONS TO ASSIST DURING NORMAL CONDITIONS AND DURING EPNG GAS ALERTS

Procedure/Guidelines to Assist During Normal Conditions (No Gas Alert): (Pre-schedulers (Power & Gas)-PR, Real-Time Traders-RT, Power Generation (Rio Grande, Newman, Montana))

1. General: Gas Pre-schedulers procure and schedule monthly base gas requirements after discussions with Forward Marketer (FM) and PROMOD and/or Aurora modeling. Daily gas demand variations are met 24 hours in advance (no later than 7:15AM MCT) for flow to begin 8AM the following day. Gas Pre-schedulers manage the gas requirements for daily, next day and balance of month requirements. Interstate imbalance gas may be available under normal conditions – but subject to interruption (non-firm) by EPNG and intrastate may be available but requires notification and pressure review by Gas Pre-schedulers.

2. Please note: EPNG's hourly, monthly, and possibly daily imbalance limits became effective January 2006.
3. PR develops gas burn estimate by approximately 6:45AM MCT (no later than 6:50AM) for next day's gas delivery. Current day flow requirements are also reviewed and confirmed between PR and RT. Any significant gas demand deviations are then discussed.
4. PR evaluates pricing options (delivered gas trigger price versus next day purchased power price) to procure least cost option (gas vs. Purchased Power). In addition, other relevant factors (transmission import constraints, reliability concerns, etc.) shall be discussed to assist RM's understanding to help meet these concerns with local generation and ensure appropriate documentation.
5. PR procures purchased power and/or next day inter- and/or intrastate gas incremental supply as discussed above.
6. Gas Pre-schedulers will provide documentation and the appropriate email instructions to RT and PG (and to others as required) to meet current days activity. Gas Pre-schedulers will provide daily documentation as summarized below, and is expected to be available no later than noon of current day:

Daily Gas Burn Instructions – current day's available natural gas supply – for use by RT to match gas supply

- Presents PR volume estimate used at time of natural gas buy (7AM previous day)
- **Daily Gas Burn Summary** – compares yesterday's ACTUAL natural gas burn (as managed by RT) with PR burn estimates (per PR 7AM discussion) and daily gas instructions
- Allows adjustment to be made by all parties as needed to match available gas supply.

Current Day Gas Price Update and Next Day Estimated Price – presents daily summary of natural gas prices by station, point of receipt, Interstate & Intrastate contracts, and by fuel type (natural gas or fuel oil).

- Also presents estimated incremental gas prices to assist in current and/or next-day power transactions.

7. RT current day natural gas review. RT is expected to use the current dispatch or unit commitment (that matches the Daily Gas Burn Instructions), the Daily Gas Burn Summary and Current Day Gas Price Update and Next Day Estimated Price information (and any other information that will assist RT) in its Bottom-of-the-Hour report to ensure that EPE's natural gas burn approximates interstate and intrastate available gas supply.
8. RT to periodically review information services available to respond to changing operating conditions. This includes EPE generation status screens, weather data, EPNG's EBB for natural gas alerts, interstate natural gas pressures. Gas Pre-schedulers to be notified (see **contact person** on Daily Gas Burn Instructions email) at any time if an EPNG alert is called.
9. If an EPNG natural gas SOC or COC alert is called, begin alert procedures below.

10. RT to review natural gas data before purchasing/selling electricity to help ensure EPE stays within guidelines of its available natural gas supply.

11. As a general guideline, an acceptable or reasonable gas day variance (i.e., no EPNG gas alert) is approximately +/-5,000 MMBtu depending on season and operational changes. **Variance is the difference between gas scheduled and actual gas burn from 8AM to 8AM (of the following day) Mountain Clock or Prevailing Time).** Gas Pre-schedulers will provide actual daily interstate over/under allowable variance by EPNG for that day upon request. If Copper can be turned on without exceeding normal +/- guideline, Gas Pre-schedulers do not need to be notified to turn on Copper.
12. If, through marketing/reliability efforts by RT, EPE's gas burn is anticipated to be above/below reasonable variance amount, RT is to contact Gas Pre-schedulers for discussion purposes/authorization. Gas Pre-schedulers will perform pressure, status, customer service checks, etc. to determine if imbalance and/or intra-day interstate gas supply can be used to assist. Gas Pre-schedulers to communicate back to RT as soon as possible. If reliability is the issue, Gas Pre-schedulers will communicate issues to EPNG/ONEOK as needed.
13. If Gas Pre-schedulers do not approve going above the +/- 5,000 MMBtu general normal condition guideline, RT will document rationale for being over/under 5,000 MMBtu for that day. Gas Pre-schedulers will use RT documentation if cash-out/penalty is assessed at the end of month imbalance review by EPNG for fuel reconciliation purposes.
14. When material changes occur to EPE's gas transportation requirements, such that EPE exceeds its daily gas nomination and EPE's service contract terms, the Gas Pre-schedulers will modify the daily gas nomination through normal intraday nomination schedules. If this is not possible, the Gas Pre-schedulers will contact EPNG Gas Control and Scheduling by phone call with an updated nomination.
 - 14.1. The above procedure applies to communication with EPE's interstate transportation provider, El Paso Natural Gas, due to FERC Order No. 698, issued on June 25, 2007. This order requires EPE to incorporate NAESB WGQ Standard 011-1.2 for EPE to update its interstate gas nominations in response to expected gas requirement changes due to change in load, unit, gas/power market changes, pipeline changes, etc. This procedure will change as EPNG changes its communication requirements per its FERC approved tariff.

Note that these are general procedures subject to change as EPE gains experience in handling the day to day normal operations under EPNG's changing gas tariffs. Please feel free to modify and update – but discuss with each counterparty (RT, PR, FM and PG) before assuming acceptance.

Procedures during ALERT Conditions (SOC or COC gas alert):

(Gas Pre-schedulers, Real-Time-RT, PG-Power Generation (Rio Grande, Newman and Montana))

- 1.) EPNG declares a SOC ALERT or COC ALERT either by email and/or calling Gas Pre-schedulers or by RT becoming aware of the notice by monitoring EPNG's EBB.
- 2.) Once either RT or Gas Pre-schedulers becomes aware of the alert, the informed party will notify the other party as soon as possible. As a general guideline, an acceptable initial SOC or

COC gas alert variance for expected gas burns scheduled nominations is +/- 3,000 MMBtu. Gas Pre-schedulers to provide actual daily interstate over/under allowable variance to RT once gas supply data is reviewed.

- 3.) The alert condition for each alert is summarized below – and as updated per EPNG tariff.
- SOC - Shipper's gas burns must be within 4-10% of scheduled volumes, EPNG provides % at time of alert. $\% = (\text{Scheduled gas amount} - \text{Actual burn amount}) / \text{Scheduled amount}$.
 - COC - Shipper's gas burns must be within 3% of scheduled volumes.

If EPNG **declares an SOC prior to 12PM (noontime, MCT-Mountain Clock Time)**, EPE must respond to the SOC in the same gas day. If EPNG **declares an SOC after 12:00 PM MCT or noon**, EPE must respond to the SOC the next gas day.

SOC Before Noon <u>Same Day Balance</u> Nomination Cycles/MCT	SOC After Noon <u>Next Day Balance</u> Nomination Cycles/MCT
Cycle 3 (Intraday 1) - 9:15 AM	Cycle 2 Evening 5:15 PM
Cycle 4 (Intraday 2) - 1:45 PM	Cycle 3 (Intraday 1) - 9:15 AM
Cycle 5 (Intraday 3) - 6:15 PM	Cycle 4 (Intraday 2) - 1:45 PM
Cycle 6 (Late Day) -10:00 PM	Cycle 5 (Intraday 3) - 6:15 PM
Cycle 7 (Final) - 6:30 AM	Cycle 6 (Late Day) -10:00 PM
	Cycle 7 (Final) - 6:30 AM

For each day of an SOC, EPE will have a catch-up nomination opportunity to resolve daily imbalances prior to the assessment of an SOC Daily Imbalance Charge. For example, for each Gas Day ("Day 1") during which an SOC is in effect, Shippers in the SOC area will have the subsequent Gas Day ("Day 2") to reduce the previous Gas Day's daily imbalance to within the stated threshold level. Contact EPNG for the procedures to do catch-up prior to 9:15AM MCT.

If EPNG **declares a COC prior to 12PM MCT noontime**, EPE must be in balance on the same gas day. If EPNG **declares a COC after 12:00 PM MCT noontime**, EPE must be in balance the next gas day. Shippers in the COC area must be in balance on the first Gas Day for which at least a **four-hour** scheduling opportunity is available.

COC Before Noon <u>Same Day Balance</u> Nomination Cycles/MCT	COC After Noon <u>Next Day Balance</u> Nomination Cycles/MCT
Cycle 3 (Intraday 1) - 9:15 AM	Cycle 2 Evening 5:15 PM
Cycle 4 (Intraday 2) - 1:45 PM	Cycle 3 (Intraday 1) - 9:15 AM
Cycle 5 (Intraday 3) - 6:15 PM	Cycle 4 (Intraday 2) - 1:45 PM
Cycle 6 (Late Day) -10:00 PM	Cycle 5 (Intraday 3) - 6:15 PM
Cycle 7 (Final) - 6:30 AM	Cycle 6 (Late Day) -10:00 PM
	Cycle 7 (Final) - 6:30 AM

- 4.) Upon notification, RT to review Bottom-of-the-Hour Report to determine current day estimated actual gas burn – taking into consideration the 8AM to 8AM gas day period. RT to provide current gas burn status to PR as soon as possible. IF EPE IS NOT IN COMPLIANCE, DISCUSSION OF ACTIONS IS REQUIRED TO HELP AVOID ALERT PENALTY.
- 5.) Upon notification, Gas Pre-schedulers will confirm alert / review situation with EPNG scheduling (EPE's representative).

RT Gas Pre-schedulers will review the situation and possible solutions, as summarized below.

INTERSTATE INTRA-DAY GAS - POSSIBLE PROCUREMENT	INTRASTATE INTRA-DAY GAS - POSSIBLE PROCUREMENT	EMR FUEL OIL SUPPLY	GAS STORAGE EPNG Net ALERT/Imbalance EPNG Makeup/EPE Payback Kinder Morgan Storage and Oneok Texas Gas Storage withdrawals/injections	CONSIDER ADDITIONAL PURCHASED POWER OR REDUCTION IN SALES TO LOWER LOCAL GAS DEMAND
NOTES: Firm Nomination: Cycle 3: 9:15AM MCT Cycle 4: 1:45PM MCT Cycle 5: 6:15PM MCT	NOTES: Firm Nomination: Consider Co-mingle Inter/Intra to assist pressure at Newman	NOTES: Supplemental or full FUEL Oil burn. Activate EMR Fuel Oil but note PG's time notice requirements below NM Units 1, 2, 3: 2 hr. notice Montana Units 1,2,3,4: 1 hr notice NM Units 4, 5, Cop: Not Avail on Oil RG Units 6, 7, 8, 9: Not Avail on Oil DA< Alert Environmental after EMR	NOTES: Check affected pipeline use Gas Storage accordingly Contact EPNG to see if EPE is opposite of alert Check Makeup/Payback	NOTES: Real-Time (w/assist. from LTT&F) Based on transmission constraints

7.) RT to determine power market options, i.e. purchase power, to assist in the gas alert, as shown above.

8.) Gas Pre-schedulers will determine availability / price of interstate intra-day gas to assist in RT's decision process.

9.) Gas Pre-schedulers will determine availability / price of intrastate no-notice natural gas, review intrastate pressure status, coordinate no-notice use with ONEOK (gas control) as needed.

10.) Gas Pre-schedulers will determine storage availability / price of park & loan or other natural gas services to help meet alert.

11.) Gas Pre-schedulers will provide status / delivered natural gas prices to RT for comparison with increasing purchased power and/or reducing sales. PR to reconsider any next-day sales during a gas alert to assist.

12.) RT informs Gas Pre-schedulers to buy or not to buy gas supply if available to comply with alert (may be combined if RT provides Gas Pre-schedulers with a trigger gas price above). If buy: Gas Pre-schedulers attempts to procure volume, notify RT of new WACOG.

If not to buy: RT monitors gas burns throughout the period to ensure gas burns remain within scheduled volumes and EPNG's alert limits. Gas Pre-schedulers will assist monitoring as much as possible.

13.) If natural gas is not available due to supply issues and/or pressure concerns and purchased power is not available, PG may consider co-mingling of inter and intrastate for intrastate pressure support at Newman. RT/ Gas Pre-schedulers may request or PG may use supplemental fuel oil burns to help reduce interstate gas burn to scheduled levels – in compliance with EPNG's alert notice. PG control room(s) will be notified by Gas Pre-schedulers and PG will begin supplemental oil burn within a **2-3 hour period** after notification. Gas Pre-schedulers has the final authorization and does not need other approval to burn oil during this time. PG will ascertain which generating unit(s), depending on the situation, to burn oil.

14.) If natural gas burns are not reduced to match scheduled supply, RT and Gas Pre-schedulers to renew actions as required to reduce natural gas burns –return to item 6) above.

15.) RT and/or Gas Pre-schedulers monitor natural gas situation via EPNG EBB throughout the period for alert changes.

16.) Gas Pre-schedulers to work closely with RT to help prepare for next day's purchased power requirements to help ensure available gas meets prescheduled gas burn estimates. Any next-day power sales during a current day gas alert should be reviewed carefully.

17.) If EPE's fuel oil is to be burned, EPE's Environmental will be notified by Gas Pre-schedulers, RT, and/or PG before the event if possible. Environmental will assist PG in oversight during the fuel oil burn for monitoring, regulatory compliance and reporting to help ensure continued safe use of EPE's emergency fuel oil supply.

18.) Once natural gas alert is cancelled, documentation should be kept for invoice approval and reconciliation.

19.) After action meetings, if needed, should be called to review efforts, guidelines and procedures to ensure readiness/response changes for next alert. These are general alert procedures subject to change as EPE gains experience in handling the daily operations under EPNG's alert conditions. Please feel free to modify and update – but discuss changes with each counter party (RT, PR, and PG) before assuming acceptance.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-2: FUEL AND PURCHASED POWER PROCUREMENT PRACTICES
SPONSOR: DAVID C. HAWKINS
PREPARED BY PEARL MULLER AND MIRITZI SANDOVAL
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-2
Page 34 of 73

0. RT Gas Pre-schedulers, Pre-schedulers and PG are to maintain documentation for fuel reconciliation purposes.

APPENDIX C
INTERSTATE Flow Control Action Plan - Supplemental
Applicable to COC Alerts - January 2010 (Updated 11/21/13)

El Paso Natural Gas' (EPNG) new flow control tariff became effective **October 16, 2009**. EPE filed protests at FERC, but FERC allowed the pipeline to institute controls to protect its pipeline system by controlling the amount of gas flows to a Shipper's delivery point. EPNG could also install, at the Shipper's expense, remote control gas flow valves at delivery points. The installation will occur if the Shipper ignores "repeated" notices to balance from drafting the system (burning more gas than scheduled) and is therefore "repeatedly" subject to critical operating conditions (COC). A pipeline draft is the limiting condition for flow control and EPNG can only modify flow control down to the shipper's scheduled gas quantity. Newman 5 and Rio Grande 9 have remote control valves. EPE's newest delivery point, Montana Power Station, has remote flow control valves. EPE's other existing delivery points, including Newman Units 1, 2, 3 and 4 and Rio Grande Units 6, 7 and 8, currently do not have remote flow control valves. They do have manual shutoff valves which EPNG can use to control flow locally.

This memo reviews the history of the flow control tariff, discusses the COC that EPNG can declare, and lists the possible and recommended actions EPE may be able to take to help mitigate the potential for instituting flow control at EPE's generating stations.

To assist, the following procedures at the end offer a guide to meet normal and alert conditions. These procedures are **subject to change** as other resources and assistance/constraints/issues dictate. EPE's primary concern is public safety and reliability of service, but EPE should minimize penalties due to alert conditions and review supply economics if time and operating conditions allow. The Gas Pre-scheduler should review EPE's Gas Curtailment Procedures early in the alert and notify PR, RT, PG and PMF management as soon as possible so they can assist as needed during the alert. Retain all notes and documentation for possible after-action reporting and invoice review.

Background: With flow control, EPNG has the potential to physically control gas delivered to a delivery point on its interstate pipeline system. For example, EPNG could control the level of gas to EPE (but only down to scheduled gas nominations) at either Rio Grande, Newman or Montana during (1) a COC, (2) when an emergency exists on the pipeline or (3) when EPNG and the Shipper mutually agree. Flow control can be invoked through manual or remote isolation valves at Newman, Montana, and Rio Grande but only to the extent EPE was drafting or over pulling gas (burning more gas than scheduled) on the system. Since EPNG maintains a maintenance yard near Newman Station, it is conceivable that EPNG could drive over to either plant to manually close isolation or flow control valves.

Earlier flow control language instituted by EPNG in 2005 allowed manual or remote flow control only during a COC alert. However, EPNG proposed stricter flow control language in its latest rate case (RP08-426) filed at the FERC on 6/30/08. It allowed for activation of flow control and installation of remote flow control at any time. After significant protests by the Shipper group, including EPE, EPNG withdrew their proposed flow control language and on 9/14/09 proposed more reasonable language. In its protest dated 9/28/09, EPE protested that EPNG could invoke flow control at times when Shippers could not access gas markets (e.g., late night hours). EPE also protested that "repeatedly" was undefined and therefore subject to interpretation by EPNG. In addition, EPE protested that EPNG should be subject to damage claims for simple negligence

Instead of gross negligence in invoking flow control inhibited electric utilities from meeting its obligation to serve. EPNG wanted to not be held liable for any impact for invoking flow control; even if EPNG inappropriately activated the control on a shipper.

The FERC agreed with shippers on better defining “repeatedly” and to include simple negligence in the new tariff. The FERC agreed with EPNG on their right to protect the pipeline system via flow control if certain shippers repeatedly failed to balance at any time – even if markets were not available. This increases the importance of maintaining gas storage capacity on the interstate system and using ONEOK’s intrastate supply to assist balancing especially during alert conditions.

On 10/28/09, EPNG agreed to define “repeatedly” to mean **three** times over a twelve-calendar month period and also agreed to the simple negligence language. Since flow control can be invoked at any time, EPE should be familiar with EPNG’s critical conditions defined in its tariff² (Sec. 11.1, titled *STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES* under EPNG’s Transportation General Terms and Conditions).

The proactive steps presented below are designed to reduce the need for EPNG to invoke flow control on EPE by meeting balancing requirements as part of EPE’s normal course of business, especially during COC alerts. The balance mandate would tend to mitigate or reduce the risk of hitting the flow control triggering mechanism (three violations in a twelve-month calendar year) against EPE. Flow control is important to be avoided since it reduces dispatch flexibility and Automatic Generation Control (AGC) operations.

Critical Operating Conditions: EPNG has three operating alert conditions, listed from the least to the most severe condition, Strained Operating Condition (SOC) and Critical Operating Condition (COC) and Emergency COC.

1. An SOC is declared when EPNG believes the pipeline system is threatened and/or service to other Shippers or Operators may be adversely affected, and minor variations in receipt and delivery quantities from scheduled levels cannot be accommodated. EPE must balance gas burns/requirements and nomination schedules within 4%-10%, set by EPNG’s judgment. If EPNG declares an SOC before noon (12PM-MCT), there must be balance within the current gas day. If the declaration is after 12PM-MCT, the balance must be accomplished during the next gas day (which begins at 8AM-MCT).
2. A COC is declared when system condition prompting the declaration of an SOC persists. When a COC occurs, Shippers must be in balance within four hours on the first Gas Day for which at least a four-hour scheduling opportunity is available. For a COC the gas requirements must be within 3% of the gas scheduled. If EPNG declares a COC before 12PM-MCT of the gas day, the operating condition applies to the current day. If a COC is declared after 12PM-MCT, the COC will apply to the next gas day and must be in balance by Noon.

² <http://passportebb.elpaso.com/ebbmasterpage/Tariff/OrgChart.aspx?code=EPNG>

An emergency COC can be declared when the integrity of a segment, lateral or overall system is at immediate risk. It must be in balance the same gas day for which at least a four-hour scheduling opportunity is available.

Alert Penalty Charge: Besides triggering the potential for flow control, the SOC, COC and emergency COC penalties can be significant:

Daily Charges/Penalties - The Critical Condition Rate shall be determined based upon the charge/penalty quantity within each Tier Level relative to the daily delivery variance above the applicable Safe Harbor			
Tier Level	Delivery Variance Quantity	Delivery Variance Percentage From Scheduled	Charge/Penalty Rate
I	3,500 Dth or Less	0% - 15%	1.5 x Critical Condition Rate
II	3,501 Dth - 5,000 Dth	>15% - 50%	2 x Critical Condition Rate
III	5,001 Dth or Greater	>50%	2.5 x Critical Condition Rate
Critical Condition Rate: The rate used to calculate penalties and charges incurred during a Critical Condition. The Critical Condition Rate shall be the higher of: 1) the Daily Mid-Point Spot Price, or 2) the Monthly System Cash Out Index Price			

The lower of the delivery variance quantity or delivery variance percentage is the charge.

Sample Daily Critical Charge

Critical Condition, % 5
Nomination, Dth 25,000
Delivery, Dth 30,000
Difference, Dth 5,000
Imbalance, % 20
Critical Condition Rate (CCR), \$/Dth 5

Tier	Quantity Variance	Multiplier	CCR	Charge Rate \$
I	3,500 Dth or Less	3,500	1.5	7.5
II	3,501 Dth to 5,000 Dth	1,500	2	10
III	5,001 Dth or Greater	0	2.5	0
Total		5,000		41,250

Tier	Percentage Variance, %	Multiplier	CCR	Charge Rate \$
I	15% or less	15	3,750	1.5
II	>15% or <	15	1,250	2
III	>50%	50	0	2.5
Total		5,000		40,625

Quantity Variance, \$ 41,250
Percentage Variance, \$ 40,625

Critical Condition Daily Charge, \$ **40,625**

The charge rate will be 1.5 to 2.5 times the higher of 1) San Juan, Permian or Waha gas index price or 2) the Monthly System Cash out index price for gas above the limit. For example, if the highest gas price was \$5/Dth, the penalty can be as high as \$12.50/Dth – in addition to the shipper having to make up the imbalance amount. It must be remembered that each declaration of COC or flow control on EPE brings EPE closer to having remote control valves installed on the generating stations at EPE's expense, estimated to be \$1,000,000 by EPNG per installation.

Penalties will apply to hourly overruns during a critical condition.

EPE should attempt to balance its scheduled gas volumes with gas requirements or burns as a normal course of business, but during times of weather or unit outages, etc., imbalances do occur. If EPNG warns of an impending SOC or declares an SOC during these times, the warning or

declaration should be taken seriously and begin balancing gas requirements with scheduled volumes if out of balance; and a COC should be viewed as an immediate need to balance within the specified gas day. An emergency-COC means that EPE's gas requirements and scheduled volumes need to be balanced as soon as possible or the flow control rules apply. If flow control is already in place at the delivery point, EPNG could invoke control immediately to keep the pipeline from failing. EPNG will strive to provide a one-hour notice.

The limiting condition on the interstate pipeline for flow control is when the pipeline is experiencing a significant "draft" situation. This occurs when Shippers are using more gas than scheduled or nominated for the day with a result of declining mainline pressure. This said, EPE should attempt to balance (whether drafting or packing the system as appropriate to address the SOC or COC condition) since both have alert penalty implications.

Recommended Action Procedures

To minimize the potential for EPNG to declare a Flow Control on EPE, the following procedures offer a guide to meet **normal** and **alert** conditions. These procedures are subject to change as other resources and assistance/constraints become available. EPE's primary concern is safety and reliability of service, but economics should be reviewed if time and conditions permit. The Gas Pre-scheduler should review EPE's Gas Curtailment Procedures early in the alert and notify PR, RT, PG and PMF management as soon as possible so they can assist as needed during the alert. The Gas Prescheduler should take good documentation notes for after action reporting and invoice review.

Actions for EPE's Normal Course of Business

During normal (no alert) conditions, EPE should balance to within approximately +/- 5,000 Dth of scheduled volumes at each delivery point so if alerts arise, EPE is in a net gas balanced position from which to react. As a general guideline, an acceptable initial SOC or COC gas alert variance is +/-3,000 MMBtu. If EPE remains balanced, any alert requires minor review and balancing effort.

Monitor EPNG for SOC/COC alert messages to be in a proactive position for response to an alert.

Actions for SOC, COC, Emergency COC or Phone Call from EPNG to Control Flow

1. Upon notification of an SOC, COC or Emergency COC from EPNG, EPE should:
 - a. Contact EPNG to
 - i. Confirm that EPE is subject to an SOC, COC or Emergency COC declarations
 - ii. Confirm the time periods (Same Day, Next Day, or within 4 hours) to be within balance.
 - iii. Determine which delivery point - Rio Grande or Newman/Montana - is subject to the alert condition
 - iv. Confirm the tolerance level of the alert condition and whether netting of EPE's delivery points will be allowed. Must call EPNG to confirm.
 - v. Confirm the balancing tolerance between gas requirements and scheduled nominations.

1. Draft Conditions (EPE is using more gas than it scheduled.)

2. Pack Conditions (EPE is using less gas than it scheduled)

3. If EPE is packing during a draft alert or drafting during a pack alert – EPE may not need to act as long as EPNG is notified and EPNG accepts the assistance. Document the conversation accordingly-request **email verification** from EPNG.

b. For SOC,

- i. If the alert declaration is before noon (12PM-M CT) then balancing should be done during the current gas day (a make-up opportunity in the following day is possible if the nomination is made during the first intraday nomination. Contact EPNG Scheduling for assistance and confirmation.)
- ii. If the declaration is after noon (12PM- MCT) then balancing can be done during the next gas day.

<u>SOC Before Noon Same Day Balance MCT</u> Nomination Cycles/Times	<u>SOC After Noon Next Day Balance MCT</u> Nomination Cycles/Times
Cycle 3 (Intraday 1) - 9:15AM	Cycle 2 Evening 5:15 PM
Cycle 4 (Intraday 2) - 1:45 PM	Cycle 3 (Intraday 1) - 9:15AM
Cycle 5 (Intraday 3) - 6:15 PM	Cycle 4 (Intraday 2) - 1:45 PM
Cycle 6 (Late Day) -10:00 PM	Cycle 5 (Intraday 3) - 6:15 PM
Cycle 7 (Final) - 6:30 AM	Cycle 6 (Late Day) -10:00 PM
	Cycle 7 (Final) - 6:30 AM

c. For COC,

- i. If the declaration is before noon (12PM-MCT) EPE must be in balance on same gas day.
- ii. If the declaration is after noon (12PM-MCT) EPE must be in balance in the next gas day.

Shippers in the COC area must be in balance on the first Gas Day for which at least a **four-hour** scheduling opportunity is available.

<u>COC Before Noon Same Day Balance MCT</u> Nomination Cycles/Times	<u>COC After Noon Next Day Balance MCT</u> Nomination Cycles/Times
Cycle 3 (Intraday 1) - 9:15AM	Cycle 2 Evening 5:15 PM
Cycle 4 (Intraday 2) - 1:45 PM	Cycle 3 (Intraday 1) - 9:15AM
Cycle 5 (Intraday 3) - 6:15 PM	Cycle 4 (Intraday 2) - 1:45 PM
Cycle 6 (Late Day) -10:00 PM	Cycle 5 (Intraday 3) - 6:15 PM
Cycle 7 (Final) - 6:30 AM	Cycle 6 (Late Day) -10:00 PM
	Cycle 7 (Final) - 6:30 AM

- d. For Emergency COC-EPE must be in balance within the same gas day by the end of Cycle 7 as confirmed by EPNG's Nominations/Scheduling group (800-238-3764).

Inform Pre-Schedulers, Real-Time Marketing and Power Generation of the condition and the amount of gas available to burn at each station and whether load switching is available

EPE Possible Actions for a Draft Condition (EPE is using more gas than it scheduled)

- i. Review situation and all alternatives before acting to determine the best plan of action (reliability, pressure, penalty assessment, economic, etc.). Discuss situation with all pertinent areas as soon as possible (EPNG, Pre-Schedulers, Real-Time Marketing, Power Generation as needed)
- ii. Monitor and confirm imbalance, EPNG may be looking at incorrect delivery point or using 24-hour average readings to call an alert.
- iii. Flow Day Diversion to plant requiring gas if netting is not available, and/or
- iv. Schedule more gas (withdraw) from Keystone Gas Storage (KGS), and/or
- v. Work with Real Time Traders to see if possible to increase power purchases or contact System Operations to explore the possibility of placing interruptible load on notice for interruption to help reduce gas requirements, and/or
- vi. Increase intrastate gas purchases and nominations and/or schedule more gas (withdraw) from Oneok Texas Gas Storage (OTGS) if pressure allows.
- vii. Begin Emergency Fuel Oil Use for flame stabilization or gas reduction to maintain reliable service and load. Power Generation needs 2-3 hours preparation time, so notify PG early if needed
- viii. Notify Environmental Department if Fuel Oil is used within 24 hours or as indicated in the Gas Curtailment Procedures

EPE Possible Actions for a Pack Condition (EPE is using less gas than it scheduled)

- Review situation and all alternatives before taking action to determine best plan of action (reliability, pressure, penalty assessment, economic, etc.). Discuss situation with all pertinent areas as soon as possible (EPNG, Pre-Schedulers, Real-Time Traders, Power Generation as needed).
- Monitor and confirm imbalance throughout the alert period, EPNG may be looking at incorrect delivery point(s) or using 24-hour average readings to call an alert.
- Flow Day Diversion from plant with too much gas to plant requiring more gas if netting is not available.
- Schedule gas (injection) into KGS.
- Work with vendors to adjust or reduce the original purchased quantities (or any portion thereof) to be received at the supply basin during an unexpected event like unit outages, storage injection issue, pipeline alerts or any other unforeseen circumstance. OGC is to be consulted in the event that EPE desires to sell to a third party any quantities of gas supply at a location other than the originating supply basin (to discuss appropriate compliance with FERC shipper-must-have-title rule).
- Work with Real Time Traders to see if possible to increase power sales or decrease purchases.

- Consider reducing intrastate gas nominations and flow by scheduling gas (injection) into OTGS – consider contract ramifications such as overrun charges.

If EPNG calls to **invoke manual flow control**, EPE should implement the following actions:

Actions for a **Draft Condition** (limiting condition for flow control)

1. Confirm with EPNG that EPE is to receive at least its Scheduled Volumes.
2. Consider Flow Day Diversion to drafting delivery station if supply available
3. Consider scheduling gas from storage to drafting station.
4. Work with Real Time Traders to increase power purchases or reduce sales.
5. Increase intrastate gas purchases and nominations and/or schedule more gas (withdraw) from Oneok Texas Gas Storage (OTGS). Call ONEOK Gas Control to inform them of the condition.
6. Consider using EPE's emergency fuel oil supply to supplement gas and assist during the alert to reduce gas usage.
7. Notify Environmental if Fuel Oil is used within 24 hours or as indicated in the Gas Curtailment Procedures.

These flow control procedures are **subject to change** as conditions and/or the situation change – depending on the emergency and the pertinent language in EPNG's tariff. Review EPNG's SOC/COC tariff sections periodically to ensure procedures are relevant. See Sec. 11.1- *STRAINED AND CRITICAL OPERATING CONDITION PROCEDURES* Transportation General Terms and Conditions and Sec. 11.2 Flow Control Equipment (See Web Link <http://passportebb.elpaso.com/ebbmasterpage/Tariff/OrgChart.aspx?code=EPNG>)

 El Paso Electric	RESOURCE MANAGEMENT DEPARTMENT	Document No.	2
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TABLE OF CONTENTS

GENERAL TRANSACTION INTENT – to Meet EPE’S Obligations.....	37
TRANSACTION CATEGORIES.....	37
TRANSACTION CONSIDERATIONS.....	38
TRANSACTION CRITERIA.....	38
APPROVED PRODUCTS.....	39
TRANSACTION CONFIRMATION.....	39
TRANSACTION NOTIFICATION.....	40
MARKET RISK MITIGATION.....	40
APPROVAL PROCESS.....	41
CHECKS AND BALANCES.....	43
TABLE.....	44
APPENDIX (Power Pre-scheduler/ Gas Pre-scheduler Operating Policies)	45

EPE's Resource Management (RM) function is responsible for maximizing the value of EPE's generation assets and minimizing fuel and purchased power costs. To accomplish this, RM enters into different types of sales and purchases ("transactions") of energy and/or capacity ("power") at various points on its system. The most common points are the Palo Verde ("PV") and Four Corners ("FC") hubs. To succeed in this goal, procedures must be in place that allows RM to participate in market activities and to quickly respond to changes in the market without subjecting EPE to undue risk. The controls in place must include criteria governing transactions, an approval process, as well as checks and balances to ensure that the process is followed by all personnel and documented. These criteria are specific to those products identified herein.

GENERAL TRANSACTION INTENT – to Meet EPE's Obligations

Statement of Intent: As stated above, it is intended that any fuel and purchased power procured are for EPE's use and expected to be taken to delivery. Therefore, all fuel and purchased power should be considered Forward Contracts within the meaning of the Commodity Exchange Act (CEA) and the Rules of the Commodity Futures Trading Commission since:

- a) EPE is a commercial market participant with respect to the specified commodity and is entering into the transaction in connection with its business;
- b) EPE intends to make or take physical delivery of the specified nonfinancial commodity; and
- c) if any transaction includes volumetric optionality, any exercise, or non-exercise, of such volumetric optionality by the holder thereof is based primarily on factors outside of EPE control and which influence demand for, or the supply of, the specified nonfinancial commodity, such as the impact on its commercial needs of physical factors (such as weather, customer demand, transport, shipping, or other operational constraints) or regulatory requirements.

A proactive review of transactions is performed at least annually to assist in meeting the requirements of the Dodd-Frank Act. Each year, RM selects and reviews a random sample of transactions in webTrader to help ensure that EPE's transactions comply with EPE's intention of Forward contracts - expected to be taken to delivery. OGC also periodically coordinates in-house marketing training classes discussing Dodd-Frank requirements and the implications for EPE. These reviews continue to be under development and subject to change based on Dodd-Frank and CTFC continued changes as the rules are developed.

TRANSACTION CATEGORIES

Transactions are categorized based upon the term of the transaction. These categories are: 1) Real-Time, which consists of same-day hourly and balance-of-the-day; 2) Day-Ahead, which are next day and up to three days as defined by the Western Electricity Coordinating Council (WECC) scheduling calendar; 3) Balance-of-the-Month, which are entered into during the current month and expire at current month end; 4) Long-Term, which are one month or longer, whereby the common terms are monthly, quarterly, and yearly.

Each transaction category can further be delineated by the hours in which delivery occurs. These sub-categories are: 1) On-Peak, which is defined as the 16 hour block from 6 a.m. to 10 p.m. PPT (Pacific Prevailing Time), Mondays through Saturdays 2) Off-Peak which is the remaining Monday through Saturday hours as well as all 24 hrs. on Sunday and most holiday hours, PPT; 3)

Around-the-Clock, which combines On- and Off-Peak hours; 4) Shaped, which are specific hours agreed to by counterparties such as super peak (HE13-20 PPT), for example ; and 5) Hourly, which are same-day hourly transactions.

TRANSACTION CONSIDERATIONS

Reasons for entering into a transaction fall into three broad categories. These categories are:

1. **Forced Sales** – Low load conditions or lack of transmission import capability result in conditions whereby Forced Sales are required. Low load exists when minimum generator operating levels exceed native load requirements, resulting in load and generation imbalance. In this instance, sales are made to put load and generation back into balance. Import restrictions at times can also result in EPE's remote generation being stranded from EPE's native load. EPE is forced to sell energy at the constrained generation locations to conform to import constraints.
2. **Economically Advantageous** – These transactions occur when EPE's incremental cost of generation is below the market price and entering a sale is expected to produce a positive margin. Also, when the market price is below EPE's cost of generation and transmission into EPE's service territory is available, EPE can enter into purchases to save fuel expenses. EPE may also be able to reverse out of an earlier sale transaction, resulting in a fixed transaction margin or lock in energy at a known price.
3. **Operationally Beneficial** – Transactions which do not result in a clear economic advantage are still useful and necessary at times for operational reasons. System constraints can be alleviated by transacting at different EPE generation hubs, thereby decreasing system imports at the constrained generation hub and increasing imports at an unconstrained hub.

TRANSACTION CRITERIA

Purchases must meet the following criteria:

1. The counter-party must have a credit rating that is commensurate with the value of the transaction or provide credit assurances; and,
2. The purchase is expected to fulfill any of the following:
 - a. The purchase is necessary for EPE to meet its reserve requirements;
 - b. The purchase is economically advantageous vis-à-vis EPE's projected cost in serving EPE's load;
 - c. The purchase is operationally beneficial or necessary due to system constraints; or
 - d. The purchase will be used to serve an off-system sale (direct assignment) to minimize market-price risk;

Sales may be entered into on a Real-Time, Day-Ahead, or Balance-of-the-Month basis subject to meeting all of the following criteria:

1. EPE can meet its Southwest Reserve Sharing Group (SRSG) requirements with the sale;
2. The sale is expected to result in a net positive economic impact (see exception below); and

3. The counterparty must have a credit rating that is commensurate with the value of the transaction or provide credit assurances.

An exception to criteria 2 can be made if the sale is a forced sale or is operationally beneficial as previously described.

Prior to agreeing to a sale with a term longer than a month or further out than the prompt-month, analyses must show that EPE can meet the following criteria:

1. At minimum, EPE's reserves must equal or be greater than its planning reserve margin for the duration of the sale.
2. Margin estimates will be determined and if margins are negligible, the transaction must provide operational benefits.

The counterparty must have a credit rating that is commensurate with the value of the transaction or provide credit assurances.

APPROVED PRODUCTS

EPE may enter into power transactions necessary to manage the reliability and economics of EPE's system generation and load that fall within the wholesale power market Transaction Categories and are governed by EPE's Transaction Criteria.

TRANSACTION CONFIRMATION

Transactions in all categories and time frames require mutual agreement between counterparties. The means by which agreement is reached may vary in the various time frames of transactions but is always done in the most beneficial means in terms of economics and efficiencies. The three primary means of transaction completion are direct contact with counterparty – either through recorded electronic communication, electronic brokerage, or voice brokers. These means of transactions have accuracy assurances, by recording transaction terms between counterparties.

Real-Time transactions are confirmed primarily through direct conversation due to the efficiencies required in meeting the time restrictions of the real time market. Confirmations are recorded on a password protected telephone recording system, which provides documentation should transaction discrepancies arise between counterparties. Should instances occur whereby transactions are completed on an unrecorded phone line, the real-time trader will re-confirm with the counterparty on a recorded phone line.

Daily preschedule transactions, Balance-of-the-Month and Long-Term transactions are completed using all three methods of confirmation. Pre-scheduler phone lines are recorded by the same system as the real time conversations for transactions done directly with counterparties. Should instances occur whereby transactions are completed through means without record (an unrecorded phone line, IM, etc.) the Pre-scheduler will re-confirm with the counterparty as soon as possible on a recorded phone line. Transactions using electronic brokerage are documented online and available for review should discrepancies occur. Transactions completed via voice brokerage are recorded and confirmed with paper documentation.

EPE follows the WSPP Inc. (WSPP) confirmation procedures pursuant to the WSPP Agreement, with signature confirmation required for transactions of one week or more. EPE determines on an individual transaction basis a counterparty's request for signature confirmation for transactions less than one week.

TRANSACTION NOTIFICATION

Transactions requiring written confirmation per the WSPP guidelines will be reported via e-mail to EPE's Director - Resource Planning & Management. The email will include the following information: commodity, rate of delivery-MW, MWh quantity over term, transaction price, delivery/receipt point, counterparty, contract term of the transaction, start and end date of transaction, sale or purchase, trader for counterparty, EPE cost of supply, and trader for EPE. The email will be distributed the day the agreement to purchase or sell is reached, unless the transaction occurs after 3 p.m. MCT in which case it will be distributed no later than 9 a.m. MCT the following day. Email notification may be used for transactions for which a written confirmation is not required under WSPP guidelines, if requested by the counterparty, and agreed to by EPE.

MARGIN RISK MITIGATION

EPE looks to maximize transaction margins and minimize losses through approved trading strategies. These strategies include transaction reversal, heat rate transactions, and any commercially available energy product as approved by EPE management. Each transaction category utilizes different methods of risk mitigation to secure the economics of a transaction. Shorter term transactions have less risk than longer term transactions due to greater accuracy of system forecasts market conditions and shorter duration.

- Real Time Transactions
 1. Forced Sales – Transactions are entered into for operational reasons other than economics, therefore, economic risk mitigation is only viable if the conditions that initiated the transaction no longer exist.
 2. Economically Advantageous – Transactions are based on generation costs and therefore are subject to minimal economic risk. Load forecast and system statuses are projected for a shorter duration, and therefore have a greater degree of accuracy than longer term projections. Transaction reversal is only necessary if assumptions vary significantly from actual conditions, or if favorable economic conditions allow. Transaction reversal eliminates risk associated with margins.
 3. Operationally Beneficial – Transactions that mitigate system constraints or provide favorable operational benefits. Transaction costs and revenues are known prior to transaction start-up.
- Pre-Schedule (Day-Ahead)
 1. Forced Sales – In certain situations, EPE may be forced to sell power to mitigate system constraints (for example, a transmission import restriction) that prevent the power from being able to reach load. Risk may be managed depending on the nature of the system constraint. Excess generation due to testing or low load conditions also may result in forced sales. EPE will look to market its forced sales quantities to potential buyers.

2. Economically Advantageous – Pre-Schedule transactions are based on one day and up to three day load and generation availability and cost assumptions. Load forecasts and generation status are generally stable from day-to-day. Generation is the primary method of mitigating risk. Transaction reversal removes risk and fixes transaction margin.
 3. Operationally Beneficial – Transactions that mitigate system constraints or provide favorable operational benefits. Transaction costs and revenues are known prior to transaction start-up.
- Balance-of-the Month
 1. Forced Sales – In certain situations, EPE may be forced to sell power to mitigate system constraints (for example, a transmission import restriction) that prevent the power from being able to reach load. Risk may be managed depending on the nature of the system constraint. Excess generation due to testing or low load conditions also may result in forced sales. EPE will look to market its forced sales quantities to potential buyers.
 2. Economically Advantageous – Transactions are based on load and generation capability forecasts for up to one month. Excess system generation and margin opportunities should reflect additional risk associated with longer term forecasts. Generation is primary means of mitigating risk. Transaction reversal eliminates risk associated with margin. Presents opportunities to market available generation over and above the levels needed for retail bundled load.
 3. Operationally Beneficial – Transactions that mitigate system constraints or provide favorable operational benefits. Transaction costs and revenues are known prior to transaction start-up.
 - Long-Term Transactions
 1. Forced Sales – Long-Term transactions are typically not entered to satisfy these transaction types. Due to the long-term nature, the system requirement dictating the transaction may change and may expose EPE to a Long-Term adverse economic commitment.
 2. Economically Advantageous - Transactions are based on longer term load and generation forecasts. Fuel costs are less certain, depending on gas purchase strategies. Transactions are entered based on significant margin expectations due to increased risks. Risks can be hedged using physical purchases to secure generation costs to sales price ratio (securing market heat rate), or to secure fixed prices at levels that provide acceptable cost savings or margins.
 3. Operationally Beneficial – Transactions that mitigate system constraints or provide favorable operational benefits. Transaction costs and revenues are known prior to transaction start-up.

APPROVAL PROCESS

A defined approval process will permit EPE to efficiently transact in the dynamic wholesale power market. The required response time associated with each transaction category is commensurate with the approval authority level. Table 1 provides a snapshot of the authorized trader as well as transaction review requirements to ensure that all transactions are consistent with Company policies and procedures.

- **Real-Time and Balance-of-Day:** Real-Time Traders have final authority to oversee, negotiate and enter into Real-Time and Balance-of-the-Day transactions as long as those transactions meet the established criteria and are properly documented. This authority is necessary to allow EPE to effectively transact in the short scheduling window every hour. Transactions are reviewed after-the-fact by the Supervisor – Real-Time Trading to ensure transactions are consistent with Company policy and procedures.
- **Day-Ahead Transactions:** Pre-schedulers are authorized to oversee, negotiate, and enter into Day-Ahead transactions to allow EPE to efficiently operate in the preschedule market. Transactions are reviewed after-the-fact by the Supervisor DA< to ensure transactions are consistent with Company policy and procedures.
- **Balance-of-the-Month and Long-Term Transactions:** Transactions with terms longer than NERC/WECC defined preschedule days are not constrained by limited transaction windows, and do not require immediate response from EPE's transacting employees. However, given the quick changes that can occur in the market, an expedited approval process is necessary. As shown on Table 1 below, the Long-Term Trader (Forward Marketer) / Pre-scheduler will oversee, negotiate and enter into such transactions on a day-to-day basis with Supervisor prior review. Management approval is required for transactions of one month and longer in duration per Table 1. In certain cases, depending on the length of the transaction, the Trader / Pre-scheduler and/or Supervisor have a notification obligation to inform others within the Company of the transactions before commitment. In all instances, an after-the-fact review is performed to check for compliance with Company policy and procedures.
 - Transactions that are for the Balance-of-Month can be overseen, negotiated and entered by the Day Ahead Trader / Pre-scheduler.
 - Transactions that are a single month in duration can be overseen, negotiated and entered into by the Long-Term Trader (Forward Marketer) or by the Pre-scheduler but must be reviewed by the Supervisor – Day Ahead & Long Term Trading and approved by the Director – Resource Planning & Management prior to commitment. Trader must also notify the various parties within the Company after commitment.
 - Transactions greater than one month can be overseen, negotiated and entered into by the Long-Term Trader (Forward Marketer) and require prior review and approval from the Vice President Power Gen, System Planning & Dispatch, Director – Resource Planning & Management and Supervisor – Day Ahead & Long-Term Trading and any other management review as requested/required by the VP, as noted in Table 1 below.

CHECKS AND BALANCES

Transactions will comply with the aforementioned criteria and approval processes. Employees responsible for wholesale power marketing transactions will adhere to the following guidelines:

- Real-Time and Balance-of-the-Day Transactions – All Real-Time Traders will understand and comply with the criteria for Real-Time transactions. The Supervisor - Real-Time Trading will review the previous day's bottom-of-the-hour report ("BTH report") and the Transaction Log to ensure that all criteria for real-time sales and purchases were met.
- Day-Ahead and Balance-of-the-Month Transactions – All Pre-Schedulers will understand and comply with the criteria for Day-Ahead and Balance-of-the-Month transactions. Deal Sheets will provide the details of all transactions committed to that day, and the Dispatch will model the impact of the sale or purchase on EPE's system. The DA< Supervisor and/or Director – Resource Planning & Management will review the Deal Sheet and Dispatch to ensure that the established criteria for sales and purchases were met and returned signed the day of execution.

The Energy Schedulers will check the current Day-Ahead transactions with each of the counterparties as well as with System Operations personnel to ensure that all of the transactions are correct and scheduled properly. Transactions for each day will be reconciled prior to closing by the Energy Accountants against transactions reported in the Company's Energy Management System. For those transactions that are not resolved with counterparties an estimate will be recorded and adjusted when resolved.

- Long-Term Transactions – Documentation and analysis for each Long-Term transaction shall include a Loads & Resource (L&R) worksheet and estimates of the economic impact of the transaction. This information shall be kept on file in accord with EPE's document retention policy.

TABLE 1

Wholesale Power Marketing Approval Chart *

TRANSACTION TYPE	TRADER	INTERNAL PROCESS *	AFTER THE FACT TRANSACTION REVIEW	AGREEMENT SIGNATURE REQUIRED
REAL TIME & BALANCE OF DAY	REAL-TIME TRADERS	APPROVED BY TRADER	Supervisor-RT	ELECTRONICALLY RECORDED
DAY AHEAD	PRE-SCHEDULER	APPROVED BY TRADER	Supervisor-DA<	ELECTRONICALLY RECORDED
BALANCE OF MONTH	PRE-SCHEDULER	APPROVED BY TRADER	Supervisor-DA<	< WEEK: ELECTRONICALLY RECORDED. >= WEEK: SIGNATURE ON PAPER CONFIRM
1 MONTH	PRE-SCHEDULER / FORWARD MARKETER	APPROVED BY TRADER, Prior REVIEW BY SUPERVISOR-DA< Prior APPROVAL BY Director – RP&M	Supervisor-DA< DIRECTOR – RP&M	DIRECTOR – RP&M SIGNATURE ON PAPER CONFIRM
1+ MONTH – QUARTER	FORWARD MARKETER	APPROVED BY TRADER, Prior REVIEW BY SUPERVISOR-DA< Prior APPROVAL BY Director – RP&M, Vice President Power Gen, System Planning & Dispatch	Supervisor-DA< DIRECTOR – RP&M Vice President Power Gen, System Planning & Dispatch.	VP SIGNATURE ON PAPER CONFIRM
QUARTER + to ANNUAL	FORWARD MARKETER	APPROVED BY TRADER, Prior REVIEW BY SUPERVISOR-DA< Prior APPROVAL BY Director – RP&M, Vice President Power Gen, System Planning & Dispatch **	Supervisor-DA< DIRECTOR – RP&M Vice President Power Gen, System Planning & Dispatch	VP SIGNATURE ON PAPER CONFIRM
ANNUAL +	FORWARD MARKETER	APPROVED BY TRADER, Prior REVIEW BY SUPERVISOR-DA< Prior APPROVAL BY Director – RP&M, Vice President Power Gen, System Planning & Dispatch **	Supervisor-DA< DIRECTOR – RP&M Vice President Power Gen, System Planning & Dispatch	VP SIGNATURE ON PAPER CONFIRM

* All transactions must meet transaction criteria.

** VP may require/request senior management review before commitment (SR VP OPS, CCO, CFO, COO and / or CEO).

APPENDIX

Pre-scheduler Operating Policies

Table of Contents

Deal Sheet Distribution	48
Unit Commitment Distribution	48
Natural Gas Estimates	49
Dispatch Distribution	49
Deal Sheet Distribution	50
Natural Gas Price Update	50
Natural Gas Instructions	51
Natural Gas Burn Summary	51
Daily and Weekly Reports to the DA&LT Supervisor and/or Director – Resource Planning & Management	51
Network Resource Designation/Undesignation/Redesignation	52

Deal Sheet Distribution

Daily Deal Sheet shall be emailed or delivered to Energy Schedulers and DA< Supervisor and/or Director – Resource Planning & Management after completion of daily transaction entries into webTrader.

Additional transactions may be conducted after Energy Scheduler and DA< Supervisor and/or Director – Resource Planning & Management notification for economic reasons or system efficiencies.

The Daily Deal Sheet shall be printed and signed by Pre-scheduler personnel responsible for the day's power prescheduled transactions.

The DA< Supervisor and/or Director – Resource Planning & Management will sign the Deal Sheet, at which point the fully executed Deal Sheet will be returned to the Pre-scheduler personnel for filing.

The DA< Supervisor and/or Director – Resource Planning & Management will reconcile the electronic version to the fully executed version for evaluation purposes.

Pre-scheduler Operating Policy 2

Unit Commitment Distribution

The Unit Commitment utilized in daily preschedule activity will be reconciled with webTrader deal entry for MWh totals at each transaction point prior to Deal Sheet distribution.

Following the electronic distribution of the Daily Deal Sheet, the reconciled Unit Commitment for the day will be used to create the Daily Dispatch. The Daily Dispatch will be distributed via email to Real Time Marketing, Power Generation, System Operations and additional EPE personnel by the Pre-scheduler responsible for the day's power prescheduled transactions.

Pre-schedulers responsible for the Daily Dispatch will access PeakRC Data & Reporting portal and upload the file and/or files if multiple days were traded. When the file has been successfully uploaded to the portal, the Preschedule must review the files by source date, verify information is correct, and approve it. Once the file and/or files are approved they become accessible to System Operation Personnel for their approval before final submission to the RC.

Natural Gas Estimates

The Pre-scheduler(s) will provide a natural gas burn estimate for EPE owned generation to the Gas Pre-scheduler by 6:15 a.m. of the trading day.

The estimate will note additional gas requirements for non-EPE generation in cases whereby EPE is responsible for the gas procurement.

The estimate will be provided via email with the Director – Resource Planning & Management and DA< Supervisor included on the distribution.

Updated estimates will be provided as system, market, and load conditions impact projected natural gas requirements during the course of trading.

Pre-scheduler Operating Policy 4

Dispatch Distribution

The next day's Dispatch shall be updated for forecasted system conditions and load profiles prior to distribution.

The dispatch shall be distributed by email to System Operations, Real-Time Marketing, Power Generation, and additional EPE personnel as required. Email will include notes on EPE generation status, transmission, and Dispatch summary.

Distribution shall be provided by 10:30a.m. El Paso Mountain Prevailing Time (MPT) to accommodate SRSG reporting timeline.

A seven-day rolling load forecast will be included at the bottom of the next day's Dispatch to include the current day load forecast plus the following six days load forecast.

Deal Sheet Distribution

The Gas Deal Sheet for natural gas transactions shall be signed and delivered to the DA< Supervisor and/or Director – Resource Planning & Management on each transaction day.

The Gas Deal Sheet shall provide EPE's counterpart, volume, and price information. In addition, the Gas Deal Sheet shall include the beginning of the month volumes, Inside FERC prices for any gas purchased at the San Juan, Permian, and/or Waha basins on the 1st day of the month.

Gas Pre-scheduler Operating Policy 2

Natural Gas Price Update

Every trading day, the Gas Pre-scheduler will provide via email the Natural Gas Price Update.

The Update will provide Current Day Estimates for the following information:

- 1) Rio Grande Interstate delivered price
- 2) Newman and Montana Interstate delivered price
- 3) Newman and Copper Intrastate delivered price
- 4) Newman Interstate and Intrastate blended price

Delivered natural gas prices will include estimated NOx allowance costs, as well as pipeline delivery, and appropriate state tax rates.

The report will include Monthly estimated nuclear costs on \$/MMBtu and \$/MWh basis, and spot and delivered natural gas prices from EPE storage and regional supply basins to EPE generation.

Gas Price Report

The Gas Pre-Scheduler will also be responsible for creating the Gas Price Report for the month. The Gas Price Report will provide Prior Day Actual Gas Prices for each day of the month with the following information:

- 1) Rio Grande Interstate delivered price
- 2) Newman and Montana Interstate delivered price
- 3) Newman, Montana and Copper Intrastate delivered price
- 4) Newman and Montana Interstate and Intrastate blended price

Delivered natural gas prices will include estimated NOx allowance costs, as well as pipeline delivery, and appropriate state tax rates.

The report will include Monthly estimated nuclear costs on \$/MMBtu and \$/MWh basis.

Gas Pre-scheduler Operating Policy 3

Natural Gas Instructions

Natural Gas Instructions shall be distributed to appropriate System Operations, power plant, and RT&DA personnel, providing gas supply volumes by plant for interstate and intrastate supply.

Gas Pre-scheduler Operating Policy 4

Natural Gas Burn Summary

Previous day natural gas burns by plant and pipeline shall be distributed to RT&DA personnel.

The Summary shall include Projected, Scheduled, and Actual gas burns.

Gas Pre-scheduler Operating Policy 5

Daily and Weekly Reports to the DA< Supervisor and/or Director – Resource Planning & Management

The Gas Pre-scheduler will email to the DA< Supervisor and/or Director – Resource Planning & Management the following reports on a daily or weekly basis:

EPNG Imbalance Update – This daily update will provide current and historical month imbalance status.

EPE Storage Update – This weekly update will provide EPE's available natural gas in storage, value of gas in storage, the month-to-date withdrawal and injection volumes, and the month-to-date net transaction volume.

Energy Scheduling Operating Policy 1

Network Resource Designation/Un-designation/Re-designation

The Energy Scheduler, on a day-ahead basis, will prepare EPE's temporary undesignation of Network Resources and simultaneous redesignation of Network Resources upon completing the Preschedule NITS summary.

In designating, undesignating and redesignating a Network Resource, the Energy Scheduler shall comply with the more detailed procedures set forth in the Desk Instructions (attached), which were updated in conjunction with EPE's last FERC audit on OATT compliance. In particular, please include the FERC approved attestation language that is automatically populated on the OASIS templates (the FERC auditors will tolerate no deviation in the attestation language). In addition, in no instance should a Network Resource be temporarily undesignated without that temporary undesignation *also containing a redesignation*.

The Designation/Undesignation/Redesignation of Network Resource requests will be entered into webSmartOasis.

El Paso Electric Company Real-Time Trading Temporary Termination/Re-Designation and Designation Of a Network Resource

Procedures

Purpose

To document procedures and controls for the notification and submittal to EPE Transmission Provider via OASIS' Network Integration Transmission Service (NITS) application of a temporary Termination/re-designation and Designation of a Network Resource on a real-time basis. A source document illustrating the preparation of temporary Termination/re-designation and Designation of a Network Resource is provided as an attachment.

The employee(s) serving as Trader-Real Time shall perform these NITS tasks:

1. Trader-Real Time decides to enter into a transaction prior to the scheduling deadline for the hour(s) in question.
2. If a sale transaction is entered, a Designated Network Resource (DNR) is temporarily terminated by providing notification through OASIS' NITS interface, via the "Terminate DNR" template. Termination/Un-designation is required if the Trader-Real Time decides to make a firm, third party sale from a DNR. The Trader-Real Time must indicate if the termination is indefinite or temporary. If the termination is temporary, a DNR may be temporarily terminated by entering a start date and an end date. Attestation language is automatically populated on the OASIS screen for re-designation purposes as part of implementing a temporarily termination and re-designation.
3. If a purchase transaction is entered, Trader-Real Time must decide whether to use Firm Network, Secondary Network, or Point-to-Point transmission service for those hour(s) being scheduled.
 - I. Firm Network Service. Firm Network Service may be requested if the Trader-Real Time wants to import energy from a DNR to serve El Paso Electric's native and network load. Notification is provided through OASIS NITS interface, via the "Add DNR" template.
 - II. Secondary Network Service. Secondary Network Service may be requested if the Trader-Real Time wants to import energy from a resource that is not a DNR to serve its native and network load. Notification is provided through OASIS NITS interface, via the "Add Secondary" template.
 - III. Point-to-Point Service. If ATC is available, the Trader-Real Time may purchase Point-to-Point transmission service to import energy to serve El Paso Electric's native and network load. No notification is provided through OASIS' NITS interface in such circumstances. In addition, Trader-Real Time may purchase Point-to-Point transmission service to transmit energy to customers who are not native or network load.
4. Request for temporary termination & re-designation of Network Resource shall be provided as soon as reasonable, but not later than the firm scheduling deadline for the period of termination. The OATI temporary termination and re-designation screens may be found in Attachment A to Operating Policy No: 001.

A. Form for Temporary Designation and Temporary Un-designation of Network Resources

Example Attachment A:

Temporary Designation - Network Resource

Request Information

Provider	EPE	Application Ref	1386-EPEC-4-EPEC-ALIS	Status	QUEUED	Pre-confirmed	YES
Customer Comments							

Requester Designation

Resource Name	PAULO VERDE	DMR Action	TEMPORARY_TERMINATION	FOR	SPRINGER-43	Source	
Posting Ref		Site Ref		Requester Ref		Dep Ref	
Admitted	YES	Adaptor Name	OMAR GALLEGO	Adaptor Submitter	LUIS'S AMERIZ	CG Status	

DMR Information

It is attested that (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part II of the Tariff, and (2) the Network Resource does not include any resources at any portion thereof that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-contingent basis, except for purposes of fulfilling obligations under a reserve sharing program.

Requester Capacity

Start Time	10/1/2018	Stop Time	10/1/2018	Day	10	Gen Name	PAULO VERDE
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Temporary Designation - Network Resource

Request Information

Provider	EPE	Application Ref	1386-EPEC-4-EPEC-ALIS	Status	QUEUED	Pre-confirmed	YES
Customer Comments							

Requester Designation

Resource Name	PAULO VERDE PPO	DMR Action	DESIGNATION	FOR	SPRINGER-43	Source	
Posting Ref		Site Ref		Requester Ref		Dep Ref	
Admitted	YES	Adaptor Name	OMAR GALLEGO	Adaptor Submitter	LUIS'S AMERIZ	CG Status	

DMR Information

It is attested that (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part II of the Tariff, and (2) the Network Resource does not include any resources at any portion thereof that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-contingent basis, except for purposes of fulfilling obligations under a reserve sharing program.

Requester Capacity

Start Time	10/1/2018	Stop Time	10/1/2018	Day	10	Gen Name	
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Work Order

Work Order	10/1/2018	Work Order	10/1/2018	Work Order	10/1/2018	Work Order	10/1/2018
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At least annually, Real-Time Supervisor will provide network training classes to all Real-Time Traders and Day-Ahead Pre-schedulers.

Approved by: Supervisor -Real Time Trading

El Paso Electric Company Day-Ahead & Long-Term Trading Day-Ahead Temporary Undesignation/Redesignation & Designation of Network Resources Procedures

Purpose

To document procedures and controls for the temporary undesignation and redesignation of network resources on a day-ahead basis. Source documents used in preparation of temporary undesignation and redesignation of network resources are provided as attachments.

Populating Deals into the *Scheduling Workpaper*

1. Obtain the *Deal Sheet* (see Attachment A) and *Daily Checkout* (see Attachment B) from the Prescheduler(s).
2. Run the scheduling report in the OAT/webTrader database:
 - a. Log into OAT/webTrader.
 - b. Under the Reports tab, select *Report Views > Scheduling*.
 - c. Click on *Download Report* and wait for it to finish.
3. Open the *Resource Management Portal* located at <https://entapp1/ResourceManagementPortal/PreScheduling/PreScheduler.aspx>, and enter the date being scheduled in the format *mm/dd/yyyy* next to the label *Working Date* (see Attachment C).
4. Click on the button labeled *Execute* to automatically create the *Working Date's* corresponding *Scheduling Workbook* located in the folder `\\epensor1b\op2\VOL1\GROUPE\ENE_REP1\PreScheduler\WebTraderPreScheduler`. The deals will also automatically populate in the tab corresponding to the *Working Date's* day of the month.
5. Open the *Scheduling Workbook* located in the folder `\\epensor1b\op2\VOL1\GROUPE\ENE_REP1\PreScheduler\WebTraderPreScheduler`.
6. Verify the correct tab has been populated and renamed. The tab will have been renamed from "d" to "Mmm (dd)" (i.e.: "1" to "May (1)" for a *Working Date* of 5/1/2018).
7. Close the *Scheduling Workbook* and repeat Steps 3 through 5 if more than one day is being scheduled.
8. Within the newly populated worksheet(s), verify the hub totals listed in the *Pre-Scheduling Summary Sheet* section match the *Daily Checkout* totals. If the totals do not match, perform the following steps:
 - a. Ask the Prescheduler to verify all deals have been entered correctly into the OAT/webTrader database. Continue only after changes to the database have been entered.
 - b. Rename the tab(s) to the original numerical value (i.e.: 1 to 31) and clear the sheet's contents.
 - c. Repeat steps 2 through 7. Proceed only after hub totals match.

Verify the Tucson Electric Power (TEP) Exchange and Kyrene/Coronado (KY/CO) totals in the *Tucson Exchange Summary* section of the spreadsheet match the *Daily Checkout* totals. If the totals do not match, verify the correct generation at Palo Verde has been entered and that losses are entered correctly by both the Scheduler and Prescheduler. Proceed only after these totals match.

Pre-scheduler

Notification of Undesignation and Redesignation of Network Resources

10. Go to the *NITS SUMMARY* section on the scheduling spreadsheet. The spreadsheet automatically summarizes the NITS data.
11. If there are any non-firm purchases, enter "Y" next to "ANY NF PURCHASES?" and follow instructions on the comments. Otherwise enter "N" for none.
12. If firm transmission was bought for any Hidalgo purchase, enter "Y" next to "HIDALGO TRANNY 7F (Y or N=NO/NONE)??," otherwise enter "N" for none.
13. Copy *NITS SUMMARY* data (section inside blue border).
14. Click on the *OPEN NITS SUMMARY* hyperlink to open the *NITS SUMMARY* spreadsheet located at S:\PreScheduler\NITS.xls.
15. Select cell A2 and paste special values the section into the spreadsheet (see Attachment D).
16. Review the spreadsheet. Any non-zero totals in non-highlighted cells in column Z need to be entered manually.
17. Verify scheduling date and save spreadsheet.
18. Click on "CREATE ALL CSV FILES" button to create all CSV files via a macro for upload.
 - a. A popup message box will appear as a reminder asking, "Do you need to EXIT and enter any NF purchases before continuing?"
 - i. Click No if Non-Firm purchases do not need to be entered.
 - ii. Click Yes if Non-Firm purchases need to be entered and restart from step 2.
 - b. A popup message will appear for full name to be entered, then click OK to continue.
 - c. A popup message will appear that reads, "You may now upload all CSV templates into webSmartOasis."
19. Open webSmartOasis
 - a. Under the *Transactions* tab, select *Upload NITS CSV*
 - b. Browse for CSV files created, locate at S:\PreScheduler\NITS\CSV UPLOADS (see Attachment E).
 - c. Upload the following files:
 - i. 1-TerminateNitsDNR-CSV.csv
 - ii. 2-AddNITSDNR-CSV.csv
 - iii. 3-AddNITSSecondary-CSV.csv (if any)
 - iv. RGEC-TerminateNitsDNR-CSV.csv (if any)

d. Before uploading another day, verify that files have been approved for the first scheduling day.

- i. Under the *Transactions* tab, select *Request Summary*.
 - ii. To set up the display, verify that *ALL* appears in the fields labeled *Provider*, *Request*, and *Status*.
 - iii. Verify *Start* and *Next Day Forward* appear in the field labeled *Time* (See Attachment F).
 - iv. Click on *Apply Quick Filters* (green checkmark)
 - v. Verify that the status becomes "confirmed" (see Attachment F).
20. Repeat steps 10 through 19 if more than one day is being scheduled.

Attachments

- A. Deal Sheet
- B. Daily Checkout
- C. Resource Management Portal
- D. Preschedule NITS Summary
- E. Upload NITS CVS
- F. NITS Request Summary

Approved by: Supervisor and/or Director – Resource Planning & Management

Example Attachment A:



Power Deal Sheet

Trade Date	Counterparty	Deal #	Zone	Off MW	On MW	Start Date	End Date	Off \$	On \$	Term	Fin Type	Book	Trader	Broker	Deal ID	Deal Trail 2	Deal Comment
11/13/2019	TENASKA	13487	Four Corners	0	20	11/14/2019	11/14/2019	0.00	0.00	1'16	FIRM	Day Ahead	Melaniee Duran				
11/13/2019	TENASKA	13488	Four Corners	20	0	11/14/2019	11/14/2019	0.00	0.00	1'16	FIRM	Day Ahead	Melaniee Duran				
11/13/2019	SHELL	13489	Four Corners	0	25	11/14/2019	11/14/2019	0.00	28.00	1'16	FIRM	Day Ahead	Melaniee Duran	CHOICE			
11/13/2019	PAC	13491	Four Corners	0	25	11/14/2019	11/14/2019	0.00	27.00	1'16	FIRM	Day Ahead	Melaniee Duran	CHOICE			
11/13/2019	PAC	13493	Four Corners	0	25	11/14/2019	11/14/2019	0.00	27.00	1'16	FIRM	Day Ahead	Melaniee Duran	CHOICE			
11/13/2019	PAC	13495	Four Corners	50	0	11/14/2019	11/14/2019	24.00	0.00	1'16	FIRM	Day Ahead	Melaniee Duran	CHOICE			
11/13/2019	SHELL	13497	Four Corners	25	0	11/14/2019	11/14/2019	24.00	0.00	1'16	FIRM	Day Ahead	Melaniee Duran	CHOICE			
11/13/2019	MACQUARIE	13505	Palo Verde	5	0	11/14/2019	11/14/2019	28.50	0.00	1'16	FIRM	Day Ahead	Melaniee Duran	BGC_FIN			
11/13/2019	MACQUARIE	13507	Palo Verde	0	5	11/14/2019	11/14/2019	0.00	31.00	1'16	FIRM	Day Ahead	Melaniee Duran	BGC_FIN			
11/13/2019	PNM	13509	Four Corners	50	0	11/14/2019	11/14/2019	23.50	0.00	1'16	FIRM	Day Ahead	Melaniee Duran				
11/13/2019	EDF	13510	Palo Verde	0	-25	11/14/2019	11/14/2019	0.00	27.75	1'16	FIRM	Day Ahead	Melaniee Duran			BUY BACK	
11/13/2019	TRANSALTA	13513	Palo Verde	25	0	11/14/2019	11/14/2019	28.25	0.00	1'16	FIRM	Day Ahead	Melaniee Duran	ICE			non specified gen Deal done on ice
11/13/2019	MORISAN	13515	Palo Verde	0	25	11/14/2019	11/14/2019	0.00	30.00	1'16	FIRM			ICE			

Example Attachment B:

Daily Check out for:
 Thursday, November 14, 2019

ENERGY SCHEDULES

	GROSS	ADJUSTMENT	NET
LUNA (EXCHANGE):	0	0	0
GREENLEE:	0	0	0
PALO VERDE:	2,120	0	2,120
FOUR CORNERS:	1,255	0	1,255
SPRINGER:	0	0	0
SHIPROCK & SAN JUAN:	0	0	0
HIDALGO (PYRAMID):	0	0	0
JOJOBA:	0	0	0
LUNA (AFTON):	0	0	0
EDDY TIE:	0	0	0
HIDALGO (LORDSBURG):	0	0	0
hub count: 2			

REMOTE GENERATION

	Day Total	AVERAGE	
PALO VERDE #1:	5,030	209.6	UNIT
PALO VERDE #2:	5,054	210.6	UNIT
PALO VERDE #3:	0	0.0	UNIT
TOTAL	10,084	420.2	MW
	Day Total	AVERAGE	
FOUR CORNERS #4:	0	0.0	UNIT
FOUR CORNERS #5:	0	0.0	UNIT
TOTAL	0	0.0	MW

TEPC EXCHANGE	
-7,964	MW
KYRENE-CORONADO	
0	MW

SNMI FIRM
 LIMIT
 645

Losses at Palo				
0				
MST	TEPC (EX)	KY-CO	SNMI	PALO GEN
HE1	316	0	307	421
HE2	316	0	282	421
HE3	316	0	282	421
HE4	316	0	282	421
HE5	316	0	282	421
HE6	316	0	282	421
HE7	316	0	282	421
HE8	341	0	332	421
HE9	341	0	332	421
HE10	341	0	332	421
HE11	339	0	330	419
HE12	339	0	330	419
HE13	339	0	330	419
HE14	339	0	330	419
HE15	339	0	330	419
HE16	339	0	330	419
HE17	339	0	330	419
HE18	339	0	330	419
HE19	339	0	330	419
HE20	339	0	330	419
HE21	341	0	332	421
HE22	341	0	332	421
HE23	341	0	332	421
HE24	316	0	282	421
TOTAL	7,964.0	0.0		10,084.0

AVERAGE SNMI: 315.5

Welcome EPECAD\PMULLE1

[Home](#) [Nymex Reports](#) [Pre-Scheduler](#)

PRE SCHEDULING SERVICE

Filter

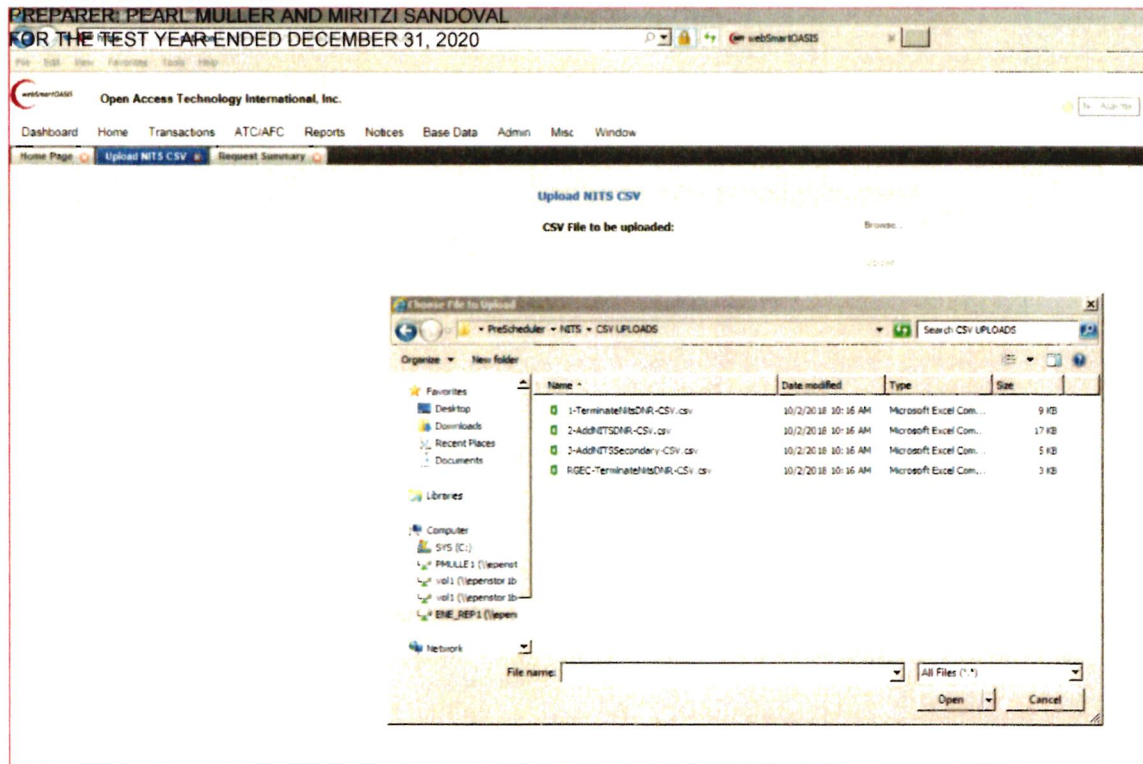
Reset Filter

Working Date: 11/14/2019

⑩ Execute

[illegible]

Example Attachment E:



Example Attachment F:

Status	Application Ref	Assign Ref	Provider	Customer Status	Queued Time	Effective Start Time	Effective Stop Time	NITS Request	Customer Comments	Facility Name	PDR	Preconfirmed	Presubmitted	Transaction Ref	Affiliates
COMPLETED	1245	12450001	EPIC	EPIC	2019-11-11 10:00:00	2019-11-11 10:00:00	2019-11-11 10:00:00	TERMINATE	11-11-2019	PALMISTON	NO	NO	NO	1245	
COMPLETED	1246	12460001	EPIC	EPIC	2019-11-11 10:00:00	2019-11-11 10:00:00	2019-11-11 10:00:00	ADD	11-11-2019	PALMISTON	NO	NO	NO	1246	
COMPLETED	1247	12470001	EPIC	EPIC	2019-11-11 10:00:00	2019-11-11 10:00:00	2019-11-11 10:00:00	ADD	11-11-2019	PALMISTON	NO	NO	NO	1247	
COMPLETED	1248	12480001	EPIC	EPIC	2019-11-11 10:00:00	2019-11-11 10:00:00	2019-11-11 10:00:00	ADD	11-11-2019	PALMISTON	NO	NO	NO	1248	

El Paso Electric Company Resource Management Notice of Change in Designation of EPE Network Resources Procedures

Purpose

To document procedures and controls for the notice of a change in designation of EPE's Network Resources on a timely basis. This procedure is intended as a periodic update, as appropriate, to the annual notice to EPE Transmission Provider of network generation loads and resources for EPE's wholesale and native load customers.

A notice is to be given for an increase or decrease in the amount of a previously designated Network Resource, i.e. change in amount of a power purchase; addition of a Network Resource, i.e. a new generation addition or power purchase that is designated as a Network Resource; permanent reduction in capability of a designated Network Resource; retirement of a generating unit or termination of a purchase that was a designated Network Resource.

- 1 A letter to the System Operations stating:
 - the designated Network Resource that is affected,
 - the reason for the change, e.g. to meet growing customer requirements,
 - the amount of the change, increase or decrease expressed in megawatts,
 - the duration of the change if temporary,
- 2 Additional information may also be sent in the form of an attachment such as a loads and resources document reflecting customer load growth, addition or reduction in designated Network Resources, retirement of a designated Network Resource or termination of purchase designated as a Network Resource.

Approved by: _____ Director – Resource Planning & Management  El Paso Electric		RESOURCE MANAGEMENT DEPARTMENT	Document No. 1
			Version No. 1.7
			Issued Date 12/20/2019
EMPLOYEE ATTESTATION			Document Classification Internal Use

I, _____ [insert employee name], acknowledge that I am responsible for:

(check all that apply)

- ☐ Fuel Procurement and/or Administration
☐ Off-System Sales and/or Purchases

I hereby attest to the following:

- I have read the policies and procedures for all areas for which I have indicated my responsibility above.
- I understand that if I become aware of any activity that is not in compliance with these policies and procedures, I will immediately bring it to the attention of the Director – Resource Planning & Management department.
- I also understand that should I fail to comply with these policies and procedures, I am subject to discipline, up to and possibly including the loss of work duties and/or the termination of employment, as warranted by the nature of the policy violated, and the facts and circumstances surrounding the violation.

 (Signature) Date: ____/____/____

 (Printed)

Date	Name (place your initials next to your name to indicate your approval)	Title
05/31/2012	John Whitacre	Vice President - Power Marketing and Fuels
12/03/2012	Steve Buraczyk	Vice President - Power Marketing and Fuels
12/06/2013	David Hawkins	Vice President - Power Marketing and Fuels
12/16/2014	David Hawkins	Vice President – Sys Ops, RS Planning & MGMT
12/15/2015	David Hawkins	Vice President – Sys Ops, RS Planning & MGMT
12/29/2016	David Hawkins	Vice President – Sys Ops, RS Planning & MGMT
12/21/2018	David Hawkins	Vice President – Power Gen, Sys Plan & Dispatch

12/20/2019

/s/ David Hawkins

Vice President - Power Gen, Sys Plan & Dispatch

Revision History

Effective Date	Version	Revised By	Revision History
05/31/2012	1.0		EPE's pre-existing policy and procedures documents governing the procurement of fuel and off-system sales/purchases were combined into a single volume, with this newly combined volume reflecting the addition of sections to record supervisor approvals, revision history and document distribution. This newly consolidated volume contains a single employee attestation page, and is also intended to allow for the future addition of other policies.
12/03/2012	1.1	Barry Gray	Clarification in Table 1, page 42 and added COO
12/6/2013	1.2	David Hawkins, Barry Gray, Tony Soto, Cynthia Henry, Stanley Gross, Fred Hill	Change Summary: -VP change from Steve Buraczyk to David Hawkins. -Added abbreviation listing. -General Fuel and PP Transaction / procurement intention - Dodd-Frank – with 2 pro-active reviews to assist. -Contract Administrator assigned to OGC/Compliance. -Added Real-Time late night/evening authorization to assist gas balancing effort-requiring training and RT desk-top procedures. -Montana Plant added to local resources. -Intrastate supply/transport agreement language to reflect new assigned to Sequent. Previously Oneok Energy Service. -MPT / MCT time clarification. -EPNG cycle nomination time update. -EPNG gas flow control equipment language change to include Newman 5, Rio Grande 9 and Montana. -Pro-active at least annual network designation/undesignation training added. -Various wordsmithing changes.

PREPARER: PEARL MULLER AND MIRITZI SANDOVAL FOR THE TEST YEAR ENDED DECEMBER 31, 2020			
12/16/2014	1.3	David Hawkins, Barry Gray, Victor Martinez, Jesus Gonzalez, Ricardo Acosta, Stanley Gross, Fred Hill, Cynthia Henry	Organization, title and responsibility updated Nuclear fee update (no DOE 1 Mill/KWh) Gas approval text, table updated Power approval text, Table 1 updated Font size changes Updated gas procedures as needed to current Minor wordsmithing
12/15/2015	1.4	David Hawkins, Barry Gray, Victor Martinez, Jesus Gonzalez, Ricardo Acosta, Stanley Gross, Fred Hill, Cynthia Henry	Minor grammar updates, procedure clarifications to current invoice practices, update to current gas curtailment procedures, and update PP screen shots. Clarified responsible parties. Moved Des/Undes network resources process from DA to ES.
12/29/2016	1.5	David Hawkins, Victor Martinez, Jesus Gonzalez, Fred Hill, Cynthia Henry, Nadia Powell	Minor grammar updates, FC removal. Reassigned PVNGS / nuclear procedures from RM to Remote Asset Management. Clarified current invoice practices, update to current gas curtailment procedures, oil added at Montana, update PP screen shots as needed. Clarified responsible parties. Barry Gray, Ricardo Acosta, and Stanley Gross removed due to retirements. Omar Gallegos added as Director-RP&M. Combined Power Pre-Scheduler and Gas Pre-Scheduler into just Pre-Scheduler.
12/21/2018	1.6	David Hawkins, Omar Gallegos, Victor Martinez, Jesus Gonzalez, Fred Hill, Cynthia Henry, Nadia Powell, Linda Barker	Minor grammar updates, Reassigned Remote Asset Management to PV Management (to reflect departmental name change) with footnote stating RM will take over nuclear fuel management in the future. Changed EH&S to just Environmental and updated fuel oil process. Updated process from Aligner to webTrader with updated OASIS NITS screenshots. Updated fuel cycle time changes in gas. Updated Day Ahead Peak RC process changes. Separated Pre-Scheduler into Power Pre-scheduler and Gas Pre-scheduler.
12/20/2019	1.7	David Hawkins, Omar Gallegos, Victor Martinez, Jesus Gonzalez, Fred Hill, Cynthia Henry, Nadia Powell, Linda Barker	Minor grammar updates, Reassigned PV Management to RM (to reflect transfer of nuclear fuel duties to RM). Changed approval process for monthly, quarterly and long term power transactions. Updated fuel regulatory affairs to include OGC and Contract Administrator. Updated Montana Power plant with Intrastate gas supply.

Distribution

Date	Name	Department
12/20/2019	Omar Gallegos	RM, RP – all reporting personnel
12/20/2019	Fred Hill	Business Controls
12/20/2019	Ana Boisselier	EA&C
12/20/2019	Jose Guaderrama	PG (Information purposes)
12/20/2019	Jessica Christianson	Environmental (Information purposes)
12/20/2019	Nadia Powell	PV Management (Information purposes)
12/20/2019	Ernesto Martinez	Sys Ops (Information purposes)

Review and Update Responsibility and Cycle

Primary Review Responsibility: Omar Gallegos, Victor Martinez and Jesus Gonzalez for RP&RM; Fred Hill for Contract Administration; and Ana Boisselier for EA&C.

Review Cycle: Annual review but updated as needed or as requirements change.

Acronyms

EPE	El Paso Electric Company
DA<	Day-Ahead & Long-Term
EA&C	Energy Accounting & Credit
FERC	Federal Energy Regulatory Commission
PG	Power Generation Department
RM	Resource Management
RP	Resource Planning

Purpose

The purpose of these guidelines is to provide EPE employees with responsibilities in the areas addressed within the policies and procedures that are to be used in performing their duties and responsibilities. All employees responsible for activities and transactions covered by these policies and procedures are responsible for understanding and complying with them.

Scope

These policies and procedures apply to the following EPE personnel: Resource Management, Resource Planning), Energy Accounting & Credit, Contract Administrator, Power Generation and Environmental, Sustainability.

ATTACHMENT 2

FUEL PROCUREMENT AND ADMINISTRATION
OFF-SYSTEM SALES AND PURCHASES – MARCH 2020

RESOURCE MANAGEMENT DEPARTMENT

El Paso Electric Company

**RESOURCE MANAGEMENT FUEL PROCUREMENT AND ADMINISTRATION AND OFF-SYSTEM
SALES AND PURCHASES**

Date: March 23, 2020

To: David Hawkins Cynthia Henry

From: Omar Gallegos Victor Martinez
Jesus Gonzalez Ana Boisselier

Subject: 2020 COVID-19 Pandemic as it relates to Resource Management's Policies and Procedures on Fuel Procurement and Administration and Off-System Sales and Purchases

In response to the coronavirus disease COVID-19 that was declared a pandemic by the World Health Organization on March 11, 2020, El Paso Electric ("EPE") took prompt steps to protect the health and safety of employees by requiring those employees whose work functions permitted, to work remotely from home, effective March 13, 2020 until further notice.

Pursuant to this directive, most employees from the Resource Management Department, as well as employees from Energy Accounting (who maintain Marketing transaction accounting and processing of invoices), have begun teleworking. As a result of the new remote work environment, and until the work-from-home directive is lifted by EPE, it has become necessary to permit a reasonable measure of flexibility in the implementation of EPE's standard, generally applicable policies and procedures, while still ensuring that the appropriate controls are still in place. The scope and duration of flexibility in implementation of EPE's Policies and Procedures on Fuel Procurement and Administration and Off-System Sales and Purchases will necessarily evolve as needs arise and as the mandates from the state and federal government, and the directives from the company in response to governmental mandates, evolve. Following are examples of adjustments that have been implemented to facilitate the implementation and recordation of transactions, but it is not an exhaustive list.

1. Invoices will be reviewed and signed electronically via e-mail.
2. Signatures for confirms may be done electronically via e-mail.
3. Real-Time Traders will work from home for night-shift and relief during the day which would result in some transactions not occurring on a recorded line.
 - a. While a Real-Time Trader is able to continue working in the office, efforts will be made to re-affirm via a recorded line during the next day shift.

- b. Calls with EPE System Operations will continue to be recorded on the System Operations end of the phone line.

At the conclusion of the COVID-19 Pandemic, it is expected that Resource Management and Energy Accounting will resume normal working operations. At that time, the need for flexibility will have ended and adherence to the standard methods of implementing EPE's generally-applicable policies and procedures will resume.

- I. 1. Nuclear Fuel Task Force (NFTF) - Informal Group
2. Barry Gray, Support Advisor, Resource Management, EPE (January 2020 - October 2020)
- Emmanuel Villalobos, Senior Quality Assurance Specialist, Resource Management, EPE (November 2020 – Present)
3. The NFTF meets approximately quarterly. However, frequency of meetings may be increased or decreased as dictated by work requirements.
4. The NFTF is an ad hoc group, consisting of representatives of all the Palo Verde Nuclear Generating Station (PVNGS) owners, established to discuss nuclear fuel related topics, consider and evaluate nuclear fuel contracts, and provide recommendations to Company management.
5. Specific Authority-None.
6. Meeting dates during the Test Year.
- | |
|------------|
| 03/26/2020 |
| 06/25/2020 |
| 09/24/2020 |
| 12/10/2020 |
- II. 1. Fuels Committee - Informal Group
2. A combination of personnel from Day-Ahead & Long Term Trading (DA<T), Real Time Trading (RTT), and Power Generation (PG) Departments.
3. Frequency of meetings and/or phone conferences increase or decrease as dictated by work requirements. DA<T include gas and power pre-schedulers, energy schedulers and forward marketers. Different employees of DA<T and RTT meet as needed to estimate daily and monthly gas requirements. On a daily basis, they discuss gas requirements to assure contract compliance and procurement of economical fuel supplies for EPE. DA<T provides gas scheduling and PG a daily estimate on expected gas burns. DA<T, RTT and PG coordinate actions to meet load within outage windows, expected power purchases, and gas pipeline inspections/maintenance and emergencies.
4. The Fuels Committee was established as an ad hoc group to discuss fuel related issues, such as preplanning for winter gas curtailments, and to provide recommendations to Company management.
5. Specific Authority-None.
6. Meeting dates during the Test Year-As needed.
- III. 1. Palo Verde Engineering and Operating Committee (E&O) – Formal Group
2. Nadia Powell, Director, Remote Asset Management, EPE (July 2012 - Present)

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-3: FUEL AND PURCHASED POWER COMMITTEES
SPONSOR: DAVID C. HAWKINS
PREPARER: PEARL MULLER
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-3
PAGE 2 OF 3

Eric Shouse, PVNGS Site Representative Engineer, Remote Asset Management, EPE (December 2004 - Present)

David Hawkins, Vice President, Generation and System Planning & Dispatch, EPE (February 2018 – February 2021); Vice President, Strategy and Sustainability, EPE (February 2021 - Present)

3. The E&O Committee meets monthly, with phone meetings scheduled on an as needed basis.
4. The E&O Committee member ensures EPE's interests are served relative to the operation of Palo Verde.
5. The E&O Committee approves and monitors budgets, schedules, and projects at Palo Verde.
6. Meeting dates during the Test Year.

1/29/2020
2/26/2020
3/25/2020
4/29/2020
5/27/2020
6/24/2020
7/29/2020
8/26/2020
9/23/2020
10/21/2020
11/18/2020
12/9/2020

- IV.
1. Palo Verde Nuclear Generating Station Auditing Committee (PVNGS) - Formal Group
 2. Russell Gibson, Vice President - Controller, EPE (January 2015 – September 2020)
Cindy Prieto, Vice President – Controller, EPE (December 2020 – Present)
Julissa Reza, Director, Internal Audit, EPE (July 2015 – Present)
Nadia Powell (Alternate), Director, Remote Asset Management, EPE (July 2015 – Present)
 3. PVNGS Auditing Committee meets annually.
 4. PVNGS Auditing Committee members ensure audits are conducted according to the standards established by the participant companies and generally accepted auditing standards. Participant companies audit the accounting records of the operating agent to determine if charges were reasonable, proper and in compliance with terms

of the applicable agreements for the preceding year. Final reports are submitted to the Auditing Committee for discussion and approval.

5. Members of the PVNGS Auditing Committee have the authority to pursue exceptions disclosed in the audit report until those exceptions are resolved.
6. Meeting dates during the Test Year.

5/5/2020

- V.
1. Palo Verde Nuclear Generating Station Administrative Committee – Formal Group
 2. Steve Buraczyk, Senior Vice President, Operations, EPE (February 2018 – Present)
David Hawkins, Vice President, Generation and System Planning & Dispatch, EPE (February 2018 – February 2021); Vice President, Strategy and Sustainability, EPE (February 2021 - Present)
Nadia Powell, Director, Remote Asset Management, EPE (July 2012 - Present)
 3. The Administrative Committee meets quarterly. However, frequency of meetings may be increased or decreased as dictated by work requirements.
 4. The Administrative Committee member is EPE's senior management liaison with the Palo Verde Project Manager and Operating Agent.
 5. The Administrative Committee is responsible for jointly managing policy issues concerning topics such as: 1) Nuclear Steam Supply System design and contracts, 2) Initial Construction schedules, 3) Site boundaries /acquisitions/facilities, 4) Nuclear fuel contracts, and 5) Major contractual changes.
 6. Meeting dates during the Test Year.

1/24/2020

4/17/2020

7/24/2020

10/16/2020

PURCHASE POWER CONTRACT 1 - PUBLIC

1. Contract number/serial number/other designation

Purchase Power Agreement between Macho Springs Solar, LLC and El Paso Electric Company

2. Supplier

Macho Springs Solar, LLC

3. Negotiation Date or Date Signed

October 25, 2012

4. Original Date of Supply

Commercial Operation Date: May 23, 2014

5. Term

December 31, 2034, last day of the twentieth year after Commercial Operation Date

6. Specific Service

Renewable energy from the 50 MW AC Macho Springs solar photovoltaic facility and associated Renewable Energy Credits (RECs)

7. Pricing Mechanism

Pre-Commercial Operation – Test energy purchased pursuant to Rate Schedule No. 16. If no Rate Schedule No. 16 is currently in effect, the rate for test energy will be at EPE's then current avoided cost

Post-Commercial Operation - Energy at \$ 57.90 per megawatt-hour, RECs at no additional cost

Energy in excess of 115% of expected energy in any Commercial Year that is accepted by EPE will be at EPE's then current avoided cost

Renewable Energy Certificates (RECs) associated with renewable energy provided by the Macho Springs facility at no additional cost to EPE

8. Take-or-Pay Obligation

EPE to purchase entire generation of the Macho Springs solar photovoltaic facility subject to minimum amount of Committed Solar Energy from the facility

9. Maximum Takes Available

For solar energy from the Macho Springs facility in excess of 115% of expected solar energy in a Commercial Year, EPE may elect to accept or reject such solar energy

10. Delivery Points

Interconnection of the Macho Springs facility to EPE's Springerville-Luna 345kV transmission line located in Luna County, New Mexico

11. Transmission Provision

There is no Transmission Provision for energy purchased by EPE in this contract.

Miscellaneous Renewable energy must be compliant with the New Mexico Renewable Energy Act, the New Mexico Public Regulatory Commission Rule 572 and be registered with the Western Renewable Energy Generation Information System (WREGIS).

PURCHASE POWER CONTRACT 2 - PUBLIC

1. Contract number/serial number/other designation
Power Purchase Agreement between Newman Solar, LLC and El Paso Electric Company
2. Supplier
Newman Solar, LLC
3. Negotiation Date or Date Signed
September 5, 2013
4. Original Date of Supply
Commercial Operation Date: December 30, 2014
5. Term
The last day of the thirtieth year from the Commercial Operation Date: December 31, 2044
6. Specific Service
Renewable energy from the 10 MW AC Newman Solar photovoltaic facility and associated Renewable Energy Credits (RECs)
7. Pricing Mechanism
Pre-Commercial Operation – Test energy purchased at EPE's then currently filed avoided cost pursuant to PUCT Substantive Rule, Section 25.242(e)(2)
Post-Commercial Operation – Energy at \$55.00 per megawatt-hour
Energy in excess of 110% of expected energy in any Commercial Year will be purchased at EPE's then current avoided cost
Renewable Energy Credits (REC's) associated with renewable energy provided from the Newman Solar facility at no additional cost to EPE

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-4: FUEL AND FUEL RELATED CONTRACTS
SPONSOR: DAVID C. HAWKINS
PREPARER: FRED HILL, ZULMA MOLINA, MIRITZI SANDOVAL
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-4
PAGE 4 OF 8

8. Take-or-Pay Obligation

Entire generation of the Newman Solar photovoltaic facility subject to minimum amount of Committed Solar Energy from the facility

9. Maximum Takes Available

For solar energy from the Newman Solar facility in excess of 110% of expected solar energy in a Commercial Year, EPE may elect to accept or reject such solar energy

10. Delivery Points

Interconnection of the Newman Solar facility to EPE's local distribution facilities located south of EPE's Newman generating station located in El Paso, Texas.

11. Transmission Provision

There is no Transmission Provision for energy provided to EPE in this contract.

12. Miscellaneous

Renewable energy purchased from the Newman Solar facility must be in compliance with any PUCT requirements.

PURCHASE POWER CONTRACT 3 - PUBLIC

1. Contract number/serial number/other designation

Purchase Power Agreement between Buena Vista Energy Center, LLC and El Paso Electric Company

2. Supplier

Buena Vista Energy Center, LLC

3. Negotiation Date or Date Signed

October 17, 2019

4. Original Date of Supply

Anticipated Commercial Operation Date: May 1, 2022

5. Term

The last day of the twentieth year after Commercial Operation Date

6. Specific Service

Renewable energy from the 100 MW AC Buena Vista Solar Photovoltaic facility and associated Renewable Energy Credits (RECs)

Energy storage service from the 50 MW/200 MWh Buena Vista energy storage facility

7. Pricing Mechanism

Pre-Commercial Operation – Test energy purchased at the lesser of 75% of the rate specified below or the current Avoided Cost set pursuant to 17.9.570 New Mexico Admin. Code in Rate Schedule No. 16

Post-Commercial Operation - Energy at \$ 20.99 per megawatt-hour, RECs at no additional cost

Energy in excess of 115% of expected energy in any Commercial Year that is accepted by EPE will be at EPE's option the lesser of either 50% of the rate above or at EPE's then Avoided Cost as determined above.

Renewable Energy Certificates (RECs) associated with renewable energy provided by the Buena Vista facility at no additional cost to EPE.

Storage Capacity Contract Price \$5.46/kW-month.

8. Take-or-Pay Obligation

EPE to purchase entire generation of the Buena Vista solar photovoltaic facility subject to minimum amount of Committed Solar Energy from the facility. If EPE elects not to accept Excess Delivered Energy above 115%, Buena Vista may sell to another buyer, including associated environmental attributes

9. Maximum Takes Available

For solar energy from the Buena Vista facility in excess of 115% of expected solar energy in a Commercial Year, EPE may elect to accept or reject such solar energy

10. Delivery Points

Interconnection of the Buena Vista facility to EPE's local system in Otero County, New Mexico

11. Transmission Provision

There is no Transmission Provision for energy purchased by EPE in this contract.

12. Miscellaneous

Renewable energy from all facilities is expected to be registered with the Western Renewable Energy Generation Information System (WREGIS) and qualified portions of the facilities must be compliant with the New Mexico Renewable Energy Act and the New Mexico Public Regulatory Commission Rule 572.

PURCHASE POWER CONTRACT 4 - PUBLIC

1. Contract number/serial number/other designation

Power Purchase Agreement between Hecate Santa Teresa LLC and El Paso Electric Company

2. Supplier

Hecate Santa Teresa LLC

3. Negotiation Date or Date Signed

October 17, 2019

4. Original Date of Supply

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-4: FUEL AND FUEL RELATED CONTRACTS
SPONSOR: DAVID C. HAWKINS
PREPARER: FRED HILL, ZULMA MOLINA, MIRITZI SANDOVAL
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-4
PAGE 7 OF 8

Anticipated Commercial Operation Date: May 1, 2022

5. Term

The last day of the twentieth year from the Commercial Operation Date:

6. Specific Service

Renewable energy from the 100 MW AC Hecate Santa Teresa solar photovoltaic facility and associated Renewable Energy Credits (RECs)

7. Pricing Mechanism

Pre-Commercial Operation – Test energy purchased at the lesser of 75% of the rate specified below or the current Avoided Cost set pursuant to 17.9.570 New Mexico Admin. Code in Rate Schedule No. 16

Post-Commercial Operation – Energy at \$14.99 per megawatt-hour

Energy in excess of 110% of expected energy in any Commercial Year may be purchased at EPE's then current avoided cost or EPE may elect not to purchase and take delivery

Renewable Energy Credits (REC's) associated with renewable energy provided from the Hecate solar facility at no additional cost to EPE

8. Take-or-Pay Obligation

Entire generation of the Hecate solar photovoltaic facility subject to minimum amount of Committed Solar Energy from the facility

9. Maximum Takes Available

For solar energy from the Hecate solar facility in excess of 110% of expected solar energy in a Commercial Year, EPE may elect to accept or reject such solar energy

10. Delivery Points

Interconnection of the Hecate solar facility to EPE's local distribution facilities located near Santa Teresa, New Mexico

11. Transmission Provision

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-4: FUEL AND FUEL RELATED CONTRACTS
SPONSOR: DAVID C. HAWKINS
PREPARER: FRED HILL, ZULMA MOLINA, MIRITZI SANDOVAL
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-4
PAGE 8 OF 8

There is no Transmission Provision for energy provided to EPE in this contract.

12. Miscellaneous

Renewable energy from all facilities is expected to be registered with the Western Renewable Energy Generation Information System (WREGIS) and qualified portions of the facilities must be compliant with the New Mexico Renewable Energy Act and the New Mexico Public Regulatory Commission Rule 572.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-5.1: COMBUSTION RESIDUAL PRODUCTION
SPONSOR: J KYLE OLSON
PREPARER: AARON ARZAGA
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-5.1
PAGE 1 OF 1

Not Applicable. El Paso Electric Company sold its portion of the Four Corners plant in July 2016.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-5.2: COMBUSTION RESIDUAL DISPOSAL
SPONSOR: J KYLE OLSON
PREPARER: NADIA POWELL
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-5.2
PAGE 1 OF 1

Not applicable. El Paso Electric Company sold its portion of Four Corners in July 2016.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE I-5.3: COMBUSTION RESIDUAL DISPOSAL COSTS
SPONSOR: J KYLE OLSON
PREPARER: NADIA POWELL
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SCHEDULE I-5.3
PAGE 1 OF 1

Not Applicable. El Paso Electric Company sold its portion of Four Corners in July 2016.

NATURAL GAS DELIVERY SYSTEMS TO EPE'S GAS FIRED STATIONS

		RIO GRANDE STATION	NEWMAN STATION	MONTANA STATION	COPPER STATION
1	NUMBER OF PIPELINE CONNECTIONS POSSIBLE	A ONE	TWO	TWO	TWO
2	NUMBER OF PIPELINES CONNECTED	B ONE	TWO	TWO	TWO
3	OWNER/OPERATOR OF PIPELINE	C a EPNG	a. EPNG b. ONEOK	a EPNG b. ONEOK	b ONEOK c TGS
4	MAXIMUM OPERATING CAPACITY OF EACH CONNECTED PIPELINE (MMBTU/D)	D a 73,990	a 186,000 b 45,000	a 90,000 b 45,000	b 45,000 c 16,491
5	MAXIMUM OPERATING CAPACITY OF EACH CONNECTED PIPELINE COMPARED TO NATURAL GAS REQUIREMENTS OF THE PLANT AT FULL LOAD	E a 94.33%	a. 102.25% b. 34.44%	a 107.20% b 53.60%	b 146.98% c 53.86%

NOTES/ASSUMPTIONS

- A This represents the number of possible connections and may not reflect actual pipeline connection.
- B For the Rio Grande Station, this pipeline is composed of an 8 inch and 6 inch pipeline representing EPNG'S mainline system to the Rio Grande Station.
- C
a. EPNG - El Paso Natural Gas Company
b. ONEOK - ONEOK Westex Transmission LP
c. TGS - Texas Gas Service Company
- D The maximum capacity of each pipeline is based on meter design capabilities and pipeline operating constraints.
- E These are approximate percentages based on ideal full load burning capabilities over 24 hours. Pipeline maximum flow is divided by a station's full load burn over a 24-hour period.