



Control Number: 52195



Item Number: 1

Addendum StartPage: 0

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 WORKPAPER TO SCHEDULE A-1  
 COST OF SERVICE-RETAIL BY ACCOUNT  
 SPONSOR ADRIAN HERNANDEZ  
 PREPARER ADRIAN HERNANDEZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type_sub | (Multiple Items) |

BASE REVENUES

| Sum of amount                      |           |              | allocation_target |                  |                  |  |
|------------------------------------|-----------|--------------|-------------------|------------------|------------------|--|
| sub_acct_type                      | ferc_acct | allocator    | Texas             | Other            | Total Company    |  |
| Residential Sales Base             | 44000     | DIRECT_OTHER | \$ -              | \$ (66,240,041)  | \$ (66,240,041)  |  |
|                                    |           | DIRECT_TX    | \$ (327,788,246)  | \$ -             | \$ (327,788,246) |  |
| Commercial & Industrial Large Base | 44200     | DIRECT_OTHER | \$ -              | \$ (3,233,655)   | \$ (3,233,655)   |  |
|                                    |           | DIRECT_TX    | \$ (31,932,969)   | \$ -             | \$ (31,932,969)  |  |
| Commercial & Industrial Small Base | 44200     | DIRECT_OTHER | \$ -              | \$ (39,402,950)  | \$ (39,402,950)  |  |
|                                    |           | DIRECT_TX    | \$ (145,041,879)  | \$ -             | \$ (145,041,879) |  |
| Other Sales to Public Auth Base    | 44500     | DIRECT_OTHER | \$ -              | \$ (19,027,867)  | \$ (19,027,867)  |  |
|                                    |           | DIRECT_TX    | \$ (66,590,914)   | \$ -             | \$ (66,590,914)  |  |
| Public Street & Hwy Lighting Base  | 44400     | DIRECT_OTHER | \$ -              | \$ (297,486)     | \$ (297,486)     |  |
|                                    |           | DIRECT_TX    | \$ (3,177,409)    | \$ -             | \$ (3,177,409)   |  |
| Rate Relief Base Revenue           | 44XXX     | DIRECT_OTHER | \$ -              | \$ (12,764,522)  | \$ (12,764,522)  |  |
| Total Company                      |           |              | \$ (574,531,417)  | \$ (140,966,520) | \$ (715,497,937) |  |

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| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type_sub | (Multiple Items) |

NON-FIRM REVENUES

| Sum of amount                       |           |              | allocation_target |              |                |  |
|-------------------------------------|-----------|--------------|-------------------|--------------|----------------|--|
| sub_acct_type                       | ferc_acct | allocator    | Texas             | Other        | Total Company  |  |
| Commercial & Industrial Lg Non-Firm | 44200     | DIRECT_OTHER | \$ -              | \$ (119,158) | \$ (119,158)   |  |
|                                     |           | DIRECT_TX    | \$ (3,124,724)    | \$ -         | \$ (3,124,724) |  |
| Commercial & Industrial Sm Non-Firm | 44200     | DIRECT_OTHER | \$ -              | \$ (20,417)  | \$ (20,417)    |  |
| Other Sales to Public Auth Non-Firm | 44500     | DIRECT_TX    | \$ (1,049,619)    | \$ -         | \$ (1,049,619) |  |
| Total Company                       |           |              | \$ (4,174,343)    | \$ (139,575) | \$ (4,313,918) |  |

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| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type_sub | (Multiple Items) |

FUEL REVENUES

| Sum of amount                      |           |              | allocation_target |                 |                  |
|------------------------------------|-----------|--------------|-------------------|-----------------|------------------|
| sub_acct_type                      | ferc_acct | allocator    | Texas             | Other           | Total Company    |
| Commercial & Industrial Large Fuel | 44200     | DIRECT_OTHER | \$ -              | \$ -            | \$ -             |
|                                    |           | DIRECT_TX    | \$ (11,332,356)   | \$ -            | \$ (11,332,356)  |
| Commercial & Industrial Small Fuel | 44200     | DIRECT_OTHER | \$ -              | \$ -            | \$ -             |
|                                    |           | DIRECT_TX    | \$ (23,102,550)   | \$ -            | \$ (23,102,550)  |
| Other Sales to Public Auth Fuel    | 44500     | DIRECT_OTHER | \$ -              | \$ -            | \$ -             |
|                                    |           | DIRECT_TX    | \$ (13,298,614)   | \$ -            | \$ (13,298,614)  |
| Public Street & Hwy Lighting Fuel  | 44400     | DIRECT_OTHER | \$ -              | \$ -            | \$ -             |
|                                    |           | DIRECT_TX    | \$ (487,781)      | \$ -            | \$ (487,781)     |
| Residential Sales Fuel             | 44000     | DIRECT_OTHER | \$ -              | \$ (34,417,529) | \$ (34,417,529)  |
|                                    |           | DIRECT_TX    | \$ (31,863,406)   | \$ -            | \$ (31,863,406)  |
| Total Company                      |           |              | \$ (80,084,706)   | \$ (34,417,529) | \$ (114,502,235) |

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| jurisdiction     | (All)            |
| account type     | (Multiple Items) |
| account type sub | (Multiple Items) |

OTHER SALES FOR RESALE

| Sum of amount         |                                 |              | allocation target |                 |                 |
|-----------------------|---------------------------------|--------------|-------------------|-----------------|-----------------|
| sub_acct_type         | reg_account                     | allocator    | Texas             | Other           | Total Company   |
| Sales For Resale      | 447000-OTHER-SALES FOR RESALE   | DIRECT_OTHER | \$ -              | \$ -            | \$ -            |
|                       | 447000-SALES FOR RESALE - FERC  | DIRECT_OTHER | \$ -              | \$ (634,252)    | \$ (634,252)    |
|                       | 447000-SALES FOR RESALE - NM    | DIRECT_OTHER | \$ -              | \$ (16,203,305) | \$ (16,203,305) |
|                       | 447000-SALES FOR RESALE - TX    |              | \$ (65,919,767)   | \$ -            | \$ (65,919,767) |
| Sales For Resale Fuel | 447000-RGEC-SALES-DEFERRED FUEL | DIRECT_OTHER | \$ -              | \$ -            | \$ -            |
|                       | 447000-RGEC-SALES-FUEL          | DIRECT_OTHER | \$ -              | \$ (884,323)    | \$ (884,323)    |
| Total Company         |                                 |              | \$ (65,919,767)   | \$ (17,221,879) | \$ (83,641,647) |

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| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type_sub | (Multiple Items) |

OTHER SALES FOR RESALE

| Sum of amount         |                        |              | allocation target |                |                |
|-----------------------|------------------------|--------------|-------------------|----------------|----------------|
| sub_acct_type         | reg_account            | allocator    | Texas             | Other          | Total Company  |
| Sales For Resale Base | 447000-RGEC-SALES-BASE | DIRECT_OTHER | \$ -              | \$ (2,722,610) | \$ (2,722,610) |
| Total Company         |                        |              | \$ -              | \$ (2,722,610) | \$ (2,722,610) |

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| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type_sub | (Multiple Items) |

SALES MARGINS RETAINED

| Sum of amount    |                                    | allocation target |       |       |               |
|------------------|------------------------------------|-------------------|-------|-------|---------------|
| sub_acct_type    | reg account                        | allocator         | Texas | Other | Total Company |
| Sales For Resale | 447000-SALES FOR RESALE-EPE RETAIN | DIRECT OTHER      | \$ -  | \$ -  | (2,467,543)   |
| Total Company    |                                    |                   | \$ -  | \$ -  | (2,467,543)   |

| allocation                         |           | (All)                         |              | OTHER OPERATING REVENUE |                 |
|------------------------------------|-----------|-------------------------------|--------------|-------------------------|-----------------|
| account_type                       |           | (Multiple Items)              |              |                         |                 |
| account_type_sub                   |           | (Multiple Items)              |              |                         |                 |
| Sum of amount                      |           |                               |              | allocation target       |                 |
| sub_acct_type                      | ferc_acct | ferc_description              | allocator    | Texas                   | Other           |
| Forfeited Discounts                | 45000     | Forfeited Discounts           | DIRECT_TX    | \$ (1,276,178)          | \$ -            |
| Miscellaneous Service Revenues     | 45100     | Misc Service Revenues         | DIRECT_OTHER | \$ -                    | \$ (11,897,894) |
|                                    |           |                               | DIRECT_TX    | \$ (2,869,658)          | \$ -            |
|                                    |           |                               | D1PROD       | \$ -                    | \$ -            |
| Other Electric Revenues            | 45600     | Other Electric Revenues       | DIRECT_OTHER | \$ -                    | \$ (107,013)    |
|                                    |           |                               | DIRECT_TX    | \$ (957,119)            | \$ -            |
| Rent From Electric Property        | 45400     | Rent From Electric Property   | DIRECT_OTHER | \$ -                    | \$ (796,873)    |
|                                    |           |                               | DIRECT_TX    | \$ (2,309,138)          | \$ -            |
| Transmission of Electricity Others | 45610     | Rev From Trans Of Elec Others | DIRECT_OTHER | \$ -                    | \$ (5,069,735)  |
|                                    |           |                               | DIRECT_TX    | \$ (19,509,898)         | \$ -            |
| Total Company                      |           |                               |              | \$ (26,921,992)         | \$ (17,871,515) |
|                                    |           |                               |              |                         | \$ (44,793,508) |



|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type sub | (Multiple Items) |

FUEL & PURCHASED POWER

= Non-reconcilable fuel and purchased power

| Sum of amount              |           |                      |              | allocation_target |               |               |
|----------------------------|-----------|----------------------|--------------|-------------------|---------------|---------------|
| sub_acct_type              | ferc_acct | ferc_description     | allocator    | Texas             | Other         | Total Company |
| Fuel - Steam Power         | 50100     | Fuel                 | DIRECT_OTHER | \$ -              | \$ -          | \$ -          |
|                            |           |                      | DIRECT_TX    | \$ 660,532        | \$ -          | \$ 660,532    |
|                            |           |                      | E1FUEL       | \$ 45,299,338     | \$ 11,570,591 | \$ 56,869,928 |
|                            |           |                      | E2ENERGY     | \$ -              | \$ -          | \$ -          |
|                            | 50200     | Steam Exp            | E1FUEL       | \$ 389,311        | \$ 99,440     | \$ 488,751    |
|                            | 50900     | Allowances           | DIRECT_OTHER | \$ -              | \$ -          | \$ -          |
|                            |           |                      | E1FUEL       | \$ 21,946         | \$ 5,605      | \$ 27,551     |
| Fuel - Steam Power Total   |           |                      |              | \$ 46,371,126     | \$ 11,675,636 | \$ 58,046,762 |
| Fuel - Nuclear Power       | 51800     | Nuclear Fuel Expense | DIRECT_OTHER | \$ -              | \$ -          | \$ -          |
|                            |           |                      | E1FUEL       | \$ 32,864,202     | \$ 8,394,344  | \$ 41,258,546 |
| Fuel - Nuclear Power Total |           |                      |              | \$ 32,864,202     | \$ 8,394,344  | \$ 41,258,546 |
| Fuel - Other Power         | 54700     | Fuel                 | DIRECT_OTHER | \$ -              | \$ -          | \$ -          |
|                            |           |                      | E1FUEL       | \$ 14,492,653     | \$ 3,701,788  | \$ 18,194,441 |
| Fuel - Other Power Total   |           |                      |              | \$ 14,492,653     | \$ 3,701,788  | \$ 18,194,441 |
| Purchased Power            | 55500     | Purchased Power      | D1PROD       | \$ 1,431,449      | \$ 332,266    | \$ 1,763,715  |
|                            |           |                      | DIRECT_OTHER | \$ -              | \$ 15,303,449 | \$ 15,303,449 |
|                            |           |                      | DIRECT_TX    | \$ 1,129,649      | \$ -          | \$ 1,129,649  |
|                            |           |                      | E1FUEL       | \$ 51,146,844     | \$ 13,064,191 | \$ 64,211,035 |
| Purchased Power Total      |           |                      |              | \$ 53,707,942     | \$ 28,699,906 | \$ 82,407,848 |

|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type_sub | (Multiple Items) |

OPERATION & MAINTENANCE EXPENSES

| Sum of amount                            |           |                              |   | allocation target                      |   |   |
|--|-----------|------------------------------|---|--|---|---|
| sub_acct_type                            | ferc_acct | ferc_description             | allocator                                       | Texas                                  | Other                                   | Total Company                               |
| O&M - Steam Pwr Generation Oper          | 50000     | Oper Supervision Eng         | D1PROD<br>ZERO_BAL                              | \$ 1,915,833                           | \$ 444,701                              | \$ 2,360,534                                |
|  | 50200     | Steam Exp                    | D1PROD<br>E1ENERGY<br>ZERO_BAL                  | \$ 1,995,794<br>\$ 95,715<br>\$ -      | \$ 463,261<br>\$ 25,882<br>\$ -         | \$ 2,459,055<br>\$ 121,598<br>\$ -          |
|  | 50500     | Electric Exp                 | D1PROD<br>E1ENERGY<br>ZERO_BAL                  | \$ 907,740<br>\$ 3,003,325<br>\$ -     | \$ 210,704<br>\$ 812,127<br>\$ -        | \$ 1,118,444<br>\$ 3,815,453<br>\$ -        |
|  | 50600     | Misc Steam Power Exp         | D1PROD<br>ZERO_BAL                              | \$ 3,060,471<br>\$ -                   | \$ 710,393<br>\$ -                      | \$ 3,770,864<br>\$ -                        |
|  | 50700     | Rents                        | D1PROD<br>ZERO_BAL                              | \$ 531,765<br>\$ -                     | \$ 123,433<br>\$ -                      | \$ 655,198<br>\$ -                          |
| O&M - Steam Pwr Generation Oper Total    |           |                              |   | \$ 11,510,644                          | \$ 2,790,501                            | \$ 14,301,145                               |
| O&M - Steam Pwr Generation Maint         | 51000     | Maint Superv and Eng         | LABSM<br>ZERO_BAL                               | \$ 1,809,150<br>\$ -                   | \$ 483,138<br>\$ -                      | \$ 2,292,288<br>\$ -                        |
|  | 51100     | Maint Of Structures          | D1PROD<br>ZERO_BAL                              | \$ 907,466<br>\$ -                     | \$ 210,640<br>\$ -                      | \$ 1,118,105<br>\$ -                        |
|  | 51200     | Maint Of Boiler Plant        | E1ENERGY<br>ZERO_BAL                            | \$ 6,919,737<br>\$ -                   | \$ 1,871,161<br>\$ -                    | \$ 8,790,899<br>\$ -                        |
|  | 51300     | Maint Of Electric Plant      | E1ENERGY<br>ZERO_BAL                            | \$ 11,269,334<br>\$ -                  | \$ 3,047,332<br>\$ -                    | \$ 14,316,666<br>\$ -                       |
|  | 51400     | Maint Of Misc Steam Plt      | E1ENERGY<br>ZERO_BAL                            | \$ 1,899,448<br>\$ -                   | \$ 513,628<br>\$ -                      | \$ 2,413,076<br>\$ -                        |
| O&M - Steam Pwr Generation Maint Total   |           |                              |   | \$ 22,805,134                          | \$ 6,125,900                            | \$ 28,931,034                               |
| O&M - Nuclear Pwr Generation Oper        | 51700     | Oper Supervision and Eng     | D1PROD<br>ZERO_BAL                              | \$ 9,725,298<br>\$ -                   | \$ 2,257,425<br>\$ -                    | \$ 11,982,723<br>\$ -                       |
|  | 51900     | Coolants and Water           | E1ENERGY<br>ZERO_BAL                            | \$ 5,971,979<br>\$ -                   | \$ 1,614,879<br>\$ -                    | \$ 7,586,858<br>\$ -                        |
|  | 52000     | Steam Exp                    | E1ENERGY<br>ZERO_BAL                            | \$ 3,853,804<br>\$ -                   | \$ 1,042,104<br>\$ -                    | \$ 4,895,908<br>\$ -                        |
|  | 52300     | Electric Exp                 | E1ENERGY<br>ZERO_BAL                            | \$ 4,934,280<br>\$ -                   | \$ 1,334,275<br>\$ -                    | \$ 6,268,555<br>\$ -                        |
|  | 52400     | Misc Nuclear Power Exp       | D1PROD<br>ZERO_BAL                              | \$ 33,247,713<br>\$ -                  | \$ 7,717,422<br>\$ -                    | \$ 40,965,135<br>\$ -                       |
|  | 525XX     | Nuclear Oper Direct          | ZERO_BAL  | \$ -                                   | \$ -                                    | \$ -  |
| O&M - Nuclear Pwr Generation Oper Total  |           |                              |   | \$ 57,733,074                          | \$ 13,966,105                           | \$ 71,699,179                               |
| O&M - Nuclear Pwr Generation Maint       | 52800     | Maint Supervision and Eng    | D1PROD<br>ZERO_BAL                              | \$ 1,981,638<br>\$ -                   | \$ 459,976<br>\$ -                      | \$ 2,441,613<br>\$ -                        |
|  | 52900     | Maint Of Structures          | D1PROD<br>ZERO_BAL                              | \$ 1,036,425<br>\$ -                   | \$ 240,574<br>\$ -                      | \$ 1,276,999<br>\$ -                        |
|  | 53000     | Maint Of Reactor Plant Equip | E1ENERGY<br>ZERO_BAL                            | \$ 5,127,193<br>\$ -                   | \$ 1,386,441<br>\$ -                    | \$ 6,513,634<br>\$ -                        |
|  | 53100     | Maint Of Electric Plant      | E1ENERGY<br>ZERO_BAL                            | \$ 4,651,904<br>\$ -                   | \$ 1,257,918<br>\$ -                    | \$ 5,909,822<br>\$ -                        |
|  | 53200     | Maint Of Misc Nuclear Plant  | E1ENERGY<br>ZERO_BAL                            | \$ 1,422,750<br>\$ -                   | \$ 384,725<br>\$ -                      | \$ 1,807,475<br>\$ -                        |
|  | 532XX     | Nuclear Maint Direct         | ZERO_BAL  | \$ -                                   | \$ -                                    | \$ -  |
| O&M - Nuclear Pwr Generation Maint Total |           |                              |   | \$ 14,219,910                          | \$ 3,729,633                            | \$ 17,949,543                               |
| O&M - Other Pwr Generation Oper          | 54600     | Oper Superv and Eng          | D2PROD<br>ZERO_BAL                              | \$ 891,788<br>\$ -                     | \$ 207,492<br>\$ -                      | \$ 1,099,281<br>\$ -                        |
|  | 54800     | Generation Exp               | D2PROD<br>ZERO_BAL                              | \$ 743,025<br>\$ -                     | \$ 172,880<br>\$ -                      | \$ 915,904<br>\$ -                          |
|  | 54900     | Misc Other Pwr Gen Exp       | DIRECT_OTHER<br>DIRECT_TX<br>D2PROD<br>ZERO_BAL | \$ -<br>\$ 5,270<br>\$ 617,736<br>\$ - | \$ 17,660<br>\$ -<br>\$ 143,729<br>\$ - | \$ 17,660<br>\$ 5,270<br>\$ 761,464<br>\$ - |
|  | 55000     | Rents                        | D2PROD<br>ZERO_BAL                              | \$ 154,899<br>\$ -                     | \$ 36,040<br>\$ -                       | \$ 190,939<br>\$ -                          |
| O&M - Other Pwr Generation Oper Total    |           |                              |   | \$ 2,412,717                           | \$ 577,801                              | \$ 2,990,517                                |
| O&M - Other Pwr Generation Maint         | 55100     | Maint Superv and Eng         | D2PROD<br>ZERO_BAL                              | \$ 173,208<br>\$ -                     | \$ 40,300<br>\$ -                       | \$ 213,509<br>\$ -                          |
|  | 55200     | Maint Of Structures          | D2PROD<br>ZERO_BAL                              | \$ 209,042<br>\$ -                     | \$ 48,638<br>\$ -                       | \$ 257,680<br>\$ -                          |
|  | 55300     | Maint Gen and Elec Plt       | DIRECT_TX<br>D2PROD<br>ZERO_BAL                 | \$ 144,913<br>\$ 5,521,351<br>\$ -     | \$ -<br>\$ 1,284,653<br>\$ -            | \$ 144,913<br>\$ 6,806,004<br>\$ -          |
|  | 55400     | Maint Of Misc Other Pwr      | D2PROD<br>ZERO_BAL                              | \$ 809,326<br>\$ -                     | \$ 188,306<br>\$ -                      | \$ 997,632<br>\$ -                          |
| O&M - Other Pwr Generation Maint Total   |           |                              |   | \$ 6,857,840                           | \$ 1,561,897                            | \$ 8,419,737                                |
| O&M - Other Power Supply                 | 55600     | Sys Control Load Dispatch    | DIRECT_OTHER<br>DPROD12                         | \$ -<br>\$ 778,768                     | \$ -<br>\$ 176,354                      | \$ -<br>\$ 955,122                          |
|  | 55700     | Other Exp                    | D1PROD<br>DIRECT_OTHER                          | \$ 307,310<br>\$ -                     | \$ 71,332<br>\$ -                       | \$ 378,642<br>\$ -                          |
| O&M - Other Power Supply Total           |           |                              |   | \$ 1,086,078                           | \$ 247,686                              | \$ 1,333,764                                |

|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account type     | (Multiple Items) |
| account type sub | (Multiple Items) |

OPERATION & MAINTENANCE EXPENSES

| Sum of amount                        |           |                          |  | allocation target                            |  |   |
|--------------------------------------|-----------|--------------------------|--|--|--|---|
| sub_acct_type                        | ferc_acct | ferc_description         | allocator  | Texas  | Other                                      | Total Company                                       |
| O&M - Transmission Operation         | 56000     | Oper Superv and Eng      | D2TRAN<br>ZERO_BAL                                 | \$ 1,717,495                                 | \$ 440,432                                 | \$ 2,157,927  |
|                                      | 56100     | Load Dispatching         | DTRAN12<br>ZERO_BAL                                | \$ 2,752,468                                 | \$ 715,799                                 | \$ 3,468,268  |
|                                      | 56200     | Station Exp              | D2TRAN<br>ZERO_BAL                                 | \$ 109,296                                   | \$ 28,028                                  | \$ 137,324  |
|                                      | 56300     | Overhead Line Exp        | D2TRAN<br>ZERO_BAL                                 | \$ 190,801                                   | \$ 48,929                                  | \$ 239,730  |
|                                      | 56500     | Transm Of Elec By Others | D2TRAN   | \$ 5,355,348                                 | \$ 1,373,318                               | \$ 6,728,666  |
|                                      | 56600     | Misc Transmission Exp    | D2TRAN<br>ZERO_BAL                                 | \$ 7,202,187                                 | \$ 1,846,920                               | \$ 9,049,107  |
|                                      | 56700     | Rents                    | D2TRAN<br>ZERO_BAL                                 | \$ 93,871                                    | \$ 24,072                                  | \$ 117,943  |
| O&M - Transmission Operation Total   |           |                          |  | \$ 17,421,466                                | \$ 4,477,498                               | \$ 21,898,964                                       |
| O&M - Transmission Maintenance       | 56800     | Maint Superv and Eng     | D2TRAN<br>ZERO_BAL                                 | \$ 12,349                                    | \$ 3,167                                   | \$ 15,516   |
|                                      | 56900     | Maint Of Structures      | D2TRAN<br>ZERO_BAL                                 | \$ (1,357)                                   | \$ (348)                                   | \$ (1,705)  |
|                                      | 57000     | Maint Of Station Equip   | D2TRAN<br>ZERO_BAL                                 | \$ 252,984                                   | \$ 64,875                                  | \$ 317,859  |
|                                      | 57100     | Maint Of Overhead Lines  | D2TRAN<br>ZERO_BAL                                 | \$ 1,211,062                                 | \$ 310,563                                 | \$ 1,521,626  |
|                                      | 57300     | Maint Misc Trans Plant   | D2TRAN<br>ZERO_BAL                                 | \$ 31,586                                    | \$ 8,100                                   | \$ 39,686   |
| O&M - Transmission Maintenance Total |           |                          |  | \$ 1,506,625                                 | \$ 386,357                                 | \$ 1,892,982  |
| O&M - Distribution Operation         | 58000     | Oper Superv and Eng      | DIRECT_OTHER<br>DIRECT_TX<br>EXP_58279             | \$ -<br>\$ 967,971<br>\$ (3,150)             | \$ 140,194<br>\$ -<br>\$ (1,812)           | \$ 140,194<br>\$ 967,971<br>\$ (4,962)              |
|                                      | 58200     | Station Exp              | DIRECT_OTHER<br>DIRECT_TX<br>DIST362               | \$ -<br>\$ 1,182,902<br>\$ (3,233)           | \$ 251,373<br>\$ -<br>\$ (998)             | \$ 251,373<br>\$ 1,182,902<br>\$ (4,231)            |
|                                      | 58300     | Overhead Line Exp        | DIRECT_OTHER<br>DIRECT_TX<br>DIST3645              | \$ -<br>\$ 544,092<br>\$ (2,393)             | \$ 349,460<br>\$ -<br>\$ (1,092)           | \$ 349,460<br>\$ 544,092<br>\$ (3,485)              |
|                                      | 58400     | Underground Line Exp     | DIRECT_OTHER<br>DIRECT_TX<br>DIST3667              | \$ -<br>\$ 649,941<br>\$ (164)               | \$ 188,019<br>\$ -<br>\$ (60)              | \$ 188,019<br>\$ 649,941<br>\$ (224)                |
|                                      | 58500     | Street Light Signal Sys  | DIRECT_TX<br>DIST373                               | \$ -<br>\$ -                                 | \$ -<br>\$ -                               | \$ -<br>\$ -  |
|                                      | 58600     | Meter Exp                | DIRECT_OTHER<br>DIRECT_TX<br>DIST370               | \$ -<br>\$ 1,053,182<br>\$ (8,574)           | \$ 1,071,720<br>\$ -<br>\$ (2,259)         | \$ 1,071,720<br>\$ 1,053,182<br>\$ (10,833)         |
|                                      | 58700     | Customer Installs Exp    | DIRECT_OTHER<br>DIRECT_TX<br>DIST371               | \$ -<br>\$ 251,415<br>\$ (1,505)             | \$ 295,902<br>\$ -<br>\$ (933)             | \$ 295,902<br>\$ 251,415<br>\$ (2,438)              |
|                                      | 58800     | Misc Distribution Exp    | DIRECT_OTHER<br>DIRECT_TX<br>EXP_58279<br>ZERO_BAL | \$ -<br>\$ 6,128,990<br>\$ 1,074,742<br>\$ - | \$ 815,094<br>\$ -<br>\$ 617,987<br>\$ -   | \$ 815,094<br>\$ 6,128,990<br>\$ 1,692,729<br>\$ -  |
|                                      | 58900     | Rents                    | DIRECT_OTHER<br>DIRECT_TX                          | \$ -<br>\$ 243,813                           | \$ 97,321<br>\$ -                          | \$ 97,321<br>\$ 243,813                             |
| O&M - Distribution Operation Total   |           |                          |  | \$ 12,078,029                                | \$ 3,819,916                               | \$ 15,897,946                                       |
| O&M - Distribution Maintenance       | 59000     | Maint Superv and Eng     | DIRECT_OTHER<br>DIRECT_TX<br>EXP_5918              | \$ -<br>\$ -<br>\$ (189)                     | \$ 53,873<br>\$ -<br>\$ (65)               | \$ 53,873<br>\$ -<br>\$ (254)                       |
|                                      | 59100     | Maint Of Structures      | DIRECT_TX<br>DIST361                               | \$ 4,028<br>\$ (5)                           | \$ -<br>\$ (1)                             | \$ 4,028<br>\$ (6)                                  |
|                                      | 59200     | Maint Of Station Equip   | DIRECT_OTHER<br>DIRECT_TX<br>DIST362               | \$ -<br>\$ 1,602,231<br>\$ (4,847)           | \$ 276,959<br>\$ -<br>\$ (1,496)           | \$ 276,959<br>\$ 1,602,231<br>\$ (6,343)            |
|                                      | 59300     | Maint Of Overhead Lines  | DIRECT_OTHER<br>DIRECT_TX<br>DIST3645<br>ZERO_BAL  | \$ -<br>\$ 4,515,148<br>\$ (7,845)<br>\$ -   | \$ 1,834,573<br>\$ -<br>\$ (3,581)<br>\$ - | \$ 1,834,573<br>\$ 4,515,148<br>\$ (11,426)<br>\$ - |
|                                      | 59400     | Maint Underground Lines  | DIRECT_OTHER<br>DIRECT_TX<br>DIST3667              | \$ -<br>\$ 764,901<br>\$ (1,445)             | \$ 109,436<br>\$ -<br>\$ (530)             | \$ 109,436<br>\$ 764,901<br>\$ (1,975)              |
|                                      | 59500     | Maint Line Transformers  | DIRECT_OTHER<br>DIRECT_TX<br>DIST368               | \$ -<br>\$ 8,671<br>\$ (6)                   | \$ -<br>\$ -<br>\$ (2)                     | \$ -<br>\$ 8,671<br>\$ (8)                          |
|                                      | 59600     | Maint Street Light Sig   | DIRECT_OTHER<br>DIRECT_TX<br>DIST373               | \$ -<br>\$ 287,902<br>\$ (718)               | \$ 294<br>\$ -<br>\$ (165)                 | \$ 294<br>\$ 287,902<br>\$ (883)                    |
|                                      | 59700     | Maint Of Meters          | DIRECT_OTHER                                       | \$ -   | \$ 161,360                                 | \$ 161,360  |

|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account type     | (Multiple Items) |
| account type sub | (Multiple Items) |

OPERATION & MAINTENANCE EXPENSES

| Sum of amount                            |           |                              |              | allocation target |              |               |
|--|-----------|------------------------------|--------------|-------------------|--------------|---------------|
| sub_acct_type                            | ferc_acct | ferc_description             | allocator    | Texas             | Other        | Total Company |
| O&M - Distribution Maintenance           | 59700     | Maint Of Meters              | DIRECT_TX    | \$ 71,784         | \$ -         | \$ 71,784     |
|  |           |                              | DIST370      | \$ (790)          | \$ (208)     | \$ (998)      |
|  | 59800     | Maint Misc Distr Plant       | DIRECT_OTHER | \$ -              | \$ 246,275   | \$ 246,275    |
|  |           |                              | DIRECT_TX    | \$ 416,752        | \$ -         | \$ 416,752    |
|  |           |                              | DIST371      | \$ (144)          | \$ (89)      | \$ (233)      |
| O&M - Distribution Maintenance Total     |           |                              |              | \$ 7,655,429      | \$ 2,676,633 | \$ 10,332,062 |
| O&M - Customer Accounts Expenses         | 90100     | Supervision                  | CUSTOMER     | \$ 1,090          | \$ 332       | \$ 1,422      |
|  |           |                              | ZERO_BAL     | \$ -              | \$ -         | \$ -          |
|  | 90200     | Meter Reading Exp            | CUSTOMER     | \$ 330,513        | \$ 100,537   | \$ 431,050    |
|  |           |                              | DIRECT_OTHER | \$ -              | \$ 832,968   | \$ 832,968    |
|  |           |                              | DIRECT_TX    | \$ 1,228,030      | \$ -         | \$ 1,228,030  |
|  | 90300     | Cust Records Coll Exp        | CUSTOMER     | \$ 4,629,300      | \$ 1,408,164 | \$ 6,037,463  |
|  |           |                              | DIRECT_OTHER | \$ -              | \$ 877,118   | \$ 877,118    |
|  |           |                              | DIRECT_TX    | \$ 7,485,930      | \$ -         | \$ 7,485,930  |
|  | 90400     | Uncollectible Accounts       | UNCOLL_EXP   | \$ 1,582,606      | \$ 452,480   | \$ 2,035,086  |
|  |           |                              | REV_DEF      | \$ 149,680        | \$ 44,710    | \$ 194,390    |
|  | 90500     | Misc Cust Account Exp        | CUSTOMER     | \$ 4,741          | \$ 1,442     | \$ 6,183      |
|  |           |                              | DIRECT_OTHER | \$ -              | \$ 83,607    | \$ 83,607     |
| DIRECT_TX                                |           |                              | \$ 19,821    | \$ -              | \$ 19,821    |               |
| ZERO_BAL                                 |           |                              | \$ -         | \$ -              | \$ -         |               |
| O&M - Customer Accounts Expenses Total   |           |                              |              | \$ 15,431,711     | \$ 3,801,356 | \$ 19,233,067 |
| O&M - Customer and Information Exp       | 90800     | Customer Assistance Exp      | DIRECT_OTHER | \$ -              | \$ -         | \$ -          |
|  |           |                              | ZERO_BAL     | \$ -              | \$ -         | \$ -          |
|  | 90900     | Info and Instruct Advert Exp | CUSTOMER     | \$ 98,575         | \$ 29,985    | \$ 128,560    |
| O&M - Customer and Information Exp Total |           |                              |              | \$ 98,575         | \$ 29,985    | \$ 128,560    |
| O&M - Administration & General Exp       | 92000     | Admin General Salaries       | D1PROD       | \$ 411            | \$ 95        | \$ 506        |
|  |           |                              | DIRECT_OTHER | \$ -              | \$ 1,008     | \$ 1,008      |
|  |           |                              | DIRECT_TX    | \$ 1,956          | \$ -         | \$ 1,956      |
|  |           |                              | LABOR        | \$ 22,310,209     | \$ 5,950,392 | \$ 28,260,602 |
|  |           |                              | D2PROD       | \$ 100            | \$ 23        | \$ 124        |
|  |           |                              | PRODLABOR    | \$ 2,635,750      | \$ 655,487   | \$ 3,291,237  |
|  |           |                              | RG_PRODLABOR | \$ 176            | \$ 43        | \$ 219        |
|  |           |                              | TRANLABOR    | \$ 166,232        | \$ 42,804    | \$ 209,036    |
|  |           |                              | ZERO_BAL     | \$ -              | \$ -         | \$ -          |
|  | 92100     | Office Supplies and Exp      | D1PROD       | \$ 133            | \$ 31        | \$ 164        |
|  |           |                              | DIRECT_OTHER | \$ -              | \$ 218       | \$ 218        |
|  |           |                              | DIRECT_TX    | \$ 384            | \$ -         | \$ 384        |
|  |           |                              | LABOR        | \$ 3,581,764      | \$ 955,298   | \$ 4,537,062  |
|  |           |                              | D2PROD       | \$ 125            | \$ 29        | \$ 154        |
|  |           |                              | PRODLABOR    | \$ 192,626        | \$ 47,904    | \$ 240,531    |
|  |           |                              | RG_PRODLABOR | \$ 52             | \$ 13        | \$ 65         |
|  |           |                              | TRANLABOR    | \$ 529            | \$ 136       | \$ 666        |
|  |           |                              | ZERO_BAL     | \$ -              | \$ -         | \$ -          |
|  | 92300     | Outside Services Employed    | DIRECT_OTHER | \$ -              | \$ -         | \$ -          |
|  |           |                              | LABOR        | \$ 11,998,393     | \$ 3,200,111 | \$ 15,198,504 |
|  |           |                              | PRODLABOR    | \$ 562,586        | \$ 139,910   | \$ 702,496    |
|  |           |                              | ZERO_BAL     | \$ -              | \$ -         | \$ -          |
|  | 92400     | Property Insurance           | D2TRAN       | \$ (53,839)       | \$ (13,806)  | \$ (67,645)   |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 WORKPAPER TO SCHEDULE A-1  
 COST OF SERVICE-RETAIL BY ACCOUNT  
 SPONSOR: ADRIAN HERNANDEZ  
 PREPARER: ADRIAN HERNANDEZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP / A-1  
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|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type_sub | (Multiple Items) |

# REGULATORY DEBITS & CREDITS

| Sum of amount                         |           |                    |              | allocation target |              |               |
|---------------------------------------|-----------|--------------------|--------------|-------------------|--------------|---------------|
| sub_acct_type                         | ferc_acct | ferc_description   | allocator    | Texas             | Other        | Total Company |
| Depr Exp 407.3 - Misc Def Amort       | 40730     | Regulatory Debits  | DIRECT_OTHER | \$ -              | \$ 1,448,181 | \$ 1,448,181  |
|                                       |           |                    | DIRECT_TX    | \$ 790,344        | \$ -         | \$ 790,344    |
|                                       |           |                    | LABOR        | \$ 2,196,060      | \$ 585,715   | \$ 2,781,774  |
| Depr Exp 407.3 - Misc Def Amort Total |           |                    |              | \$ 2,986,404      | \$ 2,033,895 | \$ 5,020,299  |
| Depr Exp 407.4 - Misc Def Amort       | 40740     | Regulatory Credits | DIRECT_OTHER | \$ -              | \$ -         | \$ -          |

|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type_sub | (Multiple Items) |

DEPRECIATION & AMORTIZATION EXPENSE

| Sum of amount                           |   | allocation target                       |                |                |                |               |
|---|---|---|----------------|----------------|----------------|---------------|
| sub_acct_type                           | reg_acct_parent                           | allocator                               | Texas          | Other          | Total Company  |               |
| Depr Exp - Intangible                   | 30300 Misc Intangible Plant EXP           | D1PROD                                  | \$ 66,344      | \$ 15,400      | \$ 81,744      |               |
|   |   | DIRECT_OT                               | \$ -           | \$ -           | \$ -           |               |
|   |   | LABOR                                   | \$ 5,152,077   | \$ 1,374,119   | \$ 6,526,196   |               |
|   |   | D2PROD                                  | \$ 3,251       | \$ 756         | \$ 4,007       |               |
|   |   | PRODLABC                                | \$ 49,594      | \$ 12,334      | \$ 61,927      |               |
|   |   | RG_PROD                                 | \$ 7,358       | \$ 1,807       | \$ 9,165       |               |
|   |   | TRANLABO                                | \$ 688,254     | \$ 177,220     | \$ 865,474     |               |
|   |   | CUSTLABO                                | \$ 41,149      | \$ 9,917       | \$ 51,066      |               |
|   |   | DISTLABOR                               | \$ 413,168     | \$ 128,960     | \$ 542,128     |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
|   |   | Depr Exp - Intangible Total             |                |                | \$ 6,421,195   | \$ 1,720,513  |
| Depr Exp - Steam Production Plant       | 31000 Land and Land Rights EXP            | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
|   | 31100 Structures and Improvements EXP     | D1PROD                                  | \$ 2,118,556   | \$ 491,757     | \$ 2,610,313   |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
|   | 31200 Boiler Plant Equipment EXP          | D1PROD                                  | \$ 4,353,431   | \$ 1,010,514   | \$ 5,363,945   |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
|   | 31300 Engines and Engine Driven Gen EXP   | D1PROD                                  | \$ 3,320,549   | \$ 770,762     | \$ 4,091,311   |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
|   | 31400 Turbogenerator Units EXP            | D1PROD                                  | \$ 4,456,591   | \$ 1,034,459   | \$ 5,491,050   |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
|   | 31500 Accessory Electric Equipment EXP    | D1PROD                                  | \$ 916,411     | \$ 212,716     | \$ 1,129,127   |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
| 31600 Misc Power Plant Equip EXP        | D1PROD                                    | \$ 744,398                              | \$ 172,789     | \$ 917,186     |                |               |
|   | ZERO_BAL                                  | \$ -                                    | \$ -           | \$ -           |                |               |
| 31XXX Steam Production Adjustment EXP   | D1PROD                                    | \$ (2,524)                              | \$ (586)       | \$ (3,110)     |                |               |
|   | ZERO_BAL                                  | \$ -                                    | \$ -           | \$ -           |                |               |
| Depr Exp - Steam Production Plant Total |   |   | \$ 15,907,412  | \$ 3,692,411   | \$ 19,599,822  |               |
| Depr Exp - Nuclear Production Plant     | 30300 Misc Intangible Plant PV EXP        | D1PROD                                  | \$ 970,319     | \$ 225,229     | \$ 1,195,549   |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
|   | 32000 Land and Land Rights EXP            | D1PROD                                  | \$ 8,810,723   | \$ 2,045,135   | \$ 10,855,859  |               |
|   | 32100 Structures and Improvements EXP     | D1PROD                                  | \$ 11,613,128  | \$ 2,695,626   | \$ 14,308,754  |               |
|   | 32200 Reactor Plant Equipment EXP         | D1PROD                                  | \$ 4,503,141   | \$ 1,045,264   | \$ 5,548,405   |               |
|   | 32300 Turbogenerator Units EXP            | D1PROD                                  | \$ 2,445,558   | \$ 567,660     | \$ 3,013,218   |               |
|   | 32400 Accessory Electric Equipment EXP    | D1PROD                                  | \$ (5,129,780) | \$ (1,190,719) | \$ (6,320,499) |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
|   | 32XXX Nuclear Production Adjustment EXP   | D1PROD                                  | \$ (2,404,291) | \$ (558,081)   | \$ (2,962,372) |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
|   | 35000 Land and Land Rights PV EXP         | D1PROD                                  | \$ -           | \$ -           | \$ -           |               |
|   | 35300 Station Equipment PV EXP            | D1PROD                                  | \$ 289,636     | \$ 67,230      | \$ 356,866     |               |
|   | 35400 Towers and Fixtures PV EXP          | D1PROD                                  | \$ 28,404      | \$ 6,593       | \$ 34,997      |               |
|   | 35600 Overhead Conductors Devices PV EXP  | D1PROD                                  | \$ 3,487       | \$ 809         | \$ 4,297       |               |
|   | 39200 Transportation Equipment PV EXP     | D1PROD                                  | \$ 104,710     | \$ 24,305      | \$ 129,015     |               |
|   | 39400 Tools Shop and Garage Equip EXP     | D1PROD                                  | \$ 31,234      | \$ 7,250       | \$ 38,484      |               |
|   | 39600 Power Operated Equipment PV EXP     | D1PROD                                  | \$ 83,447      | \$ 19,370      | \$ 102,816     |               |
|   | 39700 Communication Equipment PV EXP      | D1PROD                                  | \$ 79,883      | \$ 18,542      | \$ 98,425      |               |
|   | 39100 Computer Equipment PV EXP           | D1PROD                                  | \$ 24,217      | \$ 5,621       | \$ 29,838      |               |
|   | 39300 Stores Equipment PV EXP             | D1PROD                                  | \$ 249         | \$ 58          | \$ 306         |               |
|   | 39400 Tools Shop and Garage Equip PV EXP  | D1PROD                                  | \$ 4,405       | \$ 1,022       | \$ 5,427       |               |
|   | 39800 Misc Equipment PV EXP               | D1PROD                                  | \$ 364         | \$ 85          | \$ 449         |               |
|   | Depr Exp - Nuclear Production Plant Total |   |                | \$ 21,458,833  | \$ 4,981,000   | \$ 26,439,833 |
|   | Depr Exp - Other Production Plant         | 34000 Land and Land Rights EXP          | ZERO_BAL       | \$ -           | \$ -           | \$ -          |
|   |   | 34100 Structures and Improvements EXP   | DIRECT_OT      | \$ -           | \$ 66,553      | \$ 66,553     |
|   |   |   | DIRECT_TX      | \$ 3,426       | \$ -           | \$ 3,426      |
|   |   |   | D2PROD         | \$ 942,766     | \$ 219,353     | \$ 1,162,119  |
|   |   | 34200 Fuel Holders Producers Access EXP | D2PROD         | \$ 513,251     | \$ 119,418     | \$ 632,669    |
|   |   |   | ZERO_BAL       | \$ -           | \$ -           | \$ -          |
|   |   | 34300 Pnme Movers EXP                   | D2PROD         | \$ 9,035,504   | \$ 2,102,292   | \$ 11,137,796 |
|   |   | 34400 Generators EXP                    | DIRECT_OT      | \$ -           | \$ 550,713     | \$ 550,713    |
|   |   |   | DIRECT_TX      | \$ 56,240      | \$ -           | \$ 56,240     |
|   |   |   | D2PROD         | \$ 719,437     | \$ 167,391     | \$ 886,828    |
|   |   |   | ZERO_BAL       | \$ -           | \$ -           | \$ -          |
|   |   | 34500 Accessory Electric Equipment EXP  | DIRECT_OT      | \$ -           | \$ 29,696      | \$ 29,696     |
|   |   |   | DIRECT_TX      | \$ 8,822       | \$ -           | \$ 8,822      |
|   |   |   | D2PROD         | \$ 715,375     | \$ 166,446     | \$ 881,822    |
|   |   | 34600 Misc Power Plant Equip EXP        | DIRECT_OT      | \$ -           | \$ 17,770      | \$ 17,770     |
|   |   | D2PROD                                  | \$ 79,713      | \$ 18,547      | \$ 98,260      |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
| 34XXX Other Production Adjustment EXP   |   | DIRECT_OT                               | \$ -           | \$ -           | \$ -           |               |
|   |   | D2PROD                                  | \$ (4,854)     | \$ (1,129)     | \$ (5,983)     |               |
|   |   | ZERO_BAL                                | \$ -           | \$ -           | \$ -           |               |
| Depr Exp - Other Production Plant Total |   |   | \$ 12,069,681  | \$ 3,457,051   | \$ 15,526,732  |               |
| Depr Exp - Transmission Plant           |   | 35000 Land and Land Rights EXP          | D2TRAN         | \$ 710,251     | \$ 182,136     | \$ 892,387    |

|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type_sub | (Multiple Items) |

DEPRECIATION & AMORTIZATION EXPENSE

| Sum of amount                       |  |           | allocation target |              |               |  |
|-------------------------------------|--|-----------|-------------------|--------------|---------------|--|
| sub_acct_type                       | reg_acct_parent                            | allocator | Texas             | Other        | Total Company |  |
| Depr Exp - Transmission Plant       | 35200 Structures and Improvements EXP      | D2TRAN    | \$ 115,990        | \$ 29,744    | \$ 145,734    |  |
|                                     |  | ZERO_BAL  | \$ -              | \$ -         | \$ -          |  |
|                                     | 35300 Station Equipment EXP                | D2TRAN    | \$ 2,391,293      | \$ 613,220   | \$ 3,004,513  |  |
|                                     |  | ZERO_BAL  | \$ -              | \$ -         | \$ -          |  |
|                                     | 35400 Towers and Fixtures EXP              | D2TRAN    | \$ 283,235        | \$ 72,633    | \$ 355,868    |  |
|                                     |  | ZERO_BAL  | \$ -              | \$ -         | \$ -          |  |
|                                     | 35500 Poles and Fixtures EXP               | D2TRAN    | \$ 2,709,902      | \$ 694,924   | \$ 3,404,826  |  |
|                                     | 35600 Overhead Conductors Devices EXP      | D2TRAN    | \$ 1,263,247      | \$ 323,945   | \$ 1,587,192  |  |
|                                     |  | ZERO_BAL  | \$ -              | \$ -         | \$ -          |  |
|                                     | 35900 Roads and Trails EXP                 | D2TRAN    | \$ 37,701         | \$ 9,668     | \$ 47,369     |  |
|                                     |  | ZERO_BAL  | \$ -              | \$ -         | \$ -          |  |
|                                     | 35XXX Transmission Adjustment EXP          | D2TRAN    | \$ (13,806)       | \$ (3,540)   | \$ (17,346)   |  |
|                                     |  | ZERO_BAL  | \$ -              | \$ -         | \$ -          |  |
| 39500 Laboratory Equipment EXP      |  |           | ZERO_BAL          | \$ -         | \$ -          |  |
| Depr Exp - Transmission Plant Total |  |           | \$ 7,497,814      | \$ 1,922,730 | \$ 9,420,543  |  |
| Depr Exp - Distribution Plant       | 36000 Land and Land Rights EXP             | DIRECT_OT | \$ -              | \$ 8,581     | \$ 8,581      |  |
|                                     |  | DIRECT_TX | \$ 27,410         | \$ -         | \$ 27,410     |  |
|                                     | 36100 Structures and Improvements EXP      | DIRECT_OT | \$ -              | \$ 66,728    | \$ 66,728     |  |
|                                     |  | DIRECT_TX | \$ 336,957        | \$ -         | \$ 336,957    |  |
|                                     | 36200 Station Equipment EXP                | DIRECT_OT | \$ -              | \$ 1,012,621 | \$ 1,012,621  |  |
|                                     |  | DIRECT_TX | \$ 3,285,453      | \$ -         | \$ 3,285,453  |  |
|                                     | 36400 Poles Towers and Fixtures EXP        | DIRECT_OT | \$ -              | \$ -         | \$ -          |  |
|                                     |  | DIRECT_TX | \$ -              | \$ -         | \$ -          |  |
|                                     | 36400 Poles Towers and Fixtures PRIM EXP   | DIRECT_OT | \$ -              | \$ 1,155,633 | \$ 1,155,633  |  |
|                                     |  | DIRECT_TX | \$ 2,562,218      | \$ -         | \$ 2,562,218  |  |
|                                     | 36400 Poles Towers and Fixtures SEC EXP    | DIRECT_OT | \$ -              | \$ 807,143   | \$ 807,143    |  |
|                                     |  | DIRECT_TX | \$ 1,512,102      | \$ -         | \$ 1,512,102  |  |
|                                     | 36500 Overhead Conductors Devices EXP      | DIRECT_OT | \$ -              | \$ -         | \$ -          |  |
|                                     |  | DIRECT_TX | \$ -              | \$ -         | \$ -          |  |
|                                     | 36500 Overhead Conductors Devices PRIM EXP | DIRECT_OT | \$ -              | \$ 715,824   | \$ 715,824    |  |
|                                     |  | DIRECT_TX | \$ 1,864,806      | \$ -         | \$ 1,864,806  |  |
|                                     | 36500 Overhead Conductors Devices SEC EXP  | DIRECT_OT | \$ -              | \$ 171,110   | \$ 171,110    |  |
|                                     |  | DIRECT_TX | \$ 271,604        | \$ -         | \$ 271,604    |  |
|                                     | 36600 Underground Conduit EXP              | DIRECT_OT | \$ -              | \$ -         | \$ -          |  |
|                                     |  | DIRECT_TX | \$ -              | \$ -         | \$ -          |  |
|                                     | 36600 Underground Conduit PRIM EXP         | DIRECT_OT | \$ -              | \$ 437,685   | \$ 437,685    |  |
|                                     |  | DIRECT_TX | \$ 1,047,536      | \$ -         | \$ 1,047,536  |  |
|                                     | 36600 Underground Conduit SEC EXP          | DIRECT_OT | \$ -              | \$ 211,528   | \$ 211,528    |  |
|                                     |  | DIRECT_TX | \$ 523,447        | \$ -         | \$ 523,447    |  |
|                                     | 36700 Underground Conductors Device EXP    | DIRECT_OT | \$ -              | \$ -         | \$ -          |  |
|                                     |  | DIRECT_TX | \$ -              | \$ -         | \$ -          |  |
|                                     | 36700 Underground Conductors Device PRIME  | DIRECT_OT | \$ -              | \$ 978,150   | \$ 978,150    |  |
|                                     |  | DIRECT_TX | \$ 3,506,061      | \$ -         | \$ 3,506,061  |  |
|                                     | 36700 Underground Conductors Device PRIM S | DIRECT_OT | \$ -              | \$ 359,001   | \$ 359,001    |  |
|                                     |  | DIRECT_TX | \$ 562,940        | \$ -         | \$ 562,940    |  |
|                                     | 36800 Line Transformers EXP                | DIRECT_OT | \$ -              | \$ -         | \$ -          |  |
|                                     |  | DIRECT_TX | \$ -              | \$ -         | \$ -          |  |
|                                     | 36800 Line Transformers PRIM EXP           | DIRECT_OT | \$ -              | \$ 902,965   | \$ 902,965    |  |
|                                     |  | DIRECT_TX | \$ 2,781,907      | \$ -         | \$ 2,781,907  |  |
|                                     | 36800 Line Transformers SEC EXP            | DIRECT_OT | \$ -              | \$ 874,969   | \$ 874,969    |  |
|                                     |  | DIRECT_TX | \$ 2,401,931      | \$ -         | \$ 2,401,931  |  |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 WORKPAPER TO SCHEDULE A-1  
 COST OF SERVICE-RETAIL BY ACCOUNT  
 SPONSOR: ADRIAN HERNANDEZ  
 PREPARER: ADRIAN HERNANDEZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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DECOMMISSIONING & AMORTIZATION EXPENSE

|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account type     | (Multiple Items) |
| account type_sub | (Multiple Items) |

| Sum of amount              |           |                              |              | allocation target |          |               |
|----------------------------|-----------|------------------------------|--------------|-------------------|----------|---------------|
| sub_acct_type              | ferc_acct | ferc_description             | allocator    | Texas             | Other    | Total Company |
| Accretion Expense (411.10) | 40310     | Depr Expense Asset Ret Oblig | ZERO_BAL     | \$ -              | \$ -     | \$ -          |
|                            | 41111     | Accretion Expense            | D1PROD       | \$ 37,972         | \$ 8,814 | \$ 46,787     |
|                            |           |                              | DIRECT_OTHER | \$ -              | \$ -     | \$ -          |
|                            |           |                              | LABOR        | \$ 3,420          | \$ 912   | \$ 4,332      |
|                            |           |                              | D2PROD       | \$ 18,928         | \$ 4,404 | \$ 23,332     |



|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account type     | (Multiple Items) |
| account type sub | (Multiple Items) |

TAXES OTHER THAN INCOME TAXES

| Sum of amount                          |                                       |           | allocation target |              |               |  |
|--|---------------------------------------|-----------|-------------------|--------------|---------------|--|
| sub acct type                          | reg acct parent                       | allocator | Texas             | Other        | Total Company |  |
| Taxes Other - Arizona                  | 408130 Taxes Oth-AZ Property Taxes    | D1PROD    | \$ (7,637)        | \$ (1,773)   | \$ (9,410)    |  |
|  |                                       | D2TRAN    | \$ 5,454,091      | \$ 1,398,640 | \$ 6,852,731  |  |
|  |                                       | DIRECT OT | \$ -              | \$ -         | \$ -          |  |
|  | 408132 Taxes Oth-PV Payroll Taxes     | D1PROD    | \$ 2,462,878      | \$ 571,680   | \$ 3,034,559  |  |
| Taxes Other - Arizona Total            |                                       |           | \$ 7,909,332      | \$ 1,968,548 | \$ 9,877,880  |  |
| Taxes Other - Federal                  |                                       |           | \$ 4,043,450      | \$ 1,078,435 | \$ 5,121,885  |  |
| Taxes Other - Federal Total            |                                       |           | \$ 4,043,450      | \$ 1,078,435 | \$ 5,121,885  |  |
| Taxes Other - New Mexico Non-Rev       | 408120 Taxes Oth-NM Property Taxes    | D1PROD    | \$ -              | \$ -         | \$ -          |  |
|  |                                       | D2TRAN    | \$ 330,254        | \$ 84,690    | \$ 414,944    |  |
|  |                                       | DIRECT OT | \$ -              | \$ 1,068,983 | \$ 1,068,983  |  |
|  |                                       | GROSSPLT  | \$ -              | \$ -         | \$ -          |  |
|  |                                       | LABOR     | \$ 152,476        | \$ 40,667    | \$ 193,143    |  |
|  |                                       | PRODPLT   | \$ 1,887,223      | \$ 457,984   | \$ 2,345,207  |  |
|  | 408121 Taxes Oth-NM Compensating Tax  | GROSSPLT  | \$ 24,377         | \$ 6,819     | \$ 31,195     |  |
|  | 408122 Taxes Oth-NM Other Taxes Trans | D2TRAN    | \$ (15,074)       | \$ (3,866)   | \$ (18,940)   |  |
| Taxes Other - New Mexico Non-Rev Total |                                       |           | \$ 2,379,255      | \$ 1,655,277 | \$ 4,034,532  |  |
| Taxes Other - New Mexico Revenue       | 408128 Taxes Oth-NM Reg Comm Taxes    | DIRECT OT | \$ -              | \$ 909,583   | \$ 909,583    |  |
|  | 408129 Taxes Oth-NM Fran Fees (OSR)   | DIRECT OT | \$ -              | \$ 93,194    | \$ 93,194     |  |
| Taxes Other - New Mexico Revenue Total |                                       |           | \$ -              | \$ 1,002,778 | \$ 1,002,778  |  |
| Taxes Other - Texas Non-Revenue        | 408110 Taxes Oth-TX Property Taxes    | D2TRAN    | \$ 1,497,570      | \$ 384,035   | \$ 1,881,605  |  |
|  |                                       | DIRECT_TX | \$ 4,847,407      | \$ -         | \$ 4,847,407  |  |

|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account_type     | (Multiple Items) |
| account_type_sub | (Multiple Items) |

DEFERRED INCOME TAXES

| Sum of amount                             |   |                               |            | allocation_target             |                |                 |
|---|---|-------------------------------|------------|-------------------------------|----------------|-----------------|
| sub_acct_type                             | ferc_acct                               | ferc_description              | allocator  | Texas                         | Other          | Total Company   |
| Deferred Income Tax Expense-Fed Exp       | 41010                                   | Prov Def Inc Tax Util Oper    | D1PROD     | \$ 3,602,069                  | \$ 836,108     | \$ 4,438,178    |
|   |   |                               | DIRECT_OTI | \$ -                          | \$ -           | \$ -            |
|   |   |                               | DISTPLT    | \$ 637,093                    | \$ 229,098     | \$ 866,191      |
|   |   |                               | E2ENERGY   | \$ 7,681,276                  | \$ 1,961,991   | \$ 9,643,267    |
|   |   |                               | GROSSPLT   | \$ 8,886,189                  | \$ 2,485,750   | \$ 11,371,939   |
|   |   |                               | LABOR      | \$ 5,774,692                  | \$ 1,540,178   | \$ 7,314,870    |
|   |   |                               | NETPLT     | \$ 25,976,020                 | \$ 7,158,610   | \$ 33,134,630   |
|   |   |                               | ZERO_BAL   | \$ -                          | \$ -           | \$ -            |
|   | 41110                                   | Prov Def Inc Tax Cr Util Oper | D1PROD     | \$ (3,247,090)                | \$ (753,711)   | \$ (4,000,801)  |
|   |   |                               | DIRECT_OTI | \$ -                          | \$ -           | \$ -            |
|   |   |                               | DISTPLT    | \$ (1,202,229)                | \$ (432,321)   | \$ (1,634,550)  |
|   |   |                               | E2ENERGY   | \$ (3,028,573)                | \$ (773,574)   | \$ (3,802,147)  |
|   |   |                               | GROSSPLT   | \$ (4,197,199)                | \$ (1,174,090) | \$ (5,371,289)  |
|   |   |                               | LABOR      | \$ (3,774,322)                | \$ (1,006,656) | \$ (4,780,977)  |
|   |   |                               | NETPLT     | \$ (28,360,236)               | \$ (7,815,665) | \$ (36,175,902) |
|   |   |                               | ZERO_BAL   | \$ -                          | \$ -           | \$ -            |
| Deferred Income Tax Expense-Fed Exp Total |   |                               |            | \$ 8,747,691                  | \$ 2,255,719   | \$ 11,003,410   |
| Deferred Income Tax Exp-State Exp         | 41010                                   | Prov Def Inc Tax Util Oper    | D1PROD     | \$ 364,895                    | \$ 84,699      | \$ 449,594      |
|   |   |                               | DISTPLT    | \$ 59,905                     | \$ 21,542      | \$ 81,447       |
|   |   |                               | E2ENERGY   | \$ 650,141                    | \$ 166,062     | \$ 816,203      |
|   |   |                               | GROSSPLT   | \$ 1,703,229                  | \$ 476,447     | \$ 2,179,676    |
|   |   |                               | LABOR      | \$ 538,304                    | \$ 143,572     | \$ 681,876      |
|   |   |                               | NETPLT     | \$ 1,981,732                  | \$ 546,136     | \$ 2,527,868    |
|   |   |                               | ZERO_BAL   | \$ -                          | \$ -           | \$ -            |
|   |   |                               | 41110      | Prov Def Inc Tax Cr Util Oper | D1PROD         | \$ (325,605)    |
|   | DIRECT_OTI                              | \$ -                          |            |                               | \$ -           | \$ -            |
|   | DISTPLT                                 | \$ (113,972)                  |            |                               | \$ (40,984)    | \$ (154,957)    |
|   | E2ENERGY                                | \$ (251,185)                  |            |                               | \$ (64,159)    | \$ (315,344)    |
|   | GROSSPLT                                | \$ (768,387)                  |            |                               | \$ (214,942)   | \$ (983,329)    |
|   | LABOR                                   | \$ (393,419)                  |            |                               | \$ (104,929)   | \$ (498,348)    |
|   | NETPLT                                  | \$ (2,450,625)                |            |                               | \$ (675,356)   | \$ (3,125,981)  |
|   | ZERO_BAL                                | \$ -                          |            |                               | \$ -           | \$ -            |
|   | Deferred Income Tax Exp-State Exp Total |                               |            |                               | \$ 995,013     | \$ 262,508      |
| ITC Amortization Tax                      | 41010                                   | Prov Def Inc Tax Util Oper    | NETPLT     | \$ 834,599                    | \$ 230,003     | \$ 1,064,602    |
|   | 41110                                   | Prov Def Inc Tax Cr Util Oper | NETPLT     | \$ (3,860,565)                | \$ (1,063,915) | \$ (4,924,480)  |
| ITC Amortization Tax Total                |   |                               |            | \$ (3,025,966)                | \$ (833,912)   | \$ (3,859,878)  |
| Total Company                             |   |                               |            | \$ 6,716,738                  | \$ 1,684,315   | \$ 8,401,053    |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 WORKPAPER TO SCHEDULE A-1  
 COST OF SERVICE-RETAIL BY ACCOUNT  
 SPONSOR: ADRIAN HERNANDEZ  
 PREPARER: ADRIAN HERNANDEZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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AMORTIZATION OF INVESTMENT TAX CREDITS

|                  |                  |
|------------------|------------------|
| jurisdiction     | (All)            |
| account type     | (Multiple Items) |
| account type sub | (Multiple Items) |

| Sum of amount              |           |                               |           | allocation target |              |                |
|----------------------------|-----------|-------------------------------|-----------|-------------------|--------------|----------------|
| sub acct type              | ferc acct | fer c description             | allocator | Texas             | Other        | Total Company  |
| ITC Amortization Tax       | 41140     | Invest Tax Credit Adjust Oper | D1PROD    | \$ (1,505,971)    | \$ (349,564) | \$ (1,855,535) |
| ITC Amortization Tax Total |           |                               |           | \$ (1,505,971)    | \$ (349,564) | \$ (1,855,535) |
| Total Company              |           |                               |           | \$ (1,505,971)    | \$ (349,564) | \$ (1,855,535) |

Adjustments to Sales Revenue

| Line No.                                       | (a)<br>Description                | (b)<br>Schedule A<br>Reference | (c)<br>Workpaper A-3<br>Adj 01 Reference | (d)<br>Amount  | (e)           |
|--|-----------------------------------|--------------------------------|--|----------------|---------------|
| 1  | Amount, as requested              | Line 12, column f              |  | \$ 967,939,397 |               |
|  | Less:                             |                                |  |                |               |
| 2  | Amount per books                  | Line 12, column b              |  | 917,510,145    |               |
| 3  | Adjustment                        | = L1 - L2                      |  |                | \$ 50,429,252 |
| <b>Base Revenues</b>                           |                                   |                                |  |                |               |
| 4  | Amount, as adjusted               | Line 1                         | Page 3, line 1                           | 663,638,248    |               |
|  | Less:                             |                                |  |                |               |
| 5  | Amount per books                  | Line 1                         | Page 2, line 1                           | 659,812,522    |               |
| 6  | Adjustment                        | Line 1, column c               |  |                | 3,825,726     |
| Reference Direct Testimony of Manuel Carrasco  |                                   |                                |  |                |               |
| <b>Non-Firm Revenues</b>                       |                                   |                                |  |                |               |
| 7  | Amount, as requested              | Line 2                         | Page 3, line 2                           | 4,313,918      |               |
|  | Less:                             |                                |  |                |               |
| 8  | Amount per books                  | Line 2                         | Page 2, line 2                           | 3,781,799      |               |
| 9  | Adjustment                        | Line 2                         |  |                | 532,119       |
| Reference Direct Testimony of Manuel Carrasco  |                                   |                                |  |                |               |
| <b>Fuel Revenues</b>                           |                                   |                                |  |                |               |
| 10   | Amount, as requested              | Line 4                         | Page 3, line 3 and 5                     | 198,143,882    |               |
|  | Less:                             |                                |  |                |               |
| 11   | Amount per books                  | Line 4                         | Page 2, line 3 and 5                     | 206,778,438    |               |
| 12   | Adjustment                        | Line 4                         |  |                | (8,634,556)   |
| Reference Direct Testimony of Adrian Hernandez |                                   |                                |  |                |               |
| <b>Forfeited Discounts</b>                     |                                   |                                |  |                |               |
| Account 450                                    |                                   |                                | WP/ A-3 Adj 1                            |                |               |
| 13   | Amount, as requested              | Line 8                         | Page 3, line 8                           | 1,276,178      |               |
|  | Less:                             |                                |  |                |               |
| 14   | Amount per books                  | Line 8                         | Page 2, line 8                           | 431,880        |               |
| 15   | Adjustment                        | Line 8                         |  |                | 844,298       |
| Reference Direct Testimony of Manuel Carrasco  |                                   |                                |  |                |               |
| <b>Miscellaneous Revenues</b>                  |                                   |                                |  |                |               |
| Account 451                                    |                                   |                                | WP/ A-3 Adj 1                            |                |               |
| 16   | Amount, as requested              | Line 8                         | Page 4, line 9                           | 5,263,673      |               |
|  | Less:                             |                                |  |                |               |
| 17   | Amount as adjusted                | Line 8                         | Page 2, line 8                           | 5,984,307      |               |
| 18   | Adjustment                        | Line 8                         |  |                | (720,634)     |
| Reference Direct Testimony of Manuel Carrasco  |                                   |                                |  |                |               |
| <b>Rate Year Revenue Increase</b>              |                                   |                                |  |                |               |
| Accounts 440-445                               |                                   |                                | WP/ A-3 Adj 1                            |                |               |
| 19   | Amount, as requested              | Line 8                         | Page 4, line 1                           | 718,220,547    |               |
|  | Less:                             |                                |  |                |               |
| 20   | Amount as adjusted                | Line 8                         | Page 3, line 1                           | 663,638,248    |               |
| 21   | Adjustment                        | Line 1, column e               |  |                | 54,582,300    |
| 22   | Total Adjustment to Sales Revenue |                                |  |                | \$ 50,429,252 |

| Line<br>No. | (a)<br>Description                       | (b)<br>Total Per Books | (c)<br>At Existing Rates |                | (d)<br>At Proposed Rates |                |
|-------------|--|------------------------|--------------------------|----------------|--------------------------|----------------|
|             |  |                        | Adjustments              | As Adjusted    | Adjustments              | As Requested   |
|             | Operating Revenues                       |                        |                          |                |                          |                |
|             | Sales Revenues                           |                        |                          |                |                          |                |
|             | Base Rate Revenues                       |                        |                          |                |                          |                |
| 1           | Base                                     | \$ 657,089,912         | \$ 3,825,726             | \$ 660,915,638 | \$ 54,582,300            | \$ 715,497,938 |
| 2           | Non-firm                                 | 3,781,799              | 532,119                  | 4,313,918      | -                        | 4,313,918      |
| 3           | Total Base Rate Revenues                 | 660,871,711            | 4,357,844                | 665,229,555    | 54,582,300               | 719,811,855    |
| 4           | Fuel Revenues from Retail Sales          | 123,082,683            | (8,580,447)              | 114,502,235    | -                        | 114,502,235    |
| 5           | Other Sales For Resale Fuel Revenues     | 83,695,755             | (54,108)                 | 83,641,647     | -                        | 83,641,647     |
| 6           | Total Fuel Revenues                      | 206,778,438            | (8,634,556)              | 198,143,882    | -                        | 198,143,882    |
| 7           | Other Sales For Resale Non-Fuel Revenues | 2,722,610              | -                        | 2,722,610      | -                        | 2,722,610      |
| 8           | Other Sales Margins Retained by EPE      | 2,467,543              | -                        | 2,467,543      | -                        | 2,467,543      |
| 9           | Provision for Rate Refund                | -                      | -                        | -              | -                        | -              |
| 10          | Total Sales Revenues                     | 872,840,301            | (4,276,711)              | 868,563,590    | 54,582,300               | 923,145,890    |
| 11          | Other Operating Revenues                 | 44,669,844             | 844,298                  | 45,514,142     | (720,634)                | 44,793,508     |
| 12          | Total Operating Revenues                 | 917,510,145            | (3,432,413)              | 914,077,731    | 53,861,666               | 967,939,397    |

| Line No.        | (a)<br>Description                            | (b)<br>Texas   | (c)<br>New Mexico | (d)<br>FERC  | (e)<br>Other* | (f)<br>Total   |
|-----------------|---|----------------|-------------------|--------------|---------------|----------------|
| <u>PER BOOK</u> |   |                |                   |              |               |                |
| 1               | Base  | \$ 528,887,914 | \$ 127,167,589    | \$ 2,722,610 | \$ 1,034,410  | 659,812,522    |
| 2               | Non-Firm                                      | 3,642,224      | 139,575           | 0            | 0             | 3,781,799      |
| 3               | Fuel  | 81,322,716     | 41,759,967        | 938,431      | 0             | 124,021,114    |
| 4               | Total Sales to Retail and Wholesale Customers | 613,852,854    | 169,067,130       | 3,661,041    | 1,034,410     | 787,615,434    |
| 5               | Off-System Sales                              | 65,727,609     | 16,409,497        | 620,218      |               | 82,757,324     |
| 6               | OS Sales Margin - Retained                    |                |                   |              | 2,467,543     | 2,467,543      |
| 7               | Economy/Opportunity Sales                     | 65,727,609     | 16,409,497        | 620,218      | 2,467,543     | 85,224,867     |
| 8               | Forfeited Discounts                           | 431,880        | 0                 | 0            | 0             | 431,880        |
| 9               | Miscellaneous Service Revenues                | 3,590,292      | 1,293,457         | 0            | 1,100,558     | 5,984,307      |
| 10              | Energy Efficiency Revenues                    | 0              | 0                 | 0            | 9,503,879     | 9,503,879      |
| 11              | Rent From Electric Property                   | 2,309,138      | 796,873           | 0            | 0             | 3,106,012      |
| 12              | Other Electric Revenues                       | 957,119        | 103,270           | 3,743        | 0             | 1,064,132      |
| 13              | Transmission Service Revenues                 | 19,509,898     | 4,907,608         | 162,127      | 0             | 24,579,633     |
| 14              | Provision for Refund                          | 0              | 0                 | 0            | 0             | 0              |
| 15              | Total Other Revenues                          | 26,798,328     | 7,101,209         | 165,870      | 10,604,437    | 44,669,844     |
| 16              | Total Operating Revenues                      | \$ 706,378,791 | \$ 192,577,836    | \$ 4,447,129 | \$ 14,106,389 | \$ 917,510,145 |

\* Amounts in Other column are revenues that are eliminated (assigned to Other) in the cost of service study because they are related to community solar, energy efficiency, or retained margins

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
WORKPAPER A-3, ADJUSTMENT NO. 1  
OPERATING REVENUES  
SPONSOR: MANUEL CARRASCO  
PREPARER: ADRIAN HERNANDEZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO 1  
PAGE 4 OF 8

| Line No.           | (a)<br>Description                            | (b)<br>Texas   | (c)<br>New Mexico | (d)<br>FERC  | (e)<br>Other* | (f)<br>Total   |
|--------------------|---|----------------|-------------------|--------------|---------------|----------------|
| <b>AS ADJUSTED</b> |   |                |                   |              |               |                |
| 1                  | Base  | \$ 532,713,639 | \$ 127,167,589    | \$ 2,722,610 | \$ 1,034,410  | 663,638,248    |
| 2                  | Non-Firm                                      | 4,174,343      | 139,575           | 0            | 0             | 4,313,918      |
| 3                  | Fuel  | 80,084,706     | 34,417,529        | 884,323      | 0             | 115,386,558    |
| 4                  | Total Sales to Retail and Wholesale Customers | 616,972,688    | 161,724,693       | 3,606,932    | 1,034,410     | 783,338,723    |
| 5                  | Off-System Sales                              | 65,919,767     | 16,203,305        | 634,252      |               | 82,757,324     |
| 6                  | OS Sales Margin - Retained                    |                |                   |              | 2,467,543     | 2,467,543      |
| 7                  | Economy/Opportunity Sales                     | 65,919,767     | 16,203,305        | 634,252      | 2,467,543     | 85,224,867     |
| 8                  | Forfeited Discounts                           | 1,276,178      | 0                 | 0            | 0             | 1,276,178      |
| 9                  | Miscellaneous Service Revenues                | 3,590,292      | 1,293,457         | 0            | \$ 1,100,558  | 5,984,307      |
| 10                 | Energy Efficiency Revenues                    | 0              | 0                 | 0            | 9,503,879     | 9,503,879      |
| 11                 | Rent From Electric Property                   | 2,309,138      | 796,873           | 0            | 0             | 3,106,012      |
| 12                 | Other Electric Revenues                       | 957,119        | 103,270           | 3,743        | 0             | 1,064,132      |
| 13                 | Transmission Service Revenues                 | 19,509,898     | 4,907,608         | 162,127      | 0             | 24,579,633     |
| 14                 | Provision for Refund                          | 0              | 0                 | 0            | 0             | 0              |
| 15                 | Total Other Revenues                          | 27,642,626     | 7,101,209         | 165,870      | 10,604,437    | 45,514,142     |
| 16                 | Total Operating Revenues                      | \$ 710,535,081 | \$ 185,029,207    | \$ 4,407,054 | \$ 14,106,389 | \$ 914,077,731 |

\* Amounts in Other column are revenues that are eliminated (assigned to Other) in the cost of service study because they are related to community solar, energy efficiency, or retained margins.

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
WORKPAPER A-3, ADJUSTMENT NO. 1  
OPERATING REVENUES  
SPONSOR: MANUEL CARRASCO  
PREPARER: ADRIAN HERNANDEZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 1  
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| Line No.            | (a)<br>Description                            | (b)<br>Texas   | (c)<br>New Mexico | (d)<br>FERC  | (e)<br>Other* | (f)<br>Total   |
|---------------------|---|----------------|-------------------|--------------|---------------|----------------|
| <b>AS REQUESTED</b> |   |                |                   |              |               |                |
| 1                   | Base  | \$ 574,531,417 | \$ 139,932,111    | \$ 2,722,610 | \$ 1,034,410  | 718,220,547    |
| 2                   | Non-Firm                                      | 4,174,343      | 139,575           | 0            | 0             | 4,313,918      |
| 3                   | Fuel  | 80,084,706     | 34,417,529        | 884,323      | 0             | 115,386,558    |
| 4                   | Total Sales to Retail and Wholesale Customers | 658,790,466    | 174,489,214       | 3,606,932    | 1,034,410     | 837,921,023    |
| 5                   | Off-System Sales                              | 65,919,767     | 16,203,305        | 634,252      |               | 82,757,324     |
| 6                   | OS Sales Margin - Retained                    |                |                   |              | 2,467,543     | 2,467,543      |
| 7                   | Economy/Opportunity Sales                     | 65,919,767     | 16,203,305        | 634,252      | 2,467,543     | 85,224,867     |
| 8                   | Forfeited Discounts                           | 1,276,178      | 0                 | 0            | 0             | 1,276,178      |
| 9                   | Miscellaneous Service Revenues                | 2,869,658      | 1,293,457         | 0            | \$ 1,100,558  | 5,263,673      |
| 10                  | Energy Efficiency Revenues                    | 0              | 0                 | 0            | 9,503,879     | 9,503,879      |
| 11                  | Rent From Electric Property                   | 2,309,138      | 796,873           | 0            | 0             | 3,106,012      |
| 12                  | Other Electric Revenues                       | 957,119        | 103,270           | 3,743        | 0             | 1,064,132      |
| 13                  | Transmission Service Revenues                 | 19,509,898     | 4,907,608         | 162,127      | 0             | 24,579,633     |
| 14                  | Provision for Refund                          | 0              | 0                 | 0            | 0             | 0              |
| 15                  | Total Other Revenues                          | 26,921,992     | 7,101,209         | 165,870      | 10,604,437    | 44,793,508     |
| 16                  | Total Operating Revenues                      | \$ 751,632,226 | \$ 197,793,728    | \$ 4,407,054 | \$ 14,106,389 | \$ 967,939,397 |

\* Amounts in Other column are revenues that are eliminated (assigned to Other) in the cost of service study because they are related to community solar, energy efficiency, or retained margins.



EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 WORKPAPER A-3, ADJUSTMENT NO. 1  
 UNCOLLECTIBLE ACCOUNTS  
 SPONSOR: JENNIFER BORDEN  
 PREPARER: ADRIAN HERNANDEZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 1  
 PAGE 6 OF 8

| Line<br>No. | (a)<br>Description                        | (b)<br>Amount |
|-------------|---|---------------|
|             |   |               |
|             | Uncollectibles<br>FERC Account No. 904000 |               |
| 1           | Expense Amount, As Adjusted               | \$ 2,035,086  |
|             | Less:                                     |               |
| 2           | Per Book Expense (w/ COVID adjustment)    | 2,046,029     |
| 3           | Total Adjustment                          | \$ (10,943)   |
| 4           | Adjustment for Requested Revenues         | \$ 194,390    |
| 5           | Total Adjustment                          | \$ 183,447    |

Justification for requested adjustment:

This adjustment is made first to reflect the annualization of operating revenues and the Company's actual Test Year Period uncollectibles and then to reflect requested revenues.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 WORKPAPER A-3, ADJUSTMENT NO. 1  
 UNCOLLECTIBLE ACCOUNTS  
 SPONSOR: JENNIFER BORDEN  
 PREPARER: ADRIAN HERNANDEZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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 ADJUSTMENT NO. 1  
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| Line<br>No. | (a)<br>Description                                 | (b)<br>Amount  |
|-------------|--|----------------|
|             | Uncollectibles<br>FERC Account No. 904000          |                |
|             | At Annualized Current Rates                        |                |
| 1           | Change in Retail Revenue (Adjusted minus Per Book) | \$ (4,222,603) |
| 2           | Adjusted System Uncollectible Rate                 | 0.002592       |
| 3           | Adjustment   | (10,943)       |
| 4           | Per Book Expense (w/ COVID adjustment)             | 2,046,029      |
| 5           | Adjusted Expense                                   | \$ 2,035,086   |
|             | At Proposed Rates                                  |                |
| 6           | Requested Increase in Return                       | 40,061,227     |
| 7           | Requested Increase in Income Taxes                 | 11,213,627     |
| 8           | Requested Increase Before Revenue Taxes            | 51,274,854     |
| 9           | Revenue Adjustment Factor                          | 1.04926        |
| 10          | Total Revenue Increase                             | \$ 53,800,653  |
| 11          | System Uncollectible Rate                          | 0.002592       |
| 12          | Adjustment for Requested Revenues                  | 139,432        |
| 13          | Covid-19 Rate Adjustment                           | 54,958         |
| 14          | Adjustment For Requested Revenues                  | \$ 194,390     |

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
WORKPAPER A-3, ADJUSTMENT NO. 1  
UNCOLLECTIBLE ACCOUNTS  
SPONSOR: JENNIFER BORDEN  
PREPARER: ADRIAN HERNANDEZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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ADJUSTMENT NO. 1  
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| Line<br>No. | (a)<br>Description                   | (b)<br>Amount              |
|-------------|--------------------------------------|----------------------------|
|             |                                      |                            |
| 1           | Per Book Retail Sales of Electricity | \$ 789,471,753             |
| 2           | Per Book Uncollectible Expense       | <u>\$ 2,849,256</u>        |
| 3           | Per Book System Rate                 | <u>0.003609</u>            |
|             | <u>Per Book Adjusted for COVID</u>   |                            |
| 4           | Per Book Uncollectible Expense       | \$ 2,849,256               |
| 5           | COVID Adjustment                     | <u>(803,227)</u>           |
| 6           | Adjusted Uncollectible Expense       | <u><u>\$ 2,046,029</u></u> |
| 7           | Adjusted Uncollectible Rate          | <u>0.002592</u>            |

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE  
OPERATION AND MAINTENANCE EXPENSE  
FUEL & PURCHASED POWER EXPENSE  
SPONSOR: JENNIFER I. BORDEN  
PREPARER: MELODY BOISSELIER  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 2  
PAGE 1 OF 2

| Line<br>No. | (a)<br>Description   | (b) | (c) | (d)<br>Amount                |
|-------------|--|-----|-----|------------------------------|
|             | Fuel & Purchased Power Expense<br>FERC Account Nos. 501000, 547000<br>and 555000 |     |     |                              |
| 1           | Expense Amount, As Adjusted  |     |     | \$ 199,907,598               |
|             | Less:  |     |     |                              |
| 2           | Amount Per Book  |     |     | <u>202,285,315</u>           |
| 3           | Adjustment   |     |     | <u><u>\$ (2,377,717)</u></u> |

Justification for requested adjustment:

Please refer to page 2 of this adjustment.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE  
 OPERATION AND MAINTENANCE EXPENSE  
 FUEL & PURCHASED POWER EXPENSE  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: MELODY BOISSELIER  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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 ADJUSTMENT NO. 2  
 PAGE 2 OF 2

| Line No. | (a)<br>Description                   | (b)<br>Per Book | (c)<br>Out of Period<br>Fuel<br>Adjustments<br>(A) | (d)<br>Annualization<br>(B) | (e)<br>Weather<br>Adjustment<br>(C) | (f)<br>Total<br>Adjustments | (g)<br>As Adjusted |
|----------|--------------------------------------|-----------------|--|-----------------------------|-------------------------------------|-----------------------------|--------------------|
| 1        | Account 501000 (Gas)                 | \$ 58,797,235   | \$ 83,079  | \$ (455,365)                | \$ (1,555,020)                      | \$ (1,927,306)              | \$ 56,869,929      |
| 2        | Account 501000 (Coal Reclamation)    | 660,532         |  |                             |                                     | 0                           | 660,532            |
| 3        | Account 502000 (Env. Consum.)        | 488,751         |  |                             |                                     | 0                           | 488,751            |
| 4        | Account 509000                       | 27,551          |  |                             |                                     | 0                           | 27,551             |
| 5        | Account 518000                       | 41,258,546      |  |                             |                                     | 0                           | 41,258,546         |
| 6        | Account 547000                       | 18,814,840      | 22,784   | (145,685)                   | (497,499)                           | (620,400)                   | 18,194,440         |
| 7        | Sub Total - Fuel                     | 120,047,455     | 105,863  | (601,050)                   | (2,052,519)                         | (2,547,706)                 | 117,499,749        |
| 8        | Account 555000 (Reconcilable PP)     | 80,474,145      | 169,989  |                             |                                     | 169,989                     | 80,644,134         |
| 9        | Account 555000 (Non-Reconcilable PP) | 1,763,715       |  |                             |                                     | 0                           | 1,763,715          |
| 10       | Sub-Total Purchased Power            | 82,237,860      | 169,989  | 0                           | 0                                   | 169,989                     | 82,407,849         |
| 11       | Total Fuel and Purchased Power       | \$ 202,285,315  | \$ 275,852   | \$ (601,050)                | \$ (2,052,519)                      | \$ (2,377,717)              | \$ 199,907,598     |

Notes:

- (A) To adjust Account 501000 for gas pricing updates and penalty credits related to 2019 and Account 555000 (Reconcilable PP) through 2018 totaling \$169,989.
- (B) To adjust local generation fuel costs resulting from the annualized kWh adjustment discussed by EPE witness Carrasco.
- (C) To adjust local generation fuel costs resulting from the weather-normalization kWh adjustment discussed by EPE witness Novela.

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 ADJUSTMENT NO. 2  
 PAGE 2 OF 2

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
SALARIES AND WAGES EXPENSE  
SPONSOR: CYNTHIA S. PRIETO  
PREPARER: TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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ADJUSTMENT NO. 3  
PAGE 1 OF 6

| (a)      |                                    | (b)                 |
|----------|------------------------------------|---------------------|
| Line No. | Description                        | Amount              |
|          | <u>Salaries And Wages Expense</u>  |                     |
| 1        | Expense Amount, As Adjusted        | \$ 86,460,825       |
|          | Less:                              |                     |
| 2        | Amount Per Books                   | <u>86,883,519</u>   |
| 3        | EPE Payroll Adjustment             | <u>\$ (422,694)</u> |
| 4        | Adjustment to:                     |                     |
| 5        | Operations and Maintenance Expense | <u>\$ (422,694)</u> |
| 6        | Total                              | <u>\$ (422,694)</u> |

Justification for requested adjustment:

EPE Salaries and Wages are annualized based on payroll data as of February 2021 and are adjusted to reflect the application of the 2021 budget O&M expense ratio to current payroll levels.

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
SALARIES AND WAGES EXPENSE  
SPONSOR: CYNTHIA S. PRIETO  
PREPARER: TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 3  
PAGE 2 OF 6

| Line No. | (a)<br>Description  | (b)<br>Operating<br>(Union) | (c)<br>Confidential<br>(Non-Union) | (d)<br>Executive<br>(Non-Union) | (d)<br>Total   |
|----------|---|-----------------------------|------------------------------------|---------------------------------|----------------|
| 1        | Annual Base Salaries (A)  | \$ 32,340,156               | \$ 65,027,396                      | \$ 3,843,500                    | \$ 101,211,052 |
| 2        | Pay Increase Percent (B)  | 0.00%                       | 0.00%                              | 0.00%                           |                |
| 3        | Pay Increase Amount (B)   | 0                           | 0                                  | 0                               | 0              |
| 4        | Base Salaries after Increase  | 32,340,156                  | 65,027,396                         | 3,843,500                       | 101,211,052    |
| 5        | Test Year Overtime - per Schedule G-1.1, page 1, line 13, column (c)                |                             |                                    |                                 | 8,034,426      |
| 6        | Payments in Lieu of Paid Time Off - per Schedule G-1.6, page 1, line 13, column (c) |                             |                                    |                                 | 728,596        |
| 7        | Gross Annualized Salaries & Wages   |                             |                                    |                                 | 109,974,074    |
| 8        | Projected Payroll Expense Ratio for Rate Year (C)                                   |                             |                                    |                                 | 74.95%         |
| 9        | Annualized EPE Salaries & Wages Expense, Excluding Bonus Expense                    |                             |                                    |                                 | 82,425,568     |
| 10       | Non-Financial Gross Annualized Bonus (D)  |                             |                                    |                                 | 5,372,127      |
| 11       | Projected Payroll Expense Ratio for Rate Year (C)                                   |                             |                                    |                                 | 74.95%         |
| 12       | Annualized Bonus Expense  |                             |                                    |                                 | 4,026,409      |
| 13       | Reconciling Difference  |                             |                                    |                                 | (8,848)        |
| 14       | Total Annualized Salaries and Wages Expense   |                             |                                    |                                 | \$ 86,460,825  |

Notes:

- (A) Annual base salaries as of February 1, 2021.
- (B) 2021 pay increases for non-union employees are included in the annual base salary amount. Pay increases for union employees are not effective until September 2021 and were therefore excluded.
- (C) Payroll Expense Ratio as used in EPE's 2021 Budget.
- (D) Represents the non-financial portion of the 2020 annual cash bonus, which excludes the financial portion of the bonus of \$5,372,127.

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
SALARIES AND WAGES EXPENSE  
SPONSOR CYNTHIA S PRIETO  
PREPARER TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

EL PASO ELECTRIC COMPANY  
OPERATION AND MAINTENANCE EXPENSES - Payroll  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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ADJUSTMENT NO 03-SALARIES AND WAGES  
PAGE 3 OF 6

| Line No                                 | FERC Acct | (a)<br>Description                         | (b)<br>January | (c)<br>February | (d)<br>March | (e)<br>April | (f)<br>May | (g)<br>June | (h)<br>July | (i)<br>August | (j)<br>September | (k)<br>October | (l)<br>November | (m)<br>December | (n)<br>Total Test Year Payroll | (o)<br>Payroll Adj 3 | (p)<br>Adjusted Payroll |
|---|-----------|--|----------------|-----------------|--------------|--------------|------------|-------------|-------------|---------------|------------------|----------------|-----------------|-----------------|--------------------------------|----------------------|-------------------------|
| <u>Steam Power Generation Expense</u>   |           |  |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| <u>Operations Expense</u>               |           |  |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| 1                                       | 500000    | Operation Supervision & Engineering        | 149,499        | 183,225         | 191,373      | 198,205      | 197,555    | 201,463     | 240,488     | 203,272       | 209,439          | 188,749        | 175,867         | 217,889         | 2,357,025                      | (11,707)             | 2,345,318               |
| 2                                       | 501000    | Fuel                                       | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | 0                    | 0                       |
| 3                                       | 502000    | Steam Expenses                             | 213,662        | 170,171         | 196,588      | 201,716      | 201,987    | 207,814     | 241,718     | 177,298       | 233,280          | 199,485        | 202,711         | 224,899         | 2,471,330                      | (12,275)             | 2,459,055               |
| 4                                       | 505000    | Electric Expenses                          | 100,492        | 73,050          | 89,412       | 99,550       | 88,900     | 93,982      | 108,625     | 84,214        | 102,053          | 86,670         | 86,186          | 110,892         | 1,124,027                      | (5,583)              | 1,118,444               |
| 5                                       | 506000    | Miscellaneous Steam Power Expenses         | 158,979        | 46,611          | 41,557       | 50,703       | 41,038     | 79,241      | 106,188     | 35,281        | 106,409          | 90,562         | 131,970         | 141,393         | 1,029,932                      | (5,116)              | 1,024,816               |
| 6                                       | 507000    | Rents                                      | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | 0                    | 0                       |
| 7                                       |           | Total Operations Expense                   | 622,631        | 473,058         | 518,929      | 550,174      | 529,481    | 582,500     | 697,019     | 500,065       | 651,181          | 565,466        | 596,735         | 695,074         | 6,982,314                      | (34,681)             | 6,947,633               |
| <u>Maintenance Expense</u>              |           |  |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| 8                                       | 510000    | Maintenance Supervision & Engineering      | 195,721        | 200,058         | 188,092      | 185,582      | 186,622    | 210,740     | 254,012     | 179,999       | 193,561          | 171,767        | 174,774         | 146,160         | 2,287,088                      | (11,360)             | 2,275,728               |
| 9                                       | 511000    | Maintenance of Structures                  | 12,694         | 4,987           | 10,127       | 21,614       | 33,083     | 43,506      | 36,351      | 62,996        | 55,738           | 32,240         | 31,116          | 17,563          | 362,014                        | (1,798)              | 360,216                 |
| 10                                      | 512000    | Maintenance of Boiler Plant                | 133,210        | 173,890         | 107,728      | 82,063       | 143,258    | 127,633     | 149,964     | 142,269       | 103,326          | 103,353        | 127,785         | 107,101         | 1,501,580                      | (7,458)              | 1,494,122               |
| 11                                      | 513000    | Maintenance of Electric Plant              | 133,163        | 275,093         | 201,648      | 175,751      | 165,282    | 143,158     | 149,525     | 175,751       | 69,050           | 167,763        | 216,083         | 139,398         | 2,011,663                      | (9,992)              | 2,001,671               |
| 12                                      | 514000    | Maintenance of Miscellaneous Steam Plant   | 39,850         | 47,011          | (1,808)      | 15,558       | 15,504     | 25,326      | 44,184      | 42,612        | 25,236           | 39,780         | 30,988          | 47,100          | 371,341                        | (1,844)              | 369,497                 |
| 13                                      |           | Total Maintenance Expense                  | 514,638        | 701,040         | 505,787      | 480,567      | 543,749    | 550,363     | 634,036     | 603,628       | 446,910          | 514,903        | 580,745         | 457,322         | 6,533,687                      | (32,452)             | 6,501,235               |
| 14                                      |           | Total Steam Power Generation Expense       | 1,137,269      | 1,174,098       | 1,024,716    | 1,030,741    | 1,073,230  | 1,132,863   | 1,331,055   | 1,103,693     | 1,098,092        | 1,080,369      | 1,177,480       | 1,152,395       | 13,516,002                     | (67,133)             | 13,448,869              |
| <u>Nuclear Power Generation Expense</u> |           |  |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| <u>Operations Expense</u>               |           |  |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| 15                                      | 517000    | Operation Supervision & Engineering        | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 16                                      | 518000    | Nuclear Fuel Expense                       | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 17                                      | 519000    | Coolants & Water                           | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 18                                      | 520000    | Steam Expenses                             | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 19                                      | 523000    | Electric Expenses                          | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 20                                      | 524000    | Miscellaneous Nuclear Power Expenses       | 16,988         | 10,498          | 16,500       | 17,552       | 13,539     | 19,265      | 18,877      | 8,693         | 19,596           | 14,360         | 15,535          | 18,177          | 189,579                        | (942)                | 188,637                 |
| 21                                      | 525000    | Rents                                      | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 22                                      |           | Total Operations Expense                   | 16,988         | 10,498          | 16,500       | 17,552       | 13,539     | 19,265      | 18,877      | 8,693         | 19,596           | 14,360         | 15,535          | 18,177          | 189,579                        | (942)                | 188,637                 |
| <u>Maintenance Expense</u>              |           |  |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| 23                                      | 528000    | Maintenance Supervision & Engineering      | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 24                                      | 529000    | Maintenance of Structures                  | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 25                                      | 530000    | Maintenance of Reactor Plant Equipment     | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 26                                      | 531000    | Maintenance of Electric Plant              | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 27                                      | 532000    | Maintenance of Miscellaneous Nuclear Plant | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 28                                      |           | Total Maintenance Expense                  | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | 0                    | 0                       |
| 29                                      |           | Total Nuclear Power Generation Expense     | 16,988         | 10,498          | 16,500       | 17,552       | 13,539     | 19,265      | 18,877      | 8,693         | 19,596           | 14,360         | 15,535          | 18,177          | 189,579                        | (942)                | 188,637                 |
| <u>Other Power Generation Expenses</u>  |           |  |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| <u>Operations Expense</u>               |           |  |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| 30                                      | 546000    | Operation Supervision & Engineering        | 72,697         | 55,291          | 63,091       | 66,400       | 71,597     | 69,168      | 81,664      | 64,716        | 75,217           | 76,845         | 159,665         | 155,361         | 1,011,712                      | (5,025)              | 1,006,687               |
| 31                                      | 547000    | Fuel                                       | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 32                                      | 548000    | Generation Expenses                        | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 33                                      | 549000    | Misc Other Power Generation Expenses       | 82,850         | 51,878          | 91,205       | 85,889       | 69,485     | 77,192      | 62,879      | 49,046        | 82,282           | 53,043         | (2,429)         | 10,804          | 714,124                        | (3,547)              | 710,577                 |
| 34                                      | 550000    | Rents                                      | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |

ADJUSTMENT NO 03-SALARIES AND WAGES  
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EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
SALARIES AND WAGES EXPENSE  
SPONSOR CYNTHIA S PRIETO  
PREPARER TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31 2020

EL PASO ELECTRIC COMPANY  
OPERATION AND MAINTENANCE EXPENSES - Payroll  
FOR THE TEST YEAR ENDED DECEMBER 31 2020

| Line No | FERC Acct | (a) Description                            | (b) January | (c) February | (d) March | (e) April | (f) May   | (g) June  | (h) July  | (i) August | (j) September | (k) October | (l) November | (m) December | (n) Total Test Year Payroll | (o) Payroll Adj 3 | (p) Adjusted Payroll |
|---------|-----------|--|-------------|--------------|-----------|-----------|-----------|-----------|-----------|------------|---------------|-------------|--------------|--------------|-----------------------------|-------------------|----------------------|
| 35      |           | Total Operations Expense                   | 155,547     | 107,169      | 154,296   | 152,289   | 141,083   | 146,361   | 144,542   | 113,762    | 157,498       | 129,888     | 157,236      | 166,165      | 1,725,835                   | (8,572)           | 1,717,263            |
|         |           | <u>Maintenance Expense</u>                 |             |              |           |           |           |           |           |            |               |             |              |              |                             |                   |                      |
| 36      | 551000    | Maintenance Supervision & Engineering      | 17,826      | 19,540       | 17,507    | 14,316    | 14,724    | 12,601    | 14,017    | 11,644     | 18,477        | 17,221      | 13,960       | 14,587       | 186,421                     | (926)             | 185,495              |
| 37      | 552000    | Maintenance of Structures                  | 4,845       | 7,873        | 3,209     | 4,664     | 2,589     | 5,445     | 6,628     | 3,540      | 6,231         | 8,779       | 4,501        | 9,836        | 68,141                      | (338)             | 67,803               |
| 38      | 553000    | Maintenance of Generating & Electric Plant | 61,805      | 75,791       | 137,787   | 148,314   | 88,974    | 79,599    | 104,752   | 102,567    | 144,938       | 141,491     | 73,724       | 116,773      | 1,276,517                   | (6,340)           | 1,270,177            |
| 39      | 554000    | Maintenance of Miscellaneous Other Power   | 10,345      | 13,252       | 8,128     | 9,231     | 13,988    | 13,791    | 15,994    | 22,578     | 6,671         | 3,368       | 7,232        | 9,964        | 134,541                     | (668)             | 133,873              |
| 40      |           | Total Maintenance Expense                  | 94,821      | 116,457      | 166,630   | 176,525   | 120,274   | 111,436   | 141,390   | 140,329    | 176,317       | 170,859     | 99,418       | 151,160      | 1,665,619                   | (8,272)           | 1,657,347            |
| 41      |           | Total Other Power Generation Expense       | 250,368     | 223,626      | 320,927   | 328,814   | 261,357   | 257,797   | 285,932   | 254,091    | 333,816       | 300,747     | 256,654      | 317,325      | 3,391,454                   | (16,844)          | 3,374,610            |
|         |           | <u>Other Power Supply Expense</u>          |             |              |           |           |           |           |           |            |               |             |              |              |                             |                   |                      |
| 42      | 555000    | Purchased Power                            | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 43      | 556000    | System Control & Load Dispatching          | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 44      | 556000    | PV-System Control & Load Dispatching       | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 45      |           | Total Other Power Supply Expense           | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | 0                 | 0                    |
| 46      |           | Total Power Production Expense             | 1,404,624   | 1,408,222    | 1,362,143 | 1,377,107 | 1,348,126 | 1,409,926 | 1,635,864 | 1,366,477  | 1,451,504     | 1,395,476   | 1,449,669    | 1,487,897    | 17,097,034                  | (84,919)          | 17,012,115           |
|         |           | <u>Transmission Expense</u>                |             |              |           |           |           |           |           |            |               |             |              |              |                             |                   |                      |
|         |           | <u>Operations Expense</u>                  |             |              |           |           |           |           |           |            |               |             |              |              |                             |                   |                      |
| 47      | 560000    | Operation Supervision & Engineering        | 143,997     | 165,973      | 161,157   | 156,964   | 178,116   | 181,966   | 227,131   | 197,887    | 212,881       | 213,069     | 210,002      | 222,316      | 2,271,460                   | (11,282)          | 2,260,178            |
| 48      | 561100    | Load Dispatch - Reliability                | 8,362       | 11,985       | 11,446    | 11,940    | 12,145    | 12,100    | 9,932     | 7,374      | 9,641         | 10,844      | 11,469       | 10,909       | 128,147                     | (636)             | 127,511              |
| 49      | 561200    | Load Dispatch - Monitor & Oper Trans Sys   | 59,860      | 61,811       | 62,787    | 65,974    | 83,468    | 62,138    | 79,135    | 64,802     | 68,483        | 58,570      | 66,517       | 62,450       | 795,994                     | (3,954)           | 792,040              |
| 50      | 561300    | Load Dispatch - Trans Service & Sched      | 68,532      | 79,653       | 79,227    | 80,100    | 90,963    | 80,134    | 88,839    | 75,689     | 78,737        | 106,483     | 80,620       | 74,884       | 983,860                     | (4,887)           | 978,973              |
| 51      | 561400    | Scheduling, Sys Control & Dispatch Ser     | 51,975      | 58,848       | 53,732    | 54,582    | 41,700    | 57,402    | 64,109    | 47,489     | 61,406        | 58,787      | 52,074       | 49,138       | 651,242                     | (3,235)           | 648,007              |
| 52      | 561500    | Reliability, Planning & Standards Developm | 51,567      | 50,544       | 50,399    | 55,065    | 56,831    | 52,432    | 69,473    | 39,634     | 45,845        | 45,366      | 42,925       | 40,465       | 600,545                     | (2,983)           | 597,562              |
| 53      | 561600    | Transmission Service Studies               | -           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 54      | 561700    | Generation Interconnection Studies         | -           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 55      | 561800    | Reliability, Plan & Standards Develop Serv | -           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 56      | 562000    | Station Expenses                           | 3,209       | 2,588        | 4,511     | 2,972     | 2,877     | 1,213     | 4,042     | (339)      | 5,507         | 2,942       | 2,121        | 2,986        | 34,628                      | (172)             | 34,456               |
| 57      | 563000    | Overhead Line Expenses                     | 2,118       | 18,246       | 93,268    | 8,393     | 9,835     | 5,049     | 3,444     | 14,548     | (1,640)       | 1,334       | 4,441        | 3,852        | 162,888                     | (809)             | 162,079              |
| 58      | 565000    | Transmission of Electricity by Others      | -           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 59      | 566000    | Miscellaneous Transmission Expenses        | 296,748     | 160,192      | 200,851   | 253,614   | 215,308   | 909,975   | 468,270   | 380,356    | 508,941       | 275,994     | 349,407      | 441,312      | 4,460,967                   | (22,157)          | 4,438,810            |
| 60      | 567000    | Rents                                      | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 61      |           | Total Operations Expense                   | 686,366     | 609,839      | 717,377   | 689,603   | 691,242   | 1,362,409 | 1,014,375 | 827,441    | 989,800       | 773,390     | 819,577      | 908,313      | 10,089,731                  | (50,115)          | 10,039,616           |
|         |           | <u>Maintenance Expense</u>                 |             |              |           |           |           |           |           |            |               |             |              |              |                             |                   |                      |
| 62      | 568000    | Maintenance Supervision & Engineering      | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 63      | 569000    | Maintenance of Structures                  | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 64      | 569100    | Maintenance of Computer Hardware           | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 65      | 569200    | Maintenance of Computer Software           | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 66      | 569300    | Maintenance of Communication Equipment     | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 67      | 569400    | Maintenance of Misc Regional Trans Plant   | 0           | 0            | 0         | 0         | 0         | 0         | 0         | 0          | 0             | 0           | 0            | 0            | 0                           | -                 | 0                    |
| 68      | 570000    | Maintenance of Station Equipment           | 0           | 0            | 0         | 0         | 0         | 723       | 0         | 0          | 0             | 0           | 93           | (20)         | 796                         | (4)               | 792                  |
| 69      | 571000    | Maintenance of Overhead Lines              | 15,894      | 29,531       | 86,801    | 95,136    | 71,936    | 104,917   | 30,111    | 96,741     | 54,674        | 26,591      | 43,952       | 71,672       | 727,958                     | (3,616)           | 724,342              |
| 70      | 573000    | Maintenance of Misc Transmission Plant     | 0           | 251          | 530       | 18        | 155       | (29)      | 132       | 275        | (106)         | 785         | 2,105        | 4,023        | 8,139                       | (40)              | 8,099                |
| 71      |           | Total Maintenance Expense                  | 15,894      | 29,781       | 87,332    | 95,154    | 72,091    | 105,610   | 30,244    | 97,017     | 54,567        | 27,376      | 46,150       | 75,676       | 736,893                     | (3,660)           | 733,233              |

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
SALARIES AND WAGES EXPENSE  
SPONSOR CYNTHIA S PRIETO  
PREPARER TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

EL PASO ELECTRIC COMPANY  
OPERATION AND MAINTENANCE EXPENSES - Payroll  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO 03-SALARIES AND WAGES  
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| Line No | FERC Acct | (a)<br>Description                        | (b)<br>January | (c)<br>February | (d)<br>March | (e)<br>April | (f)<br>May | (g)<br>June | (h)<br>July | (i)<br>August | (j)<br>September | (k)<br>October | (l)<br>November | (m)<br>December | (n)<br>Total Test Year Payroll | (o)<br>Payroll Adj 3 | (p)<br>Adjusted Payroll |
|---------|-----------|---|----------------|-----------------|--------------|--------------|------------|-------------|-------------|---------------|------------------|----------------|-----------------|-----------------|--------------------------------|----------------------|-------------------------|
| 72      |           | Total Transmission Expense                | 702,260        | 639,620         | 804,708      | 784,757      | 763,333    | 1,468,020   | 1,044,618   | 924,458       | 1,044,367        | 800,766        | 865,727         | 983,988         | 10,826,624                     | (53,775)             | 10,772,849              |
|         |           | <u>Distribution Expense</u>               |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
|         |           | <u>Operations Expense</u>                 |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| 73      | 580000    | Operation Supervision & Engineering       | 74,243         | 75,338          | 86,814       | 84,842       | 83,477     | 78,740      | 106,440     | 78,371        | 96,312           | 84,998         | 76,783          | 72,652          | 999,009                        | (4,962)              | 994,047                 |
| 74      | 581000    | Load Dispatching                          | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | 0                    | 0                       |
| 75      | 582000    | Station Expenses                          | 59,656         | 60,959          | 34,635       | 40,126       | 50,394     | 85,864      | 107,122     | 126,410       | 85,425           | 39,144         | 60,170          | 101,960         | 851,863                        | (4,231)              | 847,632                 |
| 76      | 583000    | Overhead Line Expenses                    | 92,288         | 51,639          | 42,573       | 41,574       | 46,284     | 63,837      | 139,211     | 50,103        | 31,333           | 51,233         | 43,262          | 48,229          | 701,564                        | (3,485)              | 698,079                 |
| 77      | 584000    | Underground Line Expenses                 | 1,136          | 50              | 587          | (28)         | 2,562      | 5,403       | 26,233      | (2,945)       | 1,426            | 6,573          | 3,013           | 1,096           | 45,107                         | (224)                | 44,883                  |
| 78      | 585000    | Street Lighting & Signal System Expenses  | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | 0                    | 0                       |
| 79      | 586000    | Meter Expenses                            | 114,276        | 124,678         | 136,212      | 148,860      | 163,857    | 154,399     | 176,390     | 149,476       | 167,853          | 165,555        | 155,346         | 144,607         | 1,801,510                      | (8,948)              | 1,792,562               |
| 80      | 587000    | Customer Installations Expenses           | 29,803         | 36,256          | 39,558       | 39,711       | 38,845     | 39,246      | 47,710      | 43,420        | 40,666           | 46,272         | 43,887          | 45,427          | 490,801                        | (2,438)              | 488,363                 |
| 81      | 588000    | Miscellaneous Distribution Expenses       | 496,077        | 341,304         | 353,147      | 412,794      | 412,070    | 454,199     | 580,410     | 374,627       | 497,394          | 366,849        | 505,354         | 538,805         | 5,333,030                      | (26,489)             | 5,306,541               |
| 82      | 589000    | Rents                                     | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 83      |           | Total Operations Expense                  | 867,479        | 690,224         | 693,326      | 767,880      | 797,490    | 881,688     | 1,183,516   | 819,462       | 920,409          | 760,623        | 887,813         | 952,775         | 10,222,884                     | (50,777)             | 10,172,107              |
|         |           | <u>Maintenance Expense</u>                |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| 84      | 590000    | Maintenance Supervision & Engineering     | 4,397          | 5,619           | 3,987        | 5,213        | 5,615      | (1,165)     | 0           | 3,925         | 7,118            | 5,816          | 5,483           | 5,057           | 51,066                         | (254)                | 50,812                  |
| 85      | 591000    | Maintenance of Structures                 | 0              | 0               | 0            | 0            | 498        | 88          | 770         | (208)         | 0                | 88             | (10)            | 0               | 1,225                          | (6)                  | 1,219                   |
| 86      | 592000    | Maintenance of Station Equipment          | 67,937         | 73,770          | 90,171       | 85,617       | 103,659    | 122,549     | 134,301     | 102,689       | 112,314          | 160,886        | 113,706         | 109,421         | 1,277,018                      | (6,343)              | 1,270,675               |
| 87      | 593000    | Maintenance of Overhead Lines             | 184,082        | 181,422         | 233,986      | 175,095      | 161,888    | 201,575     | 284,009     | 211,083       | 201,634          | 137,984        | 161,723         | 165,952         | 2,300,434                      | (11,426)             | 2,289,008               |
| 88      | 594000    | Maintenance of Underground Lines          | 47,841         | 17,439          | 23,612       | 9,685        | 42,309     | 44,021      | 32,407      | 56,309        | 9,668            | 54,002         | 46,479          | 13,926          | 397,698                        | (1,975)              | 395,723                 |
| 89      | 595000    | Maintenance of Line Transformers          | 0              | 0               | 0            | 0            | 0          | 0           | 1,571       | 0             | 0                | 0              | 0               | 0               | 1,571                          | (8)                  | 1,563                   |
| 90      | 596000    | Maint. of Street Lighting & Signal System | 10,952         | 14,649          | 13,888       | 13,355       | 13,087     | 12,219      | 14,904      | 17,668        | 20,725           | 16,317         | 17,242          | 12,750          | 177,756                        | (883)                | 176,873                 |
| 91      | 597000    | Maintenance of Meters                     | 7,984          | 10,088          | 19,565       | 13,993       | 11,556     | 18,439      | 18,876      | 16,600        | 23,817           | 24,208         | 15,735          | 20,126          | 200,988                        | (998)                | 199,990                 |
| 92      | 598000    | Maintenance of Misc. Distribution Plant   | 1,870          | 5,240           | 1,482        | 8,901        | 7,904      | 1,819       | 2,399       | 2,530         | 5,903            | 2,230          | 3,141           | 3,439           | 46,859                         | (233)                | 46,626                  |
| 93      |           | Total Maintenance Expense                 | 325,063        | 308,227         | 386,692      | 311,859      | 346,517    | 399,545     | 489,235     | 410,595       | 381,180          | 401,532        | 363,498         | 330,671         | 4,454,615                      | (22,126)             | 4,432,489               |
| 94      |           | Total Distribution Expense                | 1,192,542      | 998,451         | 1,080,218    | 1,079,740    | 1,144,006  | 1,281,233   | 1,672,751   | 1,230,057     | 1,301,589        | 1,162,155      | 1,251,311       | 1,283,446       | 14,677,499                     | (72,903)             | 14,604,596              |
|         |           | <u>Customer Accounts Expense</u>          |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| 95      | 901000    | Supervision                               | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 96      | 902000    | Meter Reading Expenses                    | 151,136        | 127,695         | 137,284      | 155,008      | 153,729    | 150,688     | 177,581     | 132,433       | 166,525          | 150,317        | 165,131         | 166,216         | 1,833,744                      | (9,108)              | 1,824,636               |
| 97      | 903000    | Customer Records & Collection Expenses    | 560,700        | 541,821         | 558,037      | 592,356      | 617,010    | 602,512     | 697,719     | 502,895       | 584,265          | 574,526        | 570,259         | 546,441         | 6,948,541                      | (34,513)             | 6,914,028               |
| 98      | 904000    | Uncollectible Accounts                    | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 99      | 905000    | Misc. Customer Accounts Expenses          | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 100     |           | Total Customer Accounts Expense           | 711,835        | 669,515         | 695,321      | 747,364      | 770,739    | 753,200     | 875,300     | 635,328       | 750,790          | 724,843        | 735,391         | 712,657         | 8,782,285                      | (43,621)             | 8,738,664               |
|         |           | <u>Customer Svcs. &amp; Info. Expense</u> |                |                 |              |              |            |             |             |               |                  |                |                 |                 |                                |                      |                         |
| 101     | 908000    | Customer Assistance Expenses              | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 102     | 909000    | Info. & Instr. Advertising Expenses       | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |
| 103     |           | Total Customer Svcs. & Info. Expense      | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | 0                    | 0                       |
| 104     | 912000    | Demonstrating & Selling Expenses          | 0              | 0               | 0            | 0            | 0          | 0           | 0           | 0             | 0                | 0              | 0               | 0               | 0                              | -                    | 0                       |

ADJUSTMENT NO 03-SALARIES AND WAGES  
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EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
SALARIES AND WAGES EXPENSE  
SPONSOR CYNTHIA S PRIETO  
PREPARER TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

EL PASO ELECTRIC COMPANY  
OPERATION AND MAINTENANCE EXPENSES - Payroll  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

| Line No                                     | FERC Acct | (a) Description                           | (b) January      | (c) February     | (d) March        | (e) April        | (f) May          | (g) June         | (h) July         | (i) August       | (j) September    | (k) October      | (l) November     | (m) December     | (n) Total Test Year Payroll | (o) Payroll Adj 3 | (p) Adjusted Payroll |
|---|-----------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------|-------------------|----------------------|
| <u>Administrative &amp; General Expense</u> |           |   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                             |                   |                      |
| <u>Operation</u>                            |           |   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                             |                   |                      |
| 105   | 920000    | Administrative & General Salaries         | 2,430,326        | 2,338,865        | 2,526,172        | 2,943,350        | 2,961,945        | 2,289,256        | 3,682,415        | 2,992,923        | 2,903,147        | 2,656,755        | 2,796,177        | 2,965,896        | 33,487,227                  | (166,333)         | 33,320,894           |
| 106   | 921000    | Office Supplies & Expenses                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 107   | 923000    | Outside Services Employed                 | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 108   | 923000    | Outside Services Employed - PV            | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 109   | 924000    | Property Insurance                        | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 110   | 924000    | Property Insurance - PV                   | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 111   | 925000    | Injuries & Damages                        | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 112   | 925000    | Injuries & Damages - PV                   | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 113   | 926000    | Employee Pensions & Benefits              | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 114   | 926000    | Employee Pensions & Benefits - PV         | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 115   | 928000    | Regulatory Commission Expenses            | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 116   | 928000    | Regulatory Commission Expenses - PV       | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 117   | 930100    | General Advertising Expenses              | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 118   | 930200    | Miscellaneous General Expenses            | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 119   | 930200    | Miscellaneous General Expenses - PV       | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 120   | 931000    | Rents                                     | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                | 0                           | -                 | 0                    |
| 121   |           | Total Operation                           | <u>2,430,326</u> | <u>2,338,865</u> | <u>2,526,172</u> | <u>2,943,350</u> | <u>2,961,945</u> | <u>2,289,256</u> | <u>3,682,415</u> | <u>2,992,923</u> | <u>2,903,147</u> | <u>2,656,755</u> | <u>2,796,177</u> | <u>2,965,896</u> | <u>33,487,227</u>           | <u>(166,333)</u>  | <u>33,320,894</u>    |
| 122   | 935000    | Maintenance of General Plant              | <u>20,527</u>    | <u>24,927</u>    | <u>17,369</u>    | <u>12,681</u>    | <u>40,808</u>    | <u>13,320</u>    | <u>43,645</u>    | <u>8,099</u>     | <u>17,464</u>    | <u>4,333</u>     | <u>18,758</u>    | <u>8,201</u>     | <u>230,131</u>              | <u>(1,143)</u>    | <u>228,988</u>       |
| 123   |           | Total Administrative & General Expense    | <u>2,450,852</u> | <u>2,363,792</u> | <u>2,543,541</u> | <u>2,956,032</u> | <u>3,002,753</u> | <u>2,302,576</u> | <u>3,726,060</u> | <u>3,001,021</u> | <u>2,920,611</u> | <u>2,661,088</u> | <u>2,814,935</u> | <u>2,974,097</u> | <u>33,717,358</u>           | <u>(167,476)</u>  | <u>33,549,882</u>    |
| 124   |           | Total Charged to O&M Expense              | <u>6,462,114</u> | <u>6,079,601</u> | <u>6,485,931</u> | <u>6,944,999</u> | <u>7,028,957</u> | <u>7,214,955</u> | <u>8,954,593</u> | <u>7,157,341</u> | <u>7,468,861</u> | <u>6,744,328</u> | <u>7,117,035</u> | <u>7,442,085</u> | <u>85,100,800</u>           | <u>(422,694)</u>  | <u>84,678,106</u>    |
| 125   | 163,184   | Allocation of Payroll from Clearing Accts | <u>134,028</u>   | <u>135,871</u>   | <u>137,733</u>   | <u>144,409</u>   | <u>150,592</u>   | <u>150,038</u>   | <u>173,799</u>   | <u>148,687</u>   | <u>148,523</u>   | <u>153,356</u>   | <u>152,094</u>   | <u>153,589</u>   | <u>1,782,719</u>            |                   | <u>1,782,719</u>     |
| 126   |           | Total Payroll Charged To Expense          | <u>6,596,142</u> | <u>6,215,472</u> | <u>6,623,664</u> | <u>7,089,408</u> | <u>7,179,549</u> | <u>7,364,993</u> | <u>9,128,392</u> | <u>7,306,028</u> | <u>7,617,384</u> | <u>6,897,684</u> | <u>7,269,129</u> | <u>7,595,674</u> | <u>86,883,519</u>           | <u>(422,694)</u>  | <u>86,460,825</u>    |

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EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 EMPLOYEE PENSIONS AND BENEFITS  
 SPONSOR: CYNTHIA S. PRIETO  
 PREPARER: MYRNA A. ORTIZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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|             | (a)   | (b)                   |
|-------------|---|-----------------------|
| Line<br>No. | Description   | Total<br>Amount       |
|             | Employee Pensions and Benefits<br>FERC Account No. 926000 |                       |
| 1           | Expense Amount, As Adjusted                               | \$ 11,005,205         |
|             | Less:   |                       |
| 2           | Amount Per Book   | <u>17,787,906</u> (A) |
| 3           | Expense Adjustment  | <u>\$ (6,782,701)</u> |

Note:

(A) Excluding COVID-19 Related Medical Expenses

|   |                      |
|---|----------------------|
| Total FERC Account No. 926                                      | \$ 18,332,362        |
| COVID-19 Related Medical Expenses                               | <u>(544,456)</u> (B) |
| Per Book Pensions and Benefits excluding COVID-19 related costs | <u>\$ 17,787,906</u> |

(B) Removal of COVID-19 related medical expenses. Please see Schedule A-3 Adjustment No. 7 for further details.

Justification for requested adjustment:

Adjust various pension and benefit costs to reflect latest actuarial study costs reflecting current expense levels.  
 The 401k costs were adjusted to reflect the Company's current contribution levels.  
 Removal of out of period medical expense rebates received during the test period.  
 Removal of Paid Time Off (PTO) Accrual and retiree PTO sell back.  
 Compensation for the long-term incentive plan and employment.  
 separation agreements were removed from Test Year Period costs.

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

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
EMPLOYEE PENSIONS AND BENEFITS  
SPONSOR: CYNTHIA S. PRIETO  
PREPARER: MYRNA A. ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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|          | (a)                              | (b)                  | (c)                   | (d)                  |
|----------|----------------------------------|----------------------|-----------------------|----------------------|
| Line No. | Description                      | Test Year Per Book   | Adjustment            | As Adjusted          |
| 1        | Other Postemployment Benefits    | \$ (4,386,340)       | \$ (2,215,956) (A)    | \$ (6,602,296)       |
| 2        | 401 K Savings Plan               | 3,930,336            | (256,930) (B)         | 3,673,406            |
| 3        | Retirement Income Plan           | 3,681,139            | (1,075,119) (A)       | 2,606,020            |
| 4        | Dental Insurance                 | 187,131              | -                     | 187,131              |
| 5        | Long & Short Term Disability     | 332,920              | -                     | 332,920              |
| 6        | Long Term Incentive Plan         | 1,248,518            | (1,248,518) (C)       | -                    |
| 7        | Medical Expenses                 | 10,249,422           | 161,907 (D)           | 10,411,329           |
| 8        | Life Insurance                   | 118,075              | -                     | 118,075              |
| 9        | Other Employee Benefits          | 2,567,160            | (2,288,540) (E)       | 278,620              |
| 10       | Employment Separation Agreements | (140,455)            | 140,455 (F)           | -                    |
| 11       | Total                            | <u>\$ 17,787,906</u> | <u>\$ (6,782,701)</u> | <u>\$ 11,005,205</u> |

Notes:

- (A) Adjust various pension and benefit costs to reflect latest actuarial study costs reflecting current expense levels.
- (B) The 401k costs were adjusted to reflect the Company's current contribution levels.
- (C) Removal of compensation for the long-term incentive plan.
- (D) Removal of out of period medical expense rebates received during the test period.
- (E) Removal of Paid Time Off (PTO) Accrual and retiree PTO sell back.
- (F) Removal of costs related to employment separation agreements.

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

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
EMPLOYEE PENSIONS AND BENEFITS  
SPONSOR CYNTHIA S. PRIETO  
PREPARER MYRNA A. ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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EL PASO ELECTRIC COMPANY  
OPERATION AND MAINTENANCE EXPENSE  
INTERNAL WORKPAPER- ADJUSTMENTS by CAP RATE  
EMPLOYEE PENSIONS AND BENEFITS

| (a)         | (b)                              | (c)   | (d)  | (e)        | (f)  | (g)  | (h)  | (i)                  | (j)                                |
|-------------|----------------------------------|---|--|------------|--|--|--|----------------------|------------------------------------|
|             |                                  | Benefit Plans'<br>Non-Service<br>Cost<br>Components<br>of NPBC<br>(1) | Amounts<br>Eligible for<br>Capitalization<br>(1) | Cap Rate   | (b) * (e)<br>2020 EPE Per<br>Book -<br>Capitalized<br>Amount | (b) - (f)<br>2020 EPE Per<br>Book- Net<br>Amount | Adjustment to<br>NPBC Per<br>Updated<br>Estimate (Net<br>of Cap) | Other<br>Adjustments | (g)*(h)*(i)<br>Adjusted<br>Expense |
| Line<br>No. | Description                      | Total Per<br>Book Costs   |  |            |  |  |  |                      |                                    |
| 1           | Other Postemployment Benefits    | (3,674,030)   | (6,426,529)                                      | 2,752,499  | 25.54%   | 712,310  | (4,386,340)  | (1)-(2)              | (6,602,296)                        |
| 2           | 401 K Savings Plan               | 5,302,570   | -  | 5,302,570  | 25.54%   | 1,372,234  | 3,930,336  |                      | 3,673,406                          |
| 3           | Retirement Income Plan           | 6,840,829   | (5,368,801)                                      | 12,209,630 | 25.54%   | 3,159,660  | 3,681,139  | (1,075,119)          | 2,606,020                          |
| 4           | Dental Insurance                 | 252,466   | -  | 252,466    | 25.54%   | 65,335   | 187,131  |                      | 187,131                            |
| 5           | Long & Short Term Disability     | 449,156   | -  | 449,156    | 25.54%   | 116,236  | 332,920  |                      | 332,920                            |
| 6           | Long Term Incentive Plan         | 1,684,424   | -  | 1,684,424  | 25.54%   | 435,906  | 1,248,518  | (1,248,518)          | -                                  |
| 7           | Medical Expenses                 | 13,827,897  | -  | 13,827,897 | 25.54%   | 3,578,478  | 10,249,422   | 161,907              | 10,411,329                         |
| 8           | Life Insurance                   | 159,300   | -  | 159,300    | 25.54%   | 41,225   | 118,075  |                      | 118,075                            |
| 9           | Other Employee Benefits          | 3,463,457   | -  | 3,463,457  | 25.54%   | 896,297  | 2,567,160  | (2,288,540)          | 278,620                            |
| 10          | Employment Separation Agreements | (140,455)   | -  | (140,455)  | 0.00%  | -  | (140,455)  |                      | 140,455                            |
| 11          | Total EPE Pensions & Benefits    | 28,165,614  | (11,795,330)                                     | 39,960,944 |  | 10,377,708                                       | 17,787,906   | (3,291,075)          | 11,005,205                         |
| 12          | Four Corners                     | 0   |  |            |  |  | 0  |                      | -                                  |
| 13          | Medical Expenses - COVID-19      | 544,456   |  |            |  |  | 17,787,906   | (3,291,075)          | (3,491,626)                        |
| 14          | Total Pensions & Benefits        | 28,710,070  |  |            |  |  |  |                      | 11,005,205                         |
| 15          | Capitalized Benefits             | (10,377,708)  |  |            |  |  |  |                      |                                    |
| 16          | Total                            | 18,332,362  |  |            |  |  |  |                      |                                    |
| 17          | Medical Expenses - COVID-19      | (544,456)   |  |            |  |  |  |                      |                                    |
| 18          |                                  | 17,787,906  |  |            |  |  |  |                      |                                    |

(1) Upon adoption of ASU 2017-07, Compensation-Retirement Benefits, effective January 1, 2018, the Company continued to record all components of net periodic benefit cost as an operating expense in its regulatory-basis financial statements, but has elected to conform to the GAAP capitalization policy, which is that only the service cost component is eligible for capitalization. This change results in a decrease to the Company's cost of service of approximately \$3.0 million (\$11,785,330 x 25.54%). This change also results in an increase to the Company's rate base of approximately \$3.0 million (\$11,795,330 x 25.54%).

| 2021 Actuarial Estimate      | (Gross<br>NPBC) | Service Cost<br>Component<br>of NPBC | Net of Cap on<br>Service Cost<br>Component |
|------------------------------|-----------------|--------------------------------------|--|
| RIP                          | 3,606,742       | 12,158,445                           | 501,475                                    |
| Excess                       | 977,872         | 284,087                              | 905,316                                    |
| SERP                         | 1,011,637       | -                                    | 1,011,637                                  |
|                              | 5,596,251       | 12,442,532                           | 2,418,428 (3)                              |
| OPEB                         | (5,914,588)     | 3,165,476                            | (6,723,051) (1)                            |
|                              | (318,337)       | 15,608,008                           | (4,304,623)                                |
| 2020 Actual Per GL/Actuarial | (Gross<br>NPBC) | Service Cost<br>Component<br>of NPBC | Net of Cap on<br>Service Cost<br>Component |
| RIP                          | 4,591,228       | 11,628,833                           | 1,621,224                                  |
| Excess                       | 900,686         | 273,327                              | 830,878                                    |
| SERP                         | 1,041,445       | -                                    | 1,041,445                                  |
|                              | 6,533,359       | 11,902,160                           | 3,493,547 (4)                              |
| OPEB                         | (3,848,723)     | 2,577,806                            | (4,507,095) (2)                            |
|                              | 2,684,636       | 14,479,966                           | (1,013,548)                                |

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

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EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 EMPLOYEE PENSIONS AND BENEFITS  
 SPONSOR: CYNTHIA S. PRIETO  
 PREPARER: MYRNA A. ORTIZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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**EL Paso Electric Company**  
**Calculation of Benefits and A&G Capitalization Rate**  
**FOR THE TEST YEAR ENDED DECEMBER 31, 2020**

|         |                          | <u>FERC 926000</u>                            |
|---------|--------------------------|---|
|         | RAP Expense per GL       | \$ 18,332,362                                 |
| Less:   |                          |   |
| JE 5211 | Benefits Capitalized     | \$ (9,835,039)                                |
| JE 5051 | A&G Capitalized          | \$ (542,669)                                  |
|         |                          | <u>\$ 28,710,070</u>                          |
|         | Less:                    |   |
|         | Benefits Not Capitalized | \$ 140,455 (Employment Separation Agreements) |
|         | Payroll                  | \$ -  |
|         | Palo Verde               | \$ -  |
|         | Non-Service Cost         |   |
|         | Components of Benefit    |   |
|         | Plans                    | <u>\$ 11,795,330</u>                          |
|         | Expense (before          |   |
|         | capitalization)          | <u>\$ 40,645,855</u>                          |

|                                      |                      | <u>Expense Total</u>         |                   |
|--------------------------------------|----------------------|------------------------------|-------------------|
|                                      |                      | <u>Before Capitalization</u> | <u>% of Total</u> |
| JE 5211                              | Benefits Capitalized | 9,835,039                    | 40,645,855 24.20% |
| JE 5051                              | A&G Capitalized      | 542,669                      | 40,645,855 1.34%  |
| Total % Benefits and A&G Capitalized |                      |                              | <u>25.54%</u>     |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 EMPLOYEE PENSIONS AND BENEFITS  
 SPONSOR: CYNTHIA S. PRIETO  
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Capitalized Benefits

| CR Query Report<br>El Paso Electric   |                          |                          |
|---|--------------------------|--------------------------|
| Account   | GL Journal Category      | Amount                   |
| 926000  | 5051-CAPITALIZED A&G EXP | (\$542,668.68)           |
| 926000  | 5211-BENEFITS-CAPITAL    | (\$9,835,039.15)         |
|   |                          | <u>(\$10,377,707.83)</u> |
| <b>CRITERIA</b><br>Account = 926000<br>Amount Type = Actuals<br>Company in (Company 98 Rollup) (Structure 2)<br>GL Journal Category like 5211% 5051%<br>Month Number like 2020% |                          |                          |

|         |                        |
|---------|------------------------|
| JE 5051 | (542,668.68)           |
| JE 5211 | (9,835,039.15)         |
|         | <u>(10,377,707.83)</u> |



EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
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 EMPLOYEE PENSIONS AND BENEFITS  
 SPONSOR: CYNTHIA S. PRIETO  
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**PV & FC**

| Account      | GL Journal Category      | Amount           |
|--------------|--------------------------|------------------|
| 926000       | 6194-ACCR/FC EXP         | \$0.00           |
| 926000       | 6198-FC EXP ADJ          | \$0.00           |
|              | Total Four Corners       | \$0.00           |
| 926000       | 6804-PALO VERDE O&M ACCR | \$5,977,000.00   |
| 926000       | 6807-PALO VERDE O&M ADJ  | (\$2,375,285.53) |
| 926000       | 6101-PRE-TAX MISC ADJ    | (\$3,601,714.47) |
|              | Total Palo Verde         | \$0.00           |
| <b>TOTAL</b> |                          | <b>\$0.00</b>    |

| CR Query Report<br>El Paso Electric          |                              |                          |                  |
|--|------------------------------|--------------------------|------------------|
| Account                                      | Project                      | GL Journal Category      | Amount           |
| 926000 - EMPLOYEE PENSIONS & BEN             | GP750 - GEN-PALO VERDE O & M | 6101-PRE-TAX MISC ADJ    | (\$3,601,714.47) |
| 926000 - EMPLOYEE PENSIONS & BEN             | GP750 - GEN-PALO VERDE O & M | 6804-PALO VERDE O&M ACCR | \$5,977,000.00   |
| 926000 - EMPLOYEE PENSIONS & BEN             | GP750 - GEN-PALO VERDE O & M | 6807-PALO VERDE O&M ADJ  | (\$2,375,285.53) |
|  |                              |                          | <b>\$0.00</b>    |
| <b>CRITERIA</b>                              |                              |                          |                  |
| <b>CRITERIA</b>                              |                              |                          |                  |
| Account = 926000                             |                              |                          |                  |
| Amount Type = Actuals                        |                              |                          |                  |
| Company in {Company 98 Rollup} (Structure 2) |                              |                          |                  |
| Month Number like 2020%                      |                              |                          |                  |
| Project = GP750                              |                              |                          |                  |

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 EMPLOYEE PENSIONS AND BENEFITS  
 SPONSOR CYNTHIA S PRIETO  
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**Summary of AC 926000 by Project**

| Account                 | Account Description             | Project                      | Project Description | Amount               | Amount Rounded    |   |
|-------------------------|---------------------------------|------------------------------|---------------------|----------------------|-------------------|---|
| 926000                  | EMPLOYEE PENSIONS & BEI AP761   | PENSIONS                     |                     | 4,824,918.74         | 4,824,919         | a |
| 926000                  | EMPLOYEE PENSIONS & BEI AP762   | 401K                         |                     | 5,302,569.54         | 5,302,570         |   |
| 926000                  | EMPLOYEE PENSIONS & BEI AP763   | OPEB                         |                     | (3,674,029.76)       | (3,674,030)       |   |
| 926000                  | EMPLOYEE PENSIONS & BEI AP764   | SERP                         |                     | 1,070,819.08         | 1,070,819         | a |
| 926000                  | EMPLOYEE PENSIONS & BEI AP765   | EXCESS BENEFIT PLAN          |                     | 945,091.00           | 945,091           | a |
| 926000                  | EMPLOYEE PENSIONS & BEI AP766   | MEDICAL INSURANCE            |                     | 13,827,897.18        | 13,827,897        |   |
| 926000                  | EMPLOYEE PENSIONS & BEI AP767   | LIFE INSURANCE               |                     | 159,299.79           | 159,300           |   |
| 926000                  | EMPLOYEE PENSIONS & BEI AP768   | DENTAL INSURANCE             |                     | 252,466.38           | 252,466           |   |
| 926000                  | EMPLOYEE PENSIONS & BEI AP769   | LT & ST DISABILITY INSURANCE |                     | 449,155.69           | 449,156           |   |
| 926000                  | EMPLOYEE PENSIONS & BEI AP770   | STK RELATED BENEFITS         |                     | 1,684,423.95         | 1,684,424         |   |
| 926000                  | EMPLOYEE PENSIONS & BEI Various | PALO VERDE                   |                     | -                    | -                 |   |
| 926000                  | EMPLOYEE PENSIONS & BEI Various | FOUR CORNERS                 |                     | -                    | -                 | 1 |
| 926000                  | EMPLOYEE PENSIONS & BEI Various | CAPITALIZED BENEFITS         |                     | (10,377,707.83)      | (10,377,708)      |   |
| 926000                  | EMPLOYEE PENSIONS & BEI Various | OTHER EMPLOYEE BENEFITS      |                     | 3,867,458.31         | 3,867,458         | 2 |
|                         |                                 |                              |                     | <u>18,332,362.07</u> | <u>18,332,362</u> |   |
| Added by Reg Accounting |                                 |                              |                     | Remove PV            | 544,456           |   |
|                         |                                 |                              |                     | Rounding             | 17,787,906        |   |
|                         |                                 |                              |                     | Schedule G-15        | <u>18,332,362</u> |   |
|                         |                                 |                              |                     | Variance             | (544,456)         |   |

  

|                               |                     |        |
|-------------------------------|---------------------|--------|
| RIP = Sum of (a) =            | 6,840,829           |        |
| Four Corners Proj GF700       | -                   | tab f2 |
| 1                             | -                   |        |
| Total Four Corners            | <u>-</u>            |        |
| 2                             | 3,867,458.31        |        |
| Four Corners Proj GF700       | -                   | tab f2 |
| Total other employee benefits | <u>3,867,458.31</u> |        |

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2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
EMPLOYEE PENSIONS AND BENEFITS  
SPONSOR CYNTHIA S PRIETO  
PREPARER MYRNA A ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

| Project | Project Description                 | Account | Account Description     | Amount            |
|---------|-------------------------------------|---------|-------------------------|-------------------|
| AP700   | LABOR CLEARING PROJECT              | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| AP701   | LABOR - CWIP CLEARING PROJECT       | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| AP751   | PAYRL DEDUCT CLEAR                  | 926000  | EMPLOYEE PENSIONS & BEN | (\$746.75)        |
| AP753   | PAYRL CORP BONUS BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| AP759   | PAYRL-OTH PAYRL BLANKET             | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| AP760   | BENEFITS CLEARING                   | 926000  | EMPLOYEE PENSIONS & BEN | (\$40,328,854.43) |
| AP761   | PENSIONS                            | 926000  | EMPLOYEE PENSIONS & BEN | \$4,824,918.74    |
| AP762   | 401K                                | 926000  | EMPLOYEE PENSIONS & BEN | \$5,302,569.54    |
| AP763   | OPEB                                | 926000  | EMPLOYEE PENSIONS & BEN | (\$3,674,029.76)  |
| AP764   | SERP                                | 926000  | EMPLOYEE PENSIONS & BEN | \$1,070,819.08    |
| AP765   | EXCESS BENEFIT PLAN                 | 926000  | EMPLOYEE PENSIONS & BEN | \$945,091.00      |
| AP766   | MEDICAL INSURANCE                   | 926000  | EMPLOYEE PENSIONS & BEN | \$13,827,897.18   |
| AP767   | LIFE INSURANCE                      | 926000  | EMPLOYEE PENSIONS & BEN | \$159,299.79      |
| AP768   | DENTAL INSURANCE                    | 926000  | EMPLOYEE PENSIONS & BEN | \$252,466.38      |
| AP769   | LT & ST DISABILITY INSURANCE        | 926000  | EMPLOYEE PENSIONS & BEN | \$449,155.69      |
| AP770   | STK RELATED BENEFITS                | 926000  | EMPLOYEE PENSIONS & BEN | \$1,684,423.95    |
| AP780   | OTHER EMPLY BENEFITS                | 926000  | EMPLOYEE PENSIONS & BEN | \$3,666,882.95    |
| AP799   | A & G CLEARING                      | 926000  | EMPLOYEE PENSIONS & BEN | (\$542,668.68)    |
| AP811   | MEDICAL PANDEMIC READINESS          | 926000  | EMPLOYEE PENSIONS & BEN | \$544,456.00      |
| BB700   | BILLING EXPENSE BLANKET             | 926000  | EMPLOYEE PENSIONS & BEN | \$442,733.19      |
| CN007   | CUST SERV-NM-FACILITY SER           | 926000  | EMPLOYEE PENSIONS & BEN | \$5,553.86        |
| CN700   | CUST SERV-NM EXP BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$491,026.67      |
| CT007   | CUST SERV-TX-FACILITY SER           | 926000  | EMPLOYEE PENSIONS & BEN | \$1,106.52        |
| CT700   | CUST SERV-TX EXP BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$2,140,258.22    |
| DN007   | DISTRIB-NM-FACIL SERV BKT           | 926000  | EMPLOYEE PENSIONS & BEN | \$3,164.79        |
| DN012   | DISTRIB-NM-ENVIRON BLNKET           | 926000  | EMPLOYEE PENSIONS & BEN | \$512.70          |
| DN061   | NM RESIDENTIAL CONSTRUCTION         | 926000  | EMPLOYEE PENSIONS & BEN | \$7,211.50        |
| DN062   | NM DISTRIBUTION BETTERMENT          | 926000  | EMPLOYEE PENSIONS & BEN | \$2,962.76        |
| DN063   | NM SUBSTATION BETTERMENT            | 926000  | EMPLOYEE PENSIONS & BEN | \$5.46            |
| DN064   | NM LIGHTING                         | 926000  | EMPLOYEE PENSIONS & BEN | \$462.02          |
| DN065   | NM DISTRIBUTION DAMAGE              | 926000  | EMPLOYEE PENSIONS & BEN | \$41.68           |
| DN069   | NM COMMERCIAL CONSTRUCTION          | 926000  | EMPLOYEE PENSIONS & BEN | \$6,759.16        |
| DN161   | LAS CRUCES UG CABLE REPL BLKT       | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DN178   | TALAVERA SUB GETAWAYS AND FEEDERS   | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DN198   | Jornada Feeders                     | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DN700   | DISTRIB-NM-BUS SEG EXP              | 926000  | EMPLOYEE PENSIONS & BEN | \$367,422.55      |
| DN720   | DISTRIB-NM-OTHER BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$313,322.93      |
| DN811   | DISTR NM PANDEMIC READINESS         | 926000  | EMPLOYEE PENSIONS & BEN | \$11,280.06       |
| DR182   | TX DISTRIBUTION CRF FILING          | 926000  | EMPLOYEE PENSIONS & BEN | \$10,897.31       |
| DT007   | DISTRIB-TX-FACILITY SERV            | 926000  | EMPLOYEE PENSIONS & BEN | \$13,076.97       |
| DT012   | DISTRIB-TX-ENVIRON BLANKT           | 926000  | EMPLOYEE PENSIONS & BEN | \$205.00          |
| DT061   | TX RESIDENTIAL CONSTRUCTION         | 926000  | EMPLOYEE PENSIONS & BEN | \$4,101.59        |
| DT062   | TX DISTRIBUTION BETTERMENT          | 926000  | EMPLOYEE PENSIONS & BEN | \$3,243.15        |
| DT063   | TX SUBSTATION BETTERMENT            | 926000  | EMPLOYEE PENSIONS & BEN | \$23,118.63       |
| DT064   | TX LIGHTING                         | 926000  | EMPLOYEE PENSIONS & BEN | \$114,680.57      |
| DT065   | TX DISTRIBUTION DAMAGE              | 926000  | EMPLOYEE PENSIONS & BEN | \$3,448.83        |
| DT069   | TX COMMERCIAL CONSTRUCTION          | 926000  | EMPLOYEE PENSIONS & BEN | \$17,922.95       |
| DT132   | DYER-SHEARMAN RELAY REPLACE (CD)    | 926000  | EMPLOYEE PENSIONS & BEN | \$1,393.77        |
| DT182   | SEI SUBSTATION-PENDALE SUB          | 926000  | EMPLOYEE PENSIONS & BEN | \$54.44           |
| DT186   | LEO SUB 115 K CONV & GETAWY UPGRADE | 926000  | EMPLOYEE PENSIONS & BEN | \$1,041.40        |
| DT189   | TEXAS AREA 4KV CONVERSIONS          | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DT194   | SUNSET 69KV-4KV XFMR-REG-FEEDR REPL | 926000  | EMPLOYEE PENSIONS & BEN | \$159.60          |
| DT230   | MESA-18 RECONDUCTOR                 | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DT270   | GLOBAL REACH SUB FEEDERS            | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DT282   | LEO GETAWAYS                        | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DT288   | TRANSMOUNTAIN (NW-3) GTWYS/FEEDER   | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DT307   | DYER-13 AND DYER-14 GETAWAY UPGRADE | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DT309   | HORIZON 12 EXTENSION                | 926000  | EMPLOYEE PENSIONS & BEN | \$0.40            |
| DT314   | TWO WAY DIST CAPACITOR COMMUNICATIN | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DT355   | NEW FELIPE 21 FEEDER                | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DT369   | PELLICANO T2 FEEDERS                | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00            |
| DT426   | GRID AUTOMATION AND VISIBILITY      | 926000  | EMPLOYEE PENSIONS & BEN | \$49,635.40       |
| DT700   | DISTRIB-TX-BUS SEG EXP              | 926000  | EMPLOYEE PENSIONS & BEN | \$2,474,562.58    |
| DT701   | DISTRIB-TX-TRAIN BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$14,202.89       |
| DT710   | DISTRIB-TX-SAFETY BLANKET           | 926000  | EMPLOYEE PENSIONS & BEN | \$5,445.21        |
| DT720   | DISTRIB-TX-OTHER BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$819,220.09      |
| DT723   | SAFETY ENHANCEMENT PROJECT          | 926000  | EMPLOYEE PENSIONS & BEN | \$971.92          |
| DT750   | DISTRIB-TX-JOBING BLNKT             | 926000  | EMPLOYEE PENSIONS & BEN | \$1,598.60        |
| DT811   | DISTR TX PANDEMIC READINESS         | 926000  | EMPLOYEE PENSIONS & BEN | \$55,842.00       |
| FR770   | PERC COST OF SERVICE GENERAL        | 926000  | EMPLOYEE PENSIONS & BEN | \$9,230.35        |
| GC003   | GEN-COPPER BLANKET                  | 926000  | EMPLOYEE PENSIONS & BEN | \$955.19          |
| GC007   | GEN-COPPER-FACILITY SERV BLKT       | 926000  | EMPLOYEE PENSIONS & BEN | \$560.09          |
| GC012   | GEN-COPPER-ENVIRON BLNKT            | 926000  | EMPLOYEE PENSIONS & BEN | \$37.63           |
| GC700   | GEN-COPPER O&M BLANKET              | 926000  | EMPLOYEE PENSIONS & BEN | \$176.98          |
| GC720   | GEN-CO-ROUTINE-TURB/GEN/EXCITER     | 926000  | EMPLOYEE PENSIONS & BEN | \$20,810.78       |
| GC723   | GEN-CO-ROUTINE-ELEEC AUXILIARIES    | 926000  | EMPLOYEE PENSIONS & BEN | \$599.21          |
| GC726   | GEN-CO-ROUTINE-WATER PROCESSING     | 926000  | EMPLOYEE PENSIONS & BEN | \$1,645.00        |
| GC727   | GEN-CO-ROUTINE-CONTROLS             | 926000  | EMPLOYEE PENSIONS & BEN | \$1,249.85        |
| GC728   | GEN-CO-ROUTINE-STRUCTURES           | 926000  | EMPLOYEE PENSIONS & BEN | \$4,088.76        |
| GC729   | GEN-CO-ROUTINE-PLANT COMMON         | 926000  | EMPLOYEE PENSIONS & BEN | (\$5,760.73)      |
| GC740   | GEN-CO-NON ROUT-TURB/GEN/EXCITER    | 926000  | EMPLOYEE PENSIONS & BEN | \$24,804.66       |
| GC747   | GEN-CO-NON ROUT-CONTROLS            | 926000  | EMPLOYEE PENSIONS & BEN | \$382.95          |
| GC748   | GEN-CO-NON ROUT-STRUCTURES          | 926000  | EMPLOYEE PENSIONS & BEN | \$434.35          |
| GC749   | GEN-CO-NON ROUT-PLANT COMMON        | 926000  | EMPLOYEE PENSIONS & BEN | \$8,599.42        |
| GC750   | GEN-CO-UNPLAN OUT-TURB/GEN/EXCITER  | 926000  | EMPLOYEE PENSIONS & BEN | \$385.65          |
| GC760   | GEN-CO-MAJOR-TURB/GEN/EXCITER       | 926000  | EMPLOYEE PENSIONS & BEN | \$4,424.37        |
| GC767   | GEN-CO-MAJOR-CONTROLS               | 926000  | EMPLOYEE PENSIONS & BEN | \$247.65          |
| GE180   | MONTANA COMMON                      | 926000  | EMPLOYEE PENSIONS & BEN | \$394.09          |

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
EMPLOYEE PENSIONS AND BENEFITS  
SPONSOR CYNTHIA S PRIETO  
PREPARER MYRNA A ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

| Project | Project Description                 | Account | Account Description     | Amount         |
|---------|-------------------------------------|---------|-------------------------|----------------|
| GE800   | MPS -FAC SVC - O&M ONLY             | 926000  | EMPLOYEE PENSIONS & BEN | \$2,831.20     |
| GG700   | GEN-BUS SEG EXP BLANKET             | 926000  | EMPLOYEE PENSIONS & BEN | \$534,856.73   |
| GG701   | GEN-BUS SEG TRAIN BLANKET           | 926000  | EMPLOYEE PENSIONS & BEN | \$1,134.66     |
| GG720   | RESOURCE PLANNING                   | 926000  | EMPLOYEE PENSIONS & BEN | \$222,557.47   |
| GG750   | GEN-TX FUEL                         | 926000  | EMPLOYEE PENSIONS & BEN | \$13,921.55    |
| GG799   | GEN-STORES CLEARING                 | 926000  | EMPLOYEE PENSIONS & BEN | \$305,003.55   |
| GG800   | GEN-EXPANSION UNIT PRELIM STUDIES   | 926000  | EMPLOYEE PENSIONS & BEN | \$26,563.53    |
| GM001   | GEN - MONTANA O&M BLANKET           | 926000  | EMPLOYEE PENSIONS & BEN | \$176,336.56   |
| GM002   | MONTANA CAPITAL BLANKET             | 926000  | EMPLOYEE PENSIONS & BEN | \$240.00       |
| GM012   | GEN-MPS-ENVIRON BLANKET             | 926000  | EMPLOYEE PENSIONS & BEN | \$18.95        |
| GM700   | GEN-MKTG-BUS SEG EXP                | 926000  | EMPLOYEE PENSIONS & BEN | \$901,955.01   |
| GM720   | GEN-MPS-ROUTINE-TURB/GEN/EXCITER    | 926000  | EMPLOYEE PENSIONS & BEN | \$198,948.94   |
| GM723   | GEN-MPS-ROUTINE-ELEC AUXILIARIES    | 926000  | EMPLOYEE PENSIONS & BEN | \$58,541.74    |
| GM725   | GEN-MPS-ROUTINE-WATER/COOL TOWER    | 926000  | EMPLOYEE PENSIONS & BEN | \$9,168.88     |
| GM726   | GEN-MPS-ROUTINE-WATER PROCESSING    | 926000  | EMPLOYEE PENSIONS & BEN | \$22,669.12    |
| GM727   | GEN-MPS-ROUTINE-CONTROLS            | 926000  | EMPLOYEE PENSIONS & BEN | \$9,876.75     |
| GM728   | GEN-MPS-ROUTINE-STRUCTURES          | 926000  | EMPLOYEE PENSIONS & BEN | \$18,031.86    |
| GM729   | GEN-MPS-ROUTINE-PLANT COMMON        | 926000  | EMPLOYEE PENSIONS & BEN | \$241,771.53   |
| GM753   | GEN-MPS-UNPLAN OUT-ELEC AUXILIARIES | 926000  | EMPLOYEE PENSIONS & BEN | \$2,035.99     |
| GM759   | GEN-MPS-UNPLANNED-PLANT COMMON      | 926000  | EMPLOYEE PENSIONS & BEN | \$495.87       |
| GM811   | MONTANA PANDEMIC READINESS          | 926000  | EMPLOYEE PENSIONS & BEN | \$5,560.81     |
| GN003   | GEN-NEWMAN BLANKET                  | 926000  | EMPLOYEE PENSIONS & BEN | \$1,119,524.38 |
| GN007   | GEN-NEWM-FACILITY SERV BLKT         | 926000  | EMPLOYEE PENSIONS & BEN | \$9,130.49     |
| GN012   | GEN-NEWM-ENVIRON BLNKT              | 926000  | EMPLOYEE PENSIONS & BEN | \$1,317.64     |
| GN184   | NW U4 GT2 INSTRUMENTATION UPGRADES  | 926000  | EMPLOYEE PENSIONS & BEN | \$1,392.36     |
| GN185   | NW U4 GT1 INSTRUMENTATION UPGRADES  | 926000  | EMPLOYEE PENSIONS & BEN | \$2,655.44     |
| GN700   | GEN-NEWMAN O&M BLANKET              | 926000  | EMPLOYEE PENSIONS & BEN | \$274,394.88   |
| GN701   | GEN-NEWM-TRAINING BLNKT             | 926000  | EMPLOYEE PENSIONS & BEN | \$121,429.03   |
| GN710   | GEN-NEWM-SAFETY BLNKT               | 926000  | EMPLOYEE PENSIONS & BEN | \$4,416.64     |
| GN720   | GEN-NM-ROUTINE-TURB/GEN/EXCITER     | 926000  | EMPLOYEE PENSIONS & BEN | \$326,911.02   |
| GN721   | GEN-NM-ROUTINE-BOILER (HRSG)        | 926000  | EMPLOYEE PENSIONS & BEN | \$124,565.74   |
| GN722   | GEN-NM-ROUTINE-BOILER SUPPORT AUX   | 926000  | EMPLOYEE PENSIONS & BEN | \$60,067.49    |
| GN723   | GEN-NM-ROUTINE-ELEC AUXILIARIES     | 926000  | EMPLOYEE PENSIONS & BEN | \$30,145.26    |
| GN724   | GEN-NM-ROUTINE-CONDENSATE SYSTEM    | 926000  | EMPLOYEE PENSIONS & BEN | \$14,182.46    |
| GN725   | GEN-NM-ROUTINE-WATER/COOL TOWER     | 926000  | EMPLOYEE PENSIONS & BEN | \$107,140.61   |
| GN726   | GEN-NM-ROUTINE-WATER PROCESSING     | 926000  | EMPLOYEE PENSIONS & BEN | \$90,700.44    |
| GN727   | GEN-NM-ROUTINE-CONTROLS             | 926000  | EMPLOYEE PENSIONS & BEN | \$91,228.02    |
| GN728   | GEN-NM-ROUTINE-STRUCTURES           | 926000  | EMPLOYEE PENSIONS & BEN | \$79,989.35    |
| GN729   | GEN-NM-ROUTINE-PLANT COMMON         | 926000  | EMPLOYEE PENSIONS & BEN | \$74,810.88    |
| GN740   | GEN-NM-NON ROUT-TURB/GEN/EXCITER    | 926000  | EMPLOYEE PENSIONS & BEN | \$55,289.88    |
| GN741   | GEN-NM-NON ROUT-BOILER (HRSG)       | 926000  | EMPLOYEE PENSIONS & BEN | \$17,152.50    |
| GN742   | GENNM-NON ROUT-BOILER SUPPORT AUX   | 926000  | EMPLOYEE PENSIONS & BEN | \$8,715.53     |
| GN743   | GEN-NM-NON ROUT-ELEC AUXILIARIES    | 926000  | EMPLOYEE PENSIONS & BEN | \$973.82       |
| GN744   | GENNM-NON ROUT-CONDENSATE SYSTEM    | 926000  | EMPLOYEE PENSIONS & BEN | \$3,686.80     |
| GN745   | GEN-NM-NON ROUT-WATER/COOL TOWER    | 926000  | EMPLOYEE PENSIONS & BEN | \$4,016.20     |
| GN746   | GEN-NM-NON ROUT-WATER PROCESSING    | 926000  | EMPLOYEE PENSIONS & BEN | \$410.61       |
| GN747   | GEN-NM-NON ROUT-CONTROLS            | 926000  | EMPLOYEE PENSIONS & BEN | \$9,800.41     |
| GN748   | GENNM-NON ROUT-STRUCTURES           | 926000  | EMPLOYEE PENSIONS & BEN | \$106.79       |
| GN749   | GEN-NM-NON ROUT-PLANT COMMON        | 926000  | EMPLOYEE PENSIONS & BEN | \$58,110.82    |
| GN750   | GENNM-UNPLAN OUT-TURB/GEN/EXCITER   | 926000  | EMPLOYEE PENSIONS & BEN | \$6,691.89     |
| GN751   | GEN-NM-UNPLAN OUT-BOILER (HRSG)     | 926000  | EMPLOYEE PENSIONS & BEN | \$3,528.50     |
| GN752   | GENNM-UNPLAN OUT-BOILER SUPPORT AUX | 926000  | EMPLOYEE PENSIONS & BEN | \$1,894.50     |
| GN753   | GEN-NM-UNPLAN OUT-ELEC AUXILIARIES  | 926000  | EMPLOYEE PENSIONS & BEN | \$163.19       |
| GN754   | GENNM-UNPLAN OUT-WATER/COOL TOWER   | 926000  | EMPLOYEE PENSIONS & BEN | \$84.64        |
| GN755   | GEN-NM-UNPLAN OUT-WATER/COOL TOWER  | 926000  | EMPLOYEE PENSIONS & BEN | \$292.69       |
| GN757   | GEN-NM-UNPLAN OUT-CONTROLS          | 926000  | EMPLOYEE PENSIONS & BEN | \$669.13       |
| GN758   | GEN-NM-UNPLAN OUT-STRUCTURES        | 926000  | EMPLOYEE PENSIONS & BEN | \$164.04       |
| GN760   | GEN-NM-MAJOR-TURB/GEN/EXCITER       | 926000  | EMPLOYEE PENSIONS & BEN | \$15,491.99    |
| GN780   | GEN-NM-MINOR-TURB/GEN/EXCITER       | 926000  | EMPLOYEE PENSIONS & BEN | \$8,235.74     |
| GN811   | NEWMAN PANDEMIC READINESS           | 926000  | EMPLOYEE PENSIONS & BEN | \$31,405.47    |
| GP700   | GEN-PV-BUS SEG EXP BLNKT            | 926000  | EMPLOYEE PENSIONS & BEN | \$62,360.16    |
| QP750   | GEN-PALQ VERDE-O&M                  | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00         |
| GR007   | GEN-RG-FACILITY SERV BLKT           | 926000  | EMPLOYEE PENSIONS & BEN | \$10,703.72    |
| GR012   | GEN-RG-ENVIRON BLANKET              | 926000  | EMPLOYEE PENSIONS & BEN | \$227.35       |
| GR014   | GEN-RG BLANKET                      | 926000  | EMPLOYEE PENSIONS & BEN | \$995,732.95   |
| GR163   | RIO GRANDE RACETRACK DRIVE ENTRANCE | 926000  | EMPLOYEE PENSIONS & BEN | \$1,620.74     |
| GR169   | RG U8 DRUM LEVEL UPGRADE            | 926000  | EMPLOYEE PENSIONS & BEN | (\$25.14)      |
| GR176   | RG U8 FEED WATER REGULATORS UPGRADE | 926000  | EMPLOYEE PENSIONS & BEN | \$1,528.75     |
| GR177   | RG DCS CIP CYBER IMPRVMTS           | 926000  | EMPLOYEE PENSIONS & BEN | \$43.66        |
| GR180   | UNIT 7 GENERATOR REWIND/HRDW REPLCM | 926000  | EMPLOYEE PENSIONS & BEN | \$87.15        |
| GR700   | GEN-RG O&M BLANKET                  | 926000  | EMPLOYEE PENSIONS & BEN | \$237,727.91   |
| GR701   | GEN-RG-TRAINING BLANKET             | 926000  | EMPLOYEE PENSIONS & BEN | \$57,494.43    |
| GR710   | GEN-RG-SAFETY BLANKET               | 926000  | EMPLOYEE PENSIONS & BEN | \$3,024.26     |
| GR720   | GEN-RG-ROUTINE-TURB/GEN/EXCITER     | 926000  | EMPLOYEE PENSIONS & BEN | \$142,218.53   |
| GR721   | GEN-RG-ROUTINE-BOILER (HRSG)        | 926000  | EMPLOYEE PENSIONS & BEN | \$100,225.03   |
| GR722   | GEN-RG-ROUTINE-BOILER SUPPORT AUX   | 926000  | EMPLOYEE PENSIONS & BEN | \$43,681.35    |
| GR723   | GEN-RG-ROUTINE-ELEC AUXILIARIES     | 926000  | EMPLOYEE PENSIONS & BEN | \$15,913.19    |
| GR724   | GEN-RG-ROUTINE-CONDENSATE SYSTEM    | 926000  | EMPLOYEE PENSIONS & BEN | \$21,617.38    |
| GR725   | GEN-RG-ROUTINE-WATER/COOL TOWER     | 926000  | EMPLOYEE PENSIONS & BEN | \$67,379.39    |
| GR726   | GEN-RG-ROUTINE-WATER PROCESSING     | 926000  | EMPLOYEE PENSIONS & BEN | \$43,518.27    |
| GR727   | GEN-RG-ROUTINE-CONTROLS             | 926000  | EMPLOYEE PENSIONS & BEN | \$37,607.75    |
| GR728   | GEN-RG-ROUTINE-STRUCTURES           | 926000  | EMPLOYEE PENSIONS & BEN | \$15,888.44    |
| GR729   | GEN-RG-ROUTINE-PLANT COMMON         | 926000  | EMPLOYEE PENSIONS & BEN | \$11,289.26    |
| GR750   | GEN-RG-UNPLAN OUT-TURB/GEN/EXCITER  | 926000  | EMPLOYEE PENSIONS & BEN | \$636.22       |
| GR751   | GEN-RG-UNPLAN OUT-BOILER (HRSG)     | 926000  | EMPLOYEE PENSIONS & BEN | \$4,865.98     |
| GR753   | GEN-RG-UNPLAN OUT-ELEC AUXILIARIES  | 926000  | EMPLOYEE PENSIONS & BEN | \$2,233.54     |
| GR757   | GEN-RG-UNPLAN OUT-CONTROLS          | 926000  | EMPLOYEE PENSIONS & BEN | \$428.90       |
| GR760   | GEN-RG-MAJOR-TURB/GEN/EXCITER       | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00         |

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
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EMPLOYEE PENSIONS AND BENEFITS  
SPONSOR CYNTHIA S PRIETO  
PREPARER MYRNA A ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

| Project | Project Description                 | Account | Account Description     | Amount         |
|---------|-------------------------------------|---------|-------------------------|----------------|
| GR811   | RIO GRANDE PANDEMIC READINESS       | 926000  | EMPLOYEE PENSIONS & BEN | \$18,688.46    |
| GS123   | NMSU SOLAR PLUS STORAGE PROJECT     | 926000  | EMPLOYEE PENSIONS & BEN | (\$274.20)     |
| GS700   | SOLAR PRELIMINARY STUDIES           | 926000  | EMPLOYEE PENSIONS & BEN | \$2,376.55     |
| GS703   | NM SOLAR PRELIMINARY STUDIES        | 926000  | EMPLOYEE PENSIONS & BEN | \$16,371.18    |
| HA700   | INTERNAL AUDIT BLANKET              | 926000  | EMPLOYEE PENSIONS & BEN | \$141,861.99   |
| HE700   | EXTERNAL AFFAIRS MANAGEMENT         | 926000  | EMPLOYEE PENSIONS & BEN | \$332,990.90   |
| HL700   | CORP-LEGAL-BUS SEG EXP              | 926000  | EMPLOYEE PENSIONS & BEN | \$757,538.49   |
| HM700   | CORP-MGMT-BUS SEG BLNKT             | 926000  | EMPLOYEE PENSIONS & BEN | \$616,177.68   |
| HP700   | CORPORATE PLANNING BLANKET          | 926000  | EMPLOYEE PENSIONS & BEN | \$633,455.27   |
| HS700   | CORP-SERVICES-BUS SEG EXP           | 926000  | EMPLOYEE PENSIONS & BEN | \$1,075.26     |
| HS750   | CORP SERV-CORP COSTS                | 926000  | EMPLOYEE PENSIONS & BEN | (\$88,356.11)  |
| HS780   | CORPORATE OUTAGE BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00         |
| MN004   | METERING-NM BLANKET                 | 926000  | EMPLOYEE PENSIONS & BEN | \$460,770.84   |
| MN811   | METERING NM PANDEMIC READINESS      | 926000  | EMPLOYEE PENSIONS & BEN | \$3,635.71     |
| MT004   | METERING-TX-BLANKET                 | 926000  | EMPLOYEE PENSIONS & BEN | \$317,548.96   |
| MT811   | METERING TX PANDEMIC READINESS      | 926000  | EMPLOYEE PENSIONS & BEN | \$6,758.71     |
| SA700   | SS-FINANCE & ACCTG EXP              | 926000  | EMPLOYEE PENSIONS & BEN | \$1,296,991.73 |
| SA701   | SS-FINANCE & ACCTG-TRAIN            | 926000  | EMPLOYEE PENSIONS & BEN | \$2,637.35     |
| SA750   | SS-FN&AC-XTRNL ACTG/RPTG            | 926000  | EMPLOYEE PENSIONS & BEN | \$167,395.86   |
| SB700   | SS - FINANCE BLANKET                | 926000  | EMPLOYEE PENSIONS & BEN | \$493,024.61   |
| SC050   | OPERATIONAL TECH NETWORK CAP BLKT   | 926000  | EMPLOYEE PENSIONS & BEN | \$247.40       |
| SC144   | High Speed Irradiance Stations      | 926000  | EMPLOYEE PENSIONS & BEN | \$183.76       |
| SC146   | VERIFICATION & INTEG LAB BLNKT      | 926000  | EMPLOYEE PENSIONS & BEN | \$9,668.86     |
| SC152   | BORDER STEEL COMMO UPGRADES         | 926000  | EMPLOYEE PENSIONS & BEN | \$207.88       |
| SC700   | SS-COMMUNICA EXP BLNKT              | 926000  | EMPLOYEE PENSIONS & BEN | \$224,384.78   |
| SC800   | ADVANCED METERING                   | 926000  | EMPLOYEE PENSIONS & BEN | \$77,011.48    |
| SD700   | LAND MANAGEMENT BLANKET             | 926000  | EMPLOYEE PENSIONS & BEN | \$146,037.47   |
| SE012   | SS-ENVIRONMENTAL BLNKT              | 926000  | EMPLOYEE PENSIONS & BEN | \$708.07       |
| SE700   | SS-ENVIRON EXP BLNKT                | 926000  | EMPLOYEE PENSIONS & BEN | \$313,901.59   |
| SF007   | SS-FACILITY SERVICES BLKT           | 926000  | EMPLOYEE PENSIONS & BEN | \$36,698.87    |
| SF700   | SS-FACILITY SERV EXP BLKT           | 926000  | EMPLOYEE PENSIONS & BEN | \$139,215.35   |
| SF701   | SS-FACILITY SERV-TRAIN              | 926000  | EMPLOYEE PENSIONS & BEN | \$65.86        |
| SF800   | EDOC - FAC SVC- O&M ONLY            | 926000  | EMPLOYEE PENSIONS & BEN | \$22,319.55    |
| SH700   | SS-HR EXPENSE BLANKET               | 926000  | EMPLOYEE PENSIONS & BEN | \$828,786.02   |
| SI700   | SS-MATERIALS MGMT EXP BKT           | 926000  | EMPLOYEE PENSIONS & BEN | \$245,760.36   |
| SK700   | CLAIMS/RISK MGMT BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$338,869.04   |
| SM700   | SS-MANAGEMENT EXP BLNKT             | 926000  | EMPLOYEE PENSIONS & BEN | \$139,576.26   |
| SN700   | SS - NERC COMPLIANCE                | 926000  | EMPLOYEE PENSIONS & BEN | \$282,621.80   |
| SR700   | SS-REGULATORY EXP BLNKT             | 926000  | EMPLOYEE PENSIONS & BEN | \$559,154.10   |
| SS007   | SS-EDOC FACILITY SERV BLANKET       | 926000  | EMPLOYEE PENSIONS & BEN | \$357.10       |
| SS105   | LIVE LINK SYSTEM BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00         |
| SS150   | NEW WEST SIDE FACILITY              | 926000  | EMPLOYEE PENSIONS & BEN | \$21.74        |
| SS190   | Security Operations Center          | 926000  | EMPLOYEE PENSIONS & BEN | \$249.52       |
| SS224   | GENERATION OPERATIONS CMMS PROJECT  | 926000  | EMPLOYEE PENSIONS & BEN | \$2,106.77     |
| SS228   | UNMANNED AIRCRAFT SYSTEMS PROJECT   | 926000  | EMPLOYEE PENSIONS & BEN | \$8,458.91     |
| SS800   | NERC CIP VERSION 5                  | 926000  | EMPLOYEE PENSIONS & BEN | \$172.40       |
| SS801   | Mexico Opportunities                | 926000  | EMPLOYEE PENSIONS & BEN | \$56.14        |
| SS811   | SHARED SERV PANDEMIC READINESS      | 926000  | EMPLOYEE PENSIONS & BEN | \$553,418.65   |
| ST043   | EMS SUPPORT BLANKET                 | 926000  | EMPLOYEE PENSIONS & BEN | \$76,862.41    |
| ST700   | SS-IT EXPENSE BLANKET               | 926000  | EMPLOYEE PENSIONS & BEN | \$852,825.40   |
| SU700   | SS-SUPPORT SERVICES EXP             | 926000  | EMPLOYEE PENSIONS & BEN | \$64,616.38    |
| SV799   | SS-TRANSPORTATION CLEARING          | 926000  | EMPLOYEE PENSIONS & BEN | \$637,241.41   |
| SY700   | SS-SAFETY EXPENSE BLNKT             | 926000  | EMPLOYEE PENSIONS & BEN | \$309,514.31   |
| TA015   | TRANSMISSION-AIP BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$1,444.25     |
| TH015   | TRANSMISSION-345KV BLNKT            | 926000  | EMPLOYEE PENSIONS & BEN | \$51,338.40    |
| TH110   | ALPS RELY REPLCMNT-TSS VOTING SCHEM | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00         |
| TH750   | TRANS-EIP PROJECT                   | 926000  | EMPLOYEE PENSIONS & BEN | \$52,837.84    |
| TH760   | TRANS-SWNMT PROJECT                 | 926000  | EMPLOYEE PENSIONS & BEN | \$41,221.37    |
| TL015   | TRANS-BELOW 345KV BKT               | 926000  | EMPLOYEE PENSIONS & BEN | \$160,600.36   |
| TL126   | NEWMAN 115 KV BKR REPL&UPGRADE U/S  | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00         |
| TL182   | AIRPORT 115KV RING BUS              | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00         |
| TL247   | TXDOT TRANSMISSION LINE MODFCATIONS | 926000  | EMPLOYEE PENSIONS & BEN | \$38.84        |
| TL269   | LUN-DIA LUN-AFT GROUNDS FLOATING    | 926000  | EMPLOYEE PENSIONS & BEN | \$1,424.86     |
| TL298   | TXDOT STRC REPLC HWY 62 PHASE 2     | 926000  | EMPLOYEE PENSIONS & BEN | \$160.05       |
| TP015   | TRANSMISSION-PV TRANS               | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00         |
| TS015   | TRANSMISSION-SYS OPS BLKT           | 926000  | EMPLOYEE PENSIONS & BEN | \$2,426,397.02 |
| TS063   | TRANS SUBSTATION IMPROVEMENTS       | 926000  | EMPLOYEE PENSIONS & BEN | (\$36.60)      |
| TS065   | RELAY UPGRADES TRANS SUBS BLANKET   | 926000  | EMPLOYEE PENSIONS & BEN | \$344.08       |
| TS102   | EMS SYSTEM UPGRADE OR REPL          | 926000  | EMPLOYEE PENSIONS & BEN | \$17,841.93    |
| TS151   | AMRAD SUBST SVC CONTROLLER REPLC    | 926000  | EMPLOYEE PENSIONS & BEN | \$0.00         |
| TS760   | FACILITY & IMPACT STUDY             | 926000  | EMPLOYEE PENSIONS & BEN | \$11,627.92    |
| TT007   | TRANS-FACILITY SERVICES             | 926000  | EMPLOYEE PENSIONS & BEN | \$9,701.19     |
| TT060   | NERC COMPLIANCE ACTIVITY - TRANS    | 926000  | EMPLOYEE PENSIONS & BEN | \$166,035.10   |
| TT700   | TRANSMISSION-BUS SEG EXP            | 926000  | EMPLOYEE PENSIONS & BEN | \$94,732.00    |
| TT701   | TRANSMISSION-TRAINING BKT           | 926000  | EMPLOYEE PENSIONS & BEN | \$32,315.52    |
| TT710   | TRANSMISSION-SAFETY BLNKT           | 926000  | EMPLOYEE PENSIONS & BEN | \$5,967.95     |
| TT740   | DRONE PROGRAM                       | 926000  | EMPLOYEE PENSIONS & BEN | \$3,611.66     |
| TT811   | TRANSMISSION PANDEMIC READINESS     | 926000  | EMPLOYEE PENSIONS & BEN | \$19,887.18    |
| WM700   | NM MGMT EXPENSE BLANKET             | 926000  | EMPLOYEE PENSIONS & BEN | \$30,158.78    |
| WR719   | 2019 NEW MEXICO RATE CASE           | 926000  | EMPLOYEE PENSIONS & BEN | \$19,519.69    |
| WR720   | 2020 NM RATE CASE                   | 926000  | EMPLOYEE PENSIONS & BEN | \$225,324.33   |
| WR760   | NM COST OF SERVICE GENERAL          | 926000  | EMPLOYEE PENSIONS & BEN | \$31,059.64    |
| WS784   | NM TRANSPORTATION CLEARING          | 926000  | EMPLOYEE PENSIONS & BEN | \$48,419.44    |
| XM700   | TX MGMT EXPENSE BLANKET             | 926000  | EMPLOYEE PENSIONS & BEN | \$137,544.20   |
| XM701   | TX MGMT-TRAINING BLANKET            | 926000  | EMPLOYEE PENSIONS & BEN | \$1,258.54     |
| XR750   | TX COST OF SERVICE GENERAL          | 926000  | EMPLOYEE PENSIONS & BEN | \$48,423.92    |
| XS700   | TX SS EXPENSE BLANKET               | 926000  | EMPLOYEE PENSIONS & BEN | \$272,130.03   |
| XS799   | TX SS-STORES CLEARING               | 926000  | EMPLOYEE PENSIONS & BEN | \$463,634.02   |

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
EMPLOYEE PENSIONS AND BENEFITS  
SPONSOR: CYNTHIA S. PRIETO  
PREPARER: MYRNA A. ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

Other Employee Benefits Detail Break-Down

|                                       | Other Employee<br>Benefits Per<br>Books Costs | Removal of<br>Employment<br>Separation<br>Agreements | Other Employee<br>Benefits<br>Excluding<br>Employment<br>Separation<br>Agreements | Cap Rate | Capitalized<br>Amounts | Other Employee<br>Benefits including<br>Paid Time Off (PTO)<br>Accrual and Retiree<br>PTO Sell Back, net of<br>capitalized amounts | Removal of<br>PTO Accrual<br>and Retiree<br>Sell Back | Other<br>Employee<br>Benefits, net<br>of capitalized<br>amounts |
|---------------------------------------|---|--|---|----------|------------------------|--|---|---|
| Other Employee Benefits:              |   |  |   |          |                        |  |   |   |
| Employment Separation Agreements      | (140,455)                                     | 140,455  | 0   |          | -                      | -  |   | -   |
| Paid Time Off (PTO) Accrual           | 1,965,189                                     |  | 1,965,189   | 25.54%   | 501,909                | 1,463,280  | (1,463,280)   | -   |
| Employee Appreciation/Awards          | 181,680                                       |  | 181,680   | 25.54%   | 46,401                 | 135,279  |   | 135,279   |
| Company Sponsored Events for Employee | 155,146                                       |  | 155,146   | 25.54%   | 39,624                 | 115,522  |   | 115,522   |
| Tuition Reimbursement                 | 124,729                                       |  | 124,729   | 25.54%   | 31,856                 | 92,873   |   | 92,873  |
| Parking                               | 83,063  |  | 83,063  | 25.54%   | 21,214                 | 61,849   |   | 61,849  |
| Retiree PTO Sell Back                 | 1,108,327                                     |  | 1,108,327   | 25.54%   | 283,067                | 825,260  | (825,260)   | -   |
| Four Corners                          | 0   | 0  | 0   | 25.54%   | -                      | -  |   | -   |
| Other                                 | 389,779                                       |  | 389,779   | 25.54%   | (27,774)               | 417,553  |   | 417,553   |
|                                       | <u>3,867,458</u>                              | <u>140,455</u>                                       | <u>4,007,913</u>  |          | <u>896,297</u>         | <u>3,111,616</u>   | <u>(2,288,540)</u>                                    | <u>823,076</u>  |

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

EL PASO ELECTRIC COMPANY  
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EMPLOYEE PENSIONS AND BENEFITS  
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PREPARER: MYRNA A. ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

| Row Labels  | Sum of Amount       |   |
|---|---------------------|---|
| AP700 - LABOR CLEARING PROJECT                      |                     |   |
| AP701 - LABOR - CWIP CLEARING PROJECT               | 9,835,039.15        |   |
| AP751 - PAYRL DEDUCT CLEAR                          | (746.75)            |   |
| AP753 - PAYRL CORP BONUS BLANKET                    |                     |   |
| AP759 - PAYRL-OTH PAYRL BLANKET                     |                     |   |
| AP780 - OTHER EMPLOY BENEFITS                       |                     |   |
| AP7800990001 - ACCTG-PAY-OTHER BEN-TUITION AID      | 124,728.58          |   |
| AP7800990002 - ACCTG-PAY-OTHER BEN-CHRISTMAS        | 97,325.34           | A |
| AP7800990003 - ACCTG-PAY-OTHER BEN-EMPLOYEE MEETING | 19,844.8            | A |
| AP7800990004 - ACCTG-PAY-OTHER BEN-VAC/PTO          | 77,775.3            | B |
| AP7800990007 - ACCTG-PAY-OTHER BEN-OLD SICK BANK    | 103,900.0           | B |
| AP7800990010 - ACCTG-PAY-OTHER BEN-OLD SICK BANK    | 37,975.91           | A |
| AP7800990020 - ACCTG-PAY-OTHER BEN-VAC/PTO          | 1,965,188.98        |   |
| AP7800990021 - ACCTG-PAY-OTHER BEN-VAC/PTO          | 1,206,127.10        |   |
| AP7800990025 - ACCTG-PAY-OTHER BEN-OLD SICK BANK    | (7,419.75)          |   |
| AP7800990030 - ACCTG-PAY-OTHER BEN-DIV PARKING      | 83,063.38           |   |
| AP7800990100 - ACCTG-PAY-OTHER BEN-PROF FEES        | 41,170.43           |   |
| AP7800990012 - ACCTG-PAY-OTHER BEN-ELEC VEHICLE     | 14,998.21           |   |
| <b>AP780 - OTHER EMPLOY BENEFITS Total</b>          | <b>3,666,882.95</b> |   |
| BB700 - BILLING EXPENSE BLANKET                     | 442,733.19          |   |
| CN007 - CUST SERV-NM-FACILITY SER                   | 5,553.86            |   |
| CN700 - CUST SERV-NM EXP BLANKET                    | 491,026.67          |   |
| CT007 - CUST SERV-TX-FACILITY SER                   | 1,106.52            |   |
| CT700 - CUST SERV-TX EXP BLANKET                    | 2,140,258.22        |   |
| DN007 - DISTRIB-NM-FACIL SERV BKT                   | 3,164.79            |   |
| DN012 - DISTRIB-NM-ENVIRON BLNKET                   | 512.70              |   |
| DN061 - NM RESIDENTIAL CONSTRUCTION                 | 7,211.50            |   |
| DN062 - NM DISTRIBUTION BETTERMENT                  | 2,962.76            |   |
| DN063 - NM SUBSTATION BETTERMENT                    | 5.46                |   |
| DN064 - NM LIGHTING                                 | 462.02              |   |
| DN065 - NM DISTRIBUTION DAMAGE                      | 41.68               |   |
| DN069 - NM COMMERCIAL CONSTRUCTION                  | 6,759.16            |   |
| DN700 - DISTRIB-NM-BUS SEG EXP                      | 367,422.55          |   |
| DT007 - DISTRIB-TX-FACILITY SERV                    | 13,076.97           |   |
| DT012 - DISTRIB-TX-ENVIRON BLANKET                  | 205.00              |   |
| DT061 - TX RESIDENTIAL CONSTRUCTION                 | 4,101.59            |   |
| DT062 - TX DISTRIBUTION BETTERMENT                  | 3,243.15            |   |
| DT063 - TX SUBSTATION BETTERMENT                    | 23,118.63           |   |
| DT064 - TX LIGHTING                                 | 114,680.57          |   |
| DT069 - TX COMMERCIAL CONSTRUCTION                  | 17,922.95           |   |
| DT186 - LEO SUB 115 K CONV & GETAWY UPGRADE         | 1,041.40            |   |
| DT270 - GLOBAL REACH SUB FEEDERS                    |                     |   |
| DT282 - LEO GETAWAYS                                |                     |   |
| DT314 - TWO WAY DIST CAPACITOR COMMUNICATIN         |                     |   |
| DT355 - NEW FELIPE 21 FEEDER                        |                     |   |
| DT700 - DISTRIB-TX-BUS SEG EXP                      | 2,474,562.58        |   |
| DT701 - DISTRIB-TX-TRAIN BLANKET                    | 14,202.89           |   |
| DT710 - DISTRIB-TX-SAFETY BLANKET                   | 5,445.21            |   |
| DT750 - DISTRIB-TX-JOBGING BLNKT                    | 1,598.60            |   |
| FR770 - FERC COST OF SERVICE GENERAL                | 9,230.35            |   |
| GC003 - GEN-COPPER BLANKET                          | 955.19              |   |
| GC012 - GEN-COPPER-ENVIRON BLNKT                    | 37.63               |   |
| GC720 - GEN-CO-ROUTINE-TURB/GEN/EXCITER             | 20,810.78           |   |
| GC723 - GEN-CO-ROUTINE-ELEC AUXILIARIES             | 599.21              |   |
| GC726 - GEN-CO-ROUTINE-WATER PROCESSING             | 1,645.00            |   |
| GC727 - GEN-CO-ROUTINE-CONTROLS                     | 1,249.85            |   |
| GC728 - GEN-CO-ROUTINE-STRUCTURES                   | 4,088.76            |   |

Σ A = 155,146.11

Σ B = 103,900.00

Σ A = 155,146.11

EL PASO ELECTRIC COMPANY  
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 EMPLOYEE PENSIONS AND BENEFITS  
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 PREPARER: MYRNA A. ORTIZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

| Row Labels                                  | Sum of Amount |
|---|---------------|
| GC729 - GEN-CO-ROUTINE-PLANT COMMON         | (5,760.73)    |
| GC750 - GEN-CO-UNPLAN OUT-TURB/GEN/EXCITER  | 385.65        |
| GG700 - GEN-BUS SEG EXP BLANKET             | 534,856.73    |
| GG720 - RESOURCE PLANNING                   | 222,557.47    |
| GG750 - GEN-TX FUEL                         | 13,921.55     |
| GM001 - GEN - MONTANA O&M BLANKET           | 176,336.56    |
| GM012 - GEN-MPS-ENVIRON BLANKET             | 18.95         |
| GM700 - GEN-MKTG-BUS SEG EXP                | 901,955.01    |
| GN003 - GEN-NEWMAN BLANKET                  | 1,119,524.38  |
| GN012 - GEN-NEWM-ENVIRON BLNKT              | 1,317.64      |
| GN701 - GEN-NEWM-TRAINING BLNKT             | 121,429.03    |
| GN710 - GEN-NEWM-SAFETY BLNKT               | 4,416.64      |
| GN720 - GEN-NM-ROUTINE-TURB/GEN/EXCITER     | 326,911.02    |
| GN721 - GEN-NM-ROUTINE-BOILER (HRSG)        | 124,565.74    |
| GN722 - GEN-NM-ROUTINE-BOILER SUPPORT AUX   | 60,067.49     |
| GN723 - GEN-NM-ROUTINE-ELEC AUXILIARIES     | 30,145.26     |
| GN724 - GEN-NM-ROUTINE-CONDENSATE SYSTEM    | 14,182.46     |
| GN725 - GEN-NM-ROUTINE-WATER/COOL TOWER     | 107,140.61    |
| GN726 - GEN-NM-ROUTINE-WATER PROCESSING     | 90,700.44     |
| GN727 - GEN-NM-ROUTINE-CONTROLS             | 91,228.02     |
| GN728 - GEN-NM-ROUTINE-STRUCTURES           | 79,989.35     |
| GN729 - GEN-NM-ROUTINE-PLANT COMMON         | (74,810.88)   |
| GN740 - GEN-NM-NON ROUT-TURB/GEN/EXCITER    | 55,289.88     |
| GN748 - GEN-NM-NON ROUT-STRUCTURES          | 106.79        |
| GN750 - GEN-NM-UNPLAN OUT-TURB/GEN/EXCITER  | 6,691.89      |
| GN751 - GEN-NM-UNPLAN OUT-BOILER (HRSG)     | 3,528.50      |
| GN752 - GEN-NM-UNPLN OUT-BOILER SUPPORT AUX | 1,894.50      |
| GN753 - GEN-NM-UNPLAN OUT-ELEC AUXILIARIES  | 163.19        |
| GN754 - GEN-NM-UNPLAN OUT-WATER/COOL TOWER  | 84.64         |
| GN755 - GEN-NM-UNPLAN OUT-WATER/COOL TOWER  | 292.69        |
| GN757 - GEN-NM-UNPLAN OUT-CONTROLS          | 669.13        |
| GN758 - GEN-NM-UNPLAN OUT-STRUCTURES        | 164.04        |
| GN760 - GEN-NM-MAJOR-TURB/GEN/EXCITER       | 15,491.99     |
| GN780 - GEN-NM-MINOR-TURB/GEN/EXCITER       | 8,235.74      |
| GP700 - GEN-PV-BUS SEG EXP BLNKT            | 62,360.16     |
| GR007 - GEN-RG-FACILITY SERV BLKT           | 10,703.72     |
| GR012 - GEN-RG-ENVIRON BLANKET              | 227.35        |
| GR014 - GEN-RG BLANKET                      | 995,732.95    |
| GR701 - GEN-RG-TRAINING BLANKET             | 57,494.43     |
| GR710 - GEN-RG-SAFETY BLANKET               | 3,024.26      |
| GR720 - GEN-RG-ROUTINE-TURB/GEN/EXCITER     | 142,218.53    |
| GR721 - GEN-RG-ROUTINE-BOILER (HRSG)        | 100,225.03    |
| GR722 - GEN-RG-ROUTINE-BOILER SUPPORT AUX   | 43,681.35     |
| GR723 - GEN-RG-ROUTINE-ELEC AUXILIARIES     | 15,913.19     |
| GR724 - GEN-RG-ROUTINE-CONDENSATE SYSTEM    | 21,617.38     |
| GR725 - GEN-RG-ROUTINE-WATER/COOL TOWER     | 67,379.39     |
| GR726 - GEN-RG-ROUTINE-WATER PROCESSING     | 43,518.27     |
| GR727 - GEN-RG-ROUTINE-CONTROLS             | 37,607.75     |
| GR728 - GEN-RG-ROUTINE-STRUCTURES           | 15,888.44     |
| GR729 - GEN-RG-ROUTINE-PLANT COMMON         | 11,289.26     |
| GR750 - GEN-RG-UNPLAN OUT-TURB/GEN/EXCITER  | 636.22        |
| GR751 - GEN-RG-UNPLAN OUT-BOILER (HRSG)     | 4,865.98      |
| HA700 - INTERNAL AUDIT BLANKET              | 141,861.99    |
| HE700 - EXTERNAL AFFAIRS MANAGEMENT         | 332,990.90    |
| HL700 - CORP-LEGAL-BUS SEG EXP              | 757,538.49    |
| HM700 - CORP-MGMT-BUS SEG BLNKT             | 616,177.68    |
| HP700 - CORPORATE PLANNING BLANKET          | 633,455.27    |



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PREPARER: MYRNA A ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

| Row Labels  | Sum of Amount      |
|---|--------------------|
| HS700 - CORP-SERVICES-BUS SEG EXP                 | 1,075.26           |
| HS750 - CORP SERV-CORP COSTS                      |                    |
| HS7500901012 - CORPORATE SER-DONATIONS IN KIND    | 14,722.23          |
| HS7500901013 - UNITED WAY - PTO                   | 11,687.22          |
| HS7500901110 - CORPORATE SER-CIVIC/POLIT/LEGIS-TX | 10,111.73          |
| HS7500901610 - CORPORATE SER-EMPLOYEE SETTLEMENT  | (140,455.40)       |
| HS7500901860 - CBA NEGOTIATIONS                   | 67.42              |
| HS7502901111 - CORP SER-CIVIC/POLITICAL/LEGIS-NM  | 4,040.63           |
| HS7500901203 - AMS/AMI DEPLOYMENT PLAN PROJECT    | 430.97             |
| HS7500901255 - BULK-POWER SYSTEM - EXEC ORDER     | 11,039.09          |
| <b>HS750 - CORP SERV-CORP COSTS Total</b>         | <b>(88,356.11)</b> |
| HS780 - CORPORATE OUTAGE BLANKET                  | (0.00)             |
| MN004 - METERING-NM BLANKET                       | 460,770.84         |
| MT004 - METERING-TX-BLANKET                       | 317,548.96         |
| SA700 - SS-FINANCE & ACCTG EXP                    | 1,296,991.73       |
| SA701 - SS-FINANCE & ACCTG-TRAIN                  | 2,637.35           |
| SA750 - SS-FN&AC-XTRNL ACTG/RPTG                  | 167,395.86         |
| SB700 - SS - FINANCE BLANKET                      | 493,024.61         |
| SC700 - SS-COMMUNICA EXP BLNKT                    | 224,384.78         |
| SE012 - SS-ENVIRONMENTAL BLNKT                    | 708.07             |
| SE700 - SS-ENVIRON EXP BLNKT                      | 313,901.59         |
| SF007 - SS-FACILITY SERVICES BLKT                 | 36,698.87          |
| SF700 - SS-FACILITY SERV EXP BLKT                 | 139,215.35         |
| SF701 - SS-FACILITY SERV-TRAIN                    | 65.86              |
| SF800 - EDOC - FAC SVC- O&M ONLY                  | 22,319.55          |
| SH700 - SS-HR EXPENSE BLANKET                     | 828,786.02         |
| SI700 - SS-MATERIALS MGMT EXP BKT                 | 245,760.36         |
| SK700 - CLAIMS/RISK MGMT BLANKET                  | 338,869.04         |
| SM700 - SS-MANAGEMENT EXP BLNKT                   | 139,576.26         |
| SN700 - SS - NERC COMPLIANCE                      | 282,621.80         |
| SR700 - SS-REGULATORY EXP BLNKT                   | 559,154.10         |
| SS007 - SS-EDOC FACILITY SERV BLANKET             | 357.10             |
| SS150 - NEW WEST SIDE FACILITY                    | 21.74              |
| SS800 - NERC CIP VERSION 5                        | 172.40             |
| SS801 - Mexico Opportunities                      | 56.14              |
| ST043 - EMS SUPPORT BLANKET                       | 76,862.41          |
| ST700 - SS-IT EXPENSE BLANKET                     | 852,825.40         |
| SU700 - SS-SUPPORT SERVICES EXP                   | 64,616.38          |
| SV799 - SS-TRANSPORTATION CLEARING                | 637,241.41         |
| SY700 - SS-SAFETY EXPENSE BLNKT                   | 309,514.31         |
| TA015 - TRANSMISSION-AIP BLANKET                  | 1,444.25           |
| TH015 - TRANSMISSION-345KV BLNKT                  | 51,338.40          |
| TH110 - ALPS RELY REPLCMNT-TSS VOTING SCHEM       | -                  |
| TH750 - TRANS-EIP PROJECT                         | 52,837.84          |
| TH760 - TRANS-SWNMT PROJECT                       | 41,221.37          |
| TL015 - TRANS-BELOW 345KV BKT                     | 160,600.36         |
| TP015 - TRANSMISSION-PV TRANS                     | -                  |
| TS015 - TRANSMISSION-SYS OPS BLKT                 | 2,426,397.02       |
| TS063 - TRANS SUBSTATION IMPROVEMENTS             | (36.60)            |
| TS760 - FACILITY & IMPACT STUDY                   | 11,627.92          |
| TT007 - TRANS-FACILITY SERVICES                   | 9,701.19           |
| TT060 - NERC COMPLIANCE ACTIVITY - TRANS          | 166,035.10         |
| TT700 - TRANSMISSION-BUS SEG EXP                  | 94,732.00          |
| TT701 - TRANSMISSION-TRAINING BKT                 | 32,315.52          |
| TT710 - TRANSMISSION-SAFETY BLNKT                 | 5,967.95           |
| WM700 - NM MGMT EXPENSE BLANKET                   | 30,158.78          |
| WR760 - NM COST OF SERVICE GENERAL                | 31,059.64          |

EL PASO ELECTRIC COMPANY  
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SPONSOR: CYNTHIA S PRIETO  
PREPARER MYRNA A ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

| Row Labels                                  | Sum of Amount |
|---|---------------|
| WS784 - NM TRANSPORTATION CLEARING          | 48,419.44     |
| XM700 - TX MGMT EXPENSE BLANKET             | 137,544.20    |
| XR750 - TX COST OF SERVICE GENERAL          | 48,423.92     |
| XS700 - TX SS EXPENSE BLANKET               | 272,130.03    |
| XS799 - TX SS-STORES CLEARING               | 463,634.02    |
| AP811 - MEDICAL PANDEMIC READINESS          |               |
| AP8110990001 - MEDICAL COVID EXPENSES       | 544,456.00    |
| AP811 - MEDICAL PANDEMIC READINESS Total    | 544,456.00    |
| DN161 - LAS CRUCES UG CABLE REPL BLKT       | (0.00)        |
| DN178 - TALAVERA SUB. GETAWAYS AND FEEDERS  |               |
| DN198 - Jornada Feeders                     |               |
| DN720 - DISTRIB-NM-OTHER BLANKET            | 313,322.93    |
| DN811 - DISTR NM PANDEMIC READINESS         | 11,280.06     |
| DR182 - TX DISTRIBUTION CRF FILING          | 10,897.31     |
| DT065 - TX DISTRIBUTION DAMAGE              | 3,448.83      |
| DT132 - DYER-SHEARMAN RELAY REPLACE (CD)    | 1,393.77      |
| DT182 - SE1 SUBSTATION-PENDALE SUB          | 54.44         |
| DT189 - TEXAS AREA 4KV CONVERSIONS          |               |
| DT194 - SUNSET 69KV-4KV XFMR-REG-FEEDR REPL | 159.60        |
| DT230 - MESA-18 RECONDUCTOR                 |               |
| DT288 - TRANSMOUNTAIN (NW-3) GTWYS/FEEDER   |               |
| DT307 - DYER-13 AND DYER-14 GETAWAY UPGRADE |               |
| DT309 - HORIZON 12 EXTENSION                | 0.40          |
| DT369 - PELICANO T2 FEEDERS                 |               |
| DT426 - GRID AUTOMATION AND VISIBILITY      | 49,635.40     |
| DT720 - DISTRIB-TX-OTHER BLANKET            | 819,220.09    |
| DT723 - SAFETY ENHANCEMENT PROJECT          | 971.92        |
| DT811 - DISTR TX PANDEMIC READINESS         | 55,842.00     |
| GC007 - GEN-COPPER-FACILITY SERV BLKT       | 560.09        |
| GC700 - GEN-COPPER O&M BLANKET              | 176.98        |
| GC740 - GEN-CO-NON ROUT-TURB/GEN/EXCITER    | 24,804.66     |
| GC747 - GEN-CO-NON ROUT-CONTROLS            | 382.95        |
| GC748 - GEN-CO-NON ROUT-STRUCTURES          | 434.35        |
| GC749 - GEN-CO-NON ROUT-PLANT COMMON        | 8,599.42      |
| GC760 - GEN-CO-MAJOR-TURB/GEN/EXCITER       | 4,424.37      |
| GC767 - GEN-CO-MAJOR-CONTROLS               | 247.65        |
| GE180 - MONTANA COMMON                      | 394.09        |
| GE800 - MPS -FAC SVC - O&M ONLY             | 2,831.20      |
| GG701 - GEN-BUS SEG TRAIN BLANKET           | 1,134.66      |
| GG799 - GEN-STORES CLEARING                 | 305,003.55    |
| GG800 - GEN-EXPANSION UNIT PRELIM. STUDIES  | 26,563.53     |
| GM002 - MONTANA CAPITAL BLANKET             | 240.00        |
| GM720 - GEN-MPS-ROUTINE-TURB/GEN/EXCITER    | 198,948.94    |
| GM723 - GEN-MPS-ROUTINE-ELEC AUXILIARIES    | 58,541.74     |
| GM725 - GEN-MPS-ROUTINE-WATER/COOL TOWER    | 9,168.88      |
| GM726 - GEN-MPS-ROUTINE-WATER PROCESSING    | 22,669.12     |
| GM727 - GEN-MPS-ROUTINE-CONTROLS            | 9,876.75      |
| GM728 - GEN-MPS-ROUTINE-STRUCTURES          | 18,031.86     |
| GM729 - GEN-MPS-ROUTINE-PLANT COMMON        | 241,771.53    |
| GM753 - GEN-MPS-UNPLAN OUT-ELEC AUXILIARIES | 2,035.99      |
| GM759 - GEN-MPS-UNPLANNED-PLANT COMMON      | 495.87        |
| GM811 - MONTANA PANDEMIC READINESS          | 5,560.81      |
| GN007 - GEN-NEWM-FACILITY SERV BLKT         | 9,130.49      |
| GN184 - NW U4 GT2 INSTRUMENTATION UPGRADES  | 1,392.36      |
| GN185 - NW U4 GT1 INSTRUMENTATION UPGRADES  | 2,655.44      |
| GN700 - GEN-NEWMAN O&M BLANKET              | 274,394.88    |
| GN741 - GEN-NM-NON ROUT-BOILER (HRSG)       | 17,152.50     |

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PREPARER MYRNA A ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

| Row Labels                                  | Sum of Amount  |
|---|----------------|
| GN742 - GEN-NM-NON ROUT-BOILER SUPPORT AUX  | 8,715.53       |
| GN743 - GEN-NM-NON ROUT-ELEC AUXILIARIES    | 973.82         |
| GN744 - GEN-NM-NON ROUT-CONDENSATE SYSTEM   | 3,686.80       |
| GN745 - GEN-NM-NON ROUT-WATER/COOL TOWER    | 4,016.20       |
| GN746 - GEN-NM-NON ROUT-WATER PROCESSING    | 410.61         |
| GN747 - GEN-NM-NON ROUT-CONTROLS            | 9,800.41       |
| GN749 - GEN-NM-NON ROUT-PLANT COMMON        | 58,110.82      |
| GN811 - NEWMAN PANDEMIC READINESS           | 31,405.47      |
| GP750 - GEN-PALO VERDE O & M                | (3,601,714.47) |
| GR163 - RIO GRANDE RACETRACK DRIVE ENTRANCE | 1,620.74       |
| GR169 - RG U8 DRUM LEVEL UPGRADE            | (25.14)        |
| GR176 - RG U8 FEED WATER REGULATORS UPGRADE | 1,528.75       |
| GR177 - RG DCS CIP CYBER IMPRVMTS           | 43.66          |
| GR180 - UNIT 7 GENERATOR REWIND/HRDW REPLCM | 87.15          |
| GR700 - GEN-RG O&M BLANKET                  | 237,727.91     |
| GR753 - GEN-RG-UNPLAN OUT-ELEC AUXILIARIES  | 2,233.54       |
| GR757 - GEN-RG-UNPLAN OUT-CONTROLS          | 428.90         |
| GR760 - GEN-RG-MAJOR-TURB/GEN/EXCITER       | -              |
| GR811 - RIO GRANDE PANDEMIC READINESS       | 18,688.46      |
| GS123 - NMSU SOLAR PLUS STORAGE PROJECT     | (274.20)       |
| GS700 - SOLAR PRELIMINARY STUDIES           | 2,376.55       |
| GS703 - NM SOLAR PRELIMINARY STUDIES        | 16,371.18      |
| MN811 - METERING NM PANDEMIC READINESS      | 3,635.71       |
| MT811 - METERING TX PANDEMIC READINESS      | 6,758.71       |
| SC050 - OPERATIONAL TECH NETWORK CAP BLKT   | 247.40         |
| SC144 - High Speed Irradiance Stations      | 183.76         |
| SC146 - VERIFICATION & INTEG LAB BLNKT      | 9,668.86       |
| SC152 - BORDER STEEL COMMO UPGRADES         | 207.88         |
| SC800 - ADVANCED METERING                   | 77,011.48      |
| SD700 - LAND MANAGEMENT BLANKET             | 146,037.47     |
| SS105 - LIVE LINK SYSTEM BLANKET            | -              |
| SS190 - Security Operations Center          | 249.52         |
| SS224 - GENERATION OPERATIONS CMMS PROJECT  | 2,106.77       |
| SS228 - UNMANNED AIRCRAFT SYSTEMS PROJECT   | 8,458.91       |
| SS811 - SHARED SERV PANDEMIC READINESS      | 553,418.65     |
| TL126 - NEWMAN 115 KV BKR REPL&UPGRADE U/5  | -              |
| TL182 - AIRPORT 115KV RING BUS              | -              |
| TL247 - TXDOT TRANSMISSION LINE MODFCATIONS | 38.84          |
| TL269 - LUN-DIA LUN-AFT GROUNDS FLOATING    | 1,424.86       |
| TL298 - TXDOT STRC REPLC HWY 62 PHASE 2     | 160.05         |
| TS065 - RELAY UPGRADES TRANS SUBS BLANKET   | 344.08         |
| TS102 - EMS SYSTEM UPGRADE OR REPL          | 17,841.93      |
| TS151 - AMRAD SUBST SVC CONTROLLER REPLC    | -              |
| TT740 - DRONE PROGRAM                       | 3,611.66       |
| TT811 - TRANSMISSION PANDEMIC READINESS     | 19,887.18      |
| WR719 - 2019 NEW MEXICO RATE CASE           | 19,519.69      |
| WR720 - 2020 NM RATE CASE                   | 225,324.33     |
| XM701 - TX MGMT-TRAINING BLANKET            | 1,258.54       |
| Grand Total                                 | 40,594,598.27  |

EL PASO ELECTRIC COMPANY  
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 PREPARER MYRNA A ORTIZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP-A/A-3/B1  
 WP/ A-3  
 ADJUSTMENT NO 4  
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| Account                          | Project                      | Work Order                                       | Charge Cost Center             | Charge Expense Type | GL Journal Category     | Amount                            |
|----------------------------------|------------------------------|--|--------------------------------|---------------------|-------------------------|-----------------------------------|
| 926000 - EMPLOYEE PENSIONS & BEN | HS750 - CORP SERV-CORP COSTS | HS7500901610 - CORPORATE SER-EMPLOYEE SETTLEMENT | 9990 - 9990 ACCT - BENEFITS    | 250 - BENEFITS      | 6240-ACCRETION SP TERM  | 22,496.00 A                       |
| 926000 - EMPLOYEE PENSIONS & BEN | HS750 - CORP SERV-CORP COSTS | HS7500901610 - CORPORATE SER-EMPLOYEE SETTLEMENT | 8000 - 8000 OUTSIDE LEGAL COST | 199 - SETTLEMENTS   | 6036-CASH - SMALL RECPT | (162,951.40) A I A = (140,455.40) |
|                                  |                              |  |                                |                     |                         | (140,455.40)                      |

WP-A/A-3/B1  
 WP/ A-3  
 ADJUSTMENT NO 4  
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WP-A/A-3/B1  
WP/A-3  
ADJUSTMENT NO 4  
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| Account                          | Project                               | Work Order   | Charging Cost Center                      | Charging Expense Type |
|----------------------------------|---------------------------------------|--|---|-----------------------|
| 926000 - EMPLOYEE PENSIONS & BEN | AP700 - LABOR CLEARING PROJECT        | AP7000901000 - ACCTG-PAYROLL-LABOR CLEARING BLNK   | 9990 - 9990 ACCT - BENEFITS               | 250 - BENEFITS        |
| 926000 - EMPLOYEE PENSIONS & BEN | AP700 - LABOR CLEARING PROJECT        | AP7000901000 - ACCTG-PAYROLL-LABOR CLEARING BLNK   | 9990 - 9990 ACCT - BENEFITS               | 250 - BENEFITS        |
| 926000 - EMPLOYEE PENSIONS & BEN | AP701 - LABOR - CWIP CLEARING PROJECT | AP7010901000 - ACCTG-PAY CWIP-LABOR CLEARING BLNK  | 9990 - 9990 ACCT - BENEFITS               | 250 - BENEFITS        |
| 926000 - EMPLOYEE PENSIONS & BEN | AP751 - PAYRL DEDUCT CLEAR            | AP7510320290 - ACCTG PAYRL-FLEX SPEND CURRENT YEAR | 9990 - 9990 ACCT - BENEFITS               | 250 - BENEFITS        |
| 926000 - EMPLOYEE PENSIONS & BEN | AP751 - PAYRL DEDUCT CLEAR            | AP7510320290 - ACCTG PAYRL-FLEX SPEND CURRENT YEAR | 9990 - 9990 ACCT - BENEFITS               | 250 - BENEFITS        |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 1000 - 1000 CORPORATE MGMT                | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRLCORP BONUS BLANKET       | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 1000 - 1000 CORPORATE MGMT                | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRLCORP BONUS BLANKET       | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 1050 - 1050 FINANCIAL MGMT                | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 1050 - 1050 FINANCIAL MGMT                | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 1120 - 1120 OPERATIONS MGMT               | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 1120 - 1120 OPERATIONS MGMT               | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2111 - 2111 REGULATORY AFFAIRS AND RATES  | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2111 - 2111 REGULATORY AFFAIRS AND RATES  | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2122 - 2122 ENERGY EFFICIENCY UTILIZATION | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRLCORP BONUS BLANKET       | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2122 - 2122 ENERGY EFFICIENCY UTILIZATION | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRLCORP BONUS BLANKET       | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2201 - 2201 FINANCIAL SERVICES            | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2201 - 2201 FINANCIAL SERVICES            | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2202 - 2202 BUDGETS CONTROL               | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2202 - 2202 BUDGETS CONTROL               | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2206 - 2206 FINANCIAL FORECAST            | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2206 - 2206 FINANCIAL FORECAST            | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRLCORP BONUS BLANKET       | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2208 - 2208 INVESTOR RELATIONS            | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2208 - 2208 INVESTOR RELATIONS            | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2240 - 2240 REGULATORY MGMT               | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYRLCORP BONUS BLNK          | 2240 - 2240 REGULATORY MGMT               | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2241 - 2241 TEXAS AFFAIRS                 | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2241 - 2241 TEXAS AFFAIRS                 | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2242 - 2242 REGULATORY REPORTING          | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2242 - 2242 REGULATORY REPORTING          | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRLCORP BONUS BLANKET       | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2246 - 2246 REGULATORY SERVICES           | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRLCORP BONUS BLANKET       | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2246 - 2246 REGULATORY SERVICES           | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2250 - 2250 BUSINESS DEVELOPMENT MGMT     | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2250 - 2250 BUSINESS DEVELOPMENT MGMT     | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2265 - 2265 RENEWABLES AND EMERGENT TECH  | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2265 - 2265 RENEWABLES AND EMERGENT TECH  | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2270 - 2270 OFFICE OF PROJ MGMT           | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2270 - 2270 OFFICE OF PROJ MGMT           | 395 - PAYROLL BONUSES |
| 926000 - EMPLOYEE PENSIONS & BEN | AP753 - PAYRL CORP BONUS BLANKET      | AP7530901753 - ACCTG-PAYROLL-CORP BONUS BLNK       | 2305 - 2305 CASH MGMT                     | 395 -                 |

| GL Journal Category      | Amount          |
|--------------------------|-----------------|
| 5210-BEN CWIP PYRL RATIO | 30,493,815 28   |
| 5212-BENEFITS            | (30,493,815 28) |
| 5210-BEN CWIP PYRL RATIO | 9,835,039.15    |
| 6002-ARM-MISC            | (432 71)        |
| 6036-CASH - SMALL RECPT  | (314 04)        |
| 5208-OTHER PAYRL         | 428,479 58      |
| 6211-PY BONUS PAYMENT    | (428,479 58)    |
| 5208-OTHER PAYRL         | 44,806 80       |
| 6211-PY BONUS PAYMENT    | (44,806 80)     |
| 5208-OTHER PAYRL         | 51,408 02       |
| 6211-PY BONUS PAYMENT    | (51,408 02)     |
| 5208-OTHER PAYRL         | 79,566 24       |
| 6211-PY BONUS PAYMENT    | (79,566 24)     |
| 5208-OTHER PAYRL         | 53,732 68       |
| 6211-PY BONUS PAYMENT    | (53,732 68)     |
| 5208-OTHER PAYRL         | 57,950 63       |
| 6211-PY BONUS PAYMENT    | (57,950.63)     |
| 5208-OTHER PAYRL         | 64,198 61       |
| 6211-PY BONUS PAYMENT    | (64,198.61)     |
| 5208-OTHER PAYRL         | 58,728 09       |
| 6211-PY BONUS PAYMENT    | (58,728 09)     |
| 5208-OTHER PAYRL         | 26,825 21       |
| 6211-PY BONUS PAYMENT    | (26,825.21)     |
| 5208-OTHER PAYRL         | 147,120 00      |
| 6211-PY BONUS PAYMENT    | (147,120 00)    |
| 5208-OTHER PAYRL         | 131,012 93      |
| 6211-PY BONUS PAYMENT    | (131,012 93)    |
| 5208-OTHER PAYRL         | 56,527.60       |
| 6211-PY BONUS PAYMENT    | (56,527.60)     |
| 5208-OTHER PAYRL         | 45,892.19       |
| 6211-PY BONUS PAYMENT    | (45,892.19)     |
| 5208-OTHER PAYRL         | 124,000 00      |
| 6211-PY BONUS PAYMENT    | (124,000 00)    |
| 5208OTHER PAYRL          | 137,037 96      |
| 6211-PY BONUS PAYMENT    | (137,037 96)    |
| 5208-OTHER PAYRL         | 43,343 43       |
| 6211-PY BONUS PAYMENT    | (43,343.43)     |
| 5208-OTHER PAYRL         | 48,593 96       |
| 6211-PY BONUS PAYMENT    | (48,593 96)     |
| 5208-OTHER PAYRL         | 53,373 01       |
| 6211-PY BONUS PAYMENT    | (53,373 01)     |
| 5208-OTHER PAYRL         | 37,196 74       |
| 6211-PY BONUS PAYMENT    | (37,196.74)     |
| 5208-OTHER PAYRL         | 29,771 45       |
| 6211-PY BONUS PAYMENT    | (29,771 45)     |
| 5208-OTHER PAYRL         | 148,000 00      |
| 6211-PY BONUS PAYMENT    | (148,000 00)    |
| 5208-OTHER PAYRL         | 36,999.53       |
| 6211-PY BONUS PAYMENT    | (36,999 53)     |
| 5208-OTHER PAYRL         | 40,790.57       |
| 6211-PY BONUS PAYMENT    | (40,790 57)     |
| 5208-OTHER PAYRL         | 132,798.70      |
| 6211-PY BONUS PAYMENT    | (132,798.70)    |
| 5208-OTHER PAYRL         | 34,479 50       |
| 6211-PY BONUS PAYMENT    | (34,479 50)     |
| 5208-OTHER PAYRL         | 34,813 69       |
| 6211-PY BONUS PAYMENT    | (34,813 69)     |

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
EMPLOYEE PENSIONS AND BENEFITS  
SPONSOR: CYNTHIA S. PRIETO  
PREPARER: MYRNA A. ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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| Account                          | Product                       | Account Code                               | Chart of Accounts           | Chart of Accounts | Chart of Accounts     | Chart of Accounts |
|----------------------------------|-------------------------------|--|-----------------------------|-------------------|-----------------------|-------------------|
| 926000 - EMPLOYEE PENSIONS & BEN | AP780 - OTHER EMPLOY BENEFITS | AP7800990020 - ACCTG-PAY-OTHER BEN-VAC/PTO | 9990 - 9990 ACCT - BENEFITS | 250 - BENEFITS    | 6205-PJO ACCRUAL      | 1,965,188.98      |
| 926000 - EMPLOYEE PENSIONS & BEN | AP780 - OTHER EMPLOY BENEFITS | AP7800990020 - ACCTG-PAY-OTHER BEN-VAC/PTO | 9990 - 9990 ACCT - BENEFITS | 250 - BENEFITS    | 6102-ALLOC ADJUSTMENT | -                 |
|                                  |                               |  |                             |                   |                       | 1,965,188.98      |

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Estimated Pension/OPEB Cost for Fiscal Year 2021 provided by Willis Towers Watson

Willis Towers Watson

The information contained in this exhibit is incomplete without the supporting letter

El Paso Electric Company

Pension Plan Name

Disclosure for Fiscal Year Ending 31-Dec-20 under US GAAP

Reconciliation of Net Balances

A Reconciliation of Prior Service Cost/(Credit) Balances

|   |              |              |          |   |
|---|--------------|--------------|----------|---|
| 1 Net amount at prior fiscal year end   | (13,643,615) | (13,475,378) | (88,237) | 0 |
| 2 Amortization amount                   | 3,506,144    | 3,467,078    | 39,066   | 0 |
| 3 Plan amendments                       | 0            | 0            | 0        | 0 |
| 4 Effect of curtailments                | 0            | 0            | 0        | 0 |
| 5 Other events                          | 0            | 0            | 0        | 0 |
| 6 Net amount at current fiscal year end | (10,037,471) | (10,008,300) | (29,171) | 0 |

B Reconciliation of Net Loss/(Gain)

|   |             |             |             |           |
|---|-------------|-------------|-------------|-----------|
| 1 Net amount at prior fiscal year end   | 131,775,715 | 121,621,980 | 4,088,255   | 6,065,480 |
| 2 Amount recognized                     | (8,823,441) | (7,888,894) | (2,953,111) | (637,706) |
| 3 Experience loss/(gain)                | 7,022,854   | 2,862,989   | 967,055     | 3,192,630 |
| 4 Effect of curtailments                | 0           | 0           | 0           | 0         |
| 5 Effect of settlements                 | 0           | 0           | 0           | 0         |
| 6 Other events                          | 0           | 0           | 0           | 0         |
| 7 Net amount at current fiscal year end | 129,975,128 | 116,596,165 | 4,758,359   | 8,620,404 |

Summary and Comparison of Benefit Costs and Cash Flows

|  | 31-Dec-21    | 31-Dec-21    | 31-Dec-21 | 31-Dec-21 |
|--|--------------|--------------|-----------|-----------|
| A Total Benefit Cost                           |              |              |           |           |
| 1 Employer service cost                        | 12,442,532   | 12,158,445   | 284,087   | 0         |
| 2 Interest cost                                | 9,241,456    | 8,726,743    | 289,566   | 225,157   |
| 3 Expected return on plan assets               | (23,085,020) | (23,065,020) | 0         | 0         |
| 4 Subtotal                                     | (1,400,992)  | (1,190,832)  | 573,643   | 225,157   |
| 5 Net prior service cost/(credit) amortization | (3,456,248)  | (3,467,078)  | (28,171)  | 0         |
| 6 Net loss/(gain) amortization                 | 10,493,456   | 9,273,655    | 433,400   | 786,440   |
| 7 Subtotal                                     | 6,997,246    | 5,806,577    | 404,229   | 786,440   |
| 8 Net periodic benefit cost/(income)           | 5,586,251    | 3,666,742    | 977,872   | 1,011,637 |
| 9 Curtailment gain or loss                     | 0            | 0            | 0         | 0         |
| 10 Settlement gain or loss                     | 0            | 0            | 0         | 0         |
| 11 Special contract termination benefits       | 0            | 0            | 0         | 0         |
| 12 Total benefit cost                          | 5,586,251    | 3,666,742    | 977,872   | 1,011,637 |

Willis Towers Watson

The information contained in this exhibit is incomplete without the supporting letter

El Paso Electric Company

OPRR

Disclosure for Fiscal Year Ending 31-Dec-20 under US GAAP

US Dollars

Reconciliation of Net Balances

A Reconciliation of Prior Service Cost/(Credit) Balances

|   |              |
|---|--------------|
| 1 Net amount at prior fiscal year end   | (23,472,150) |
| 2 Amortization amount                   | 3,093,254    |
| 3 Plan amendments                       | 0            |
| 4 Effect of curtailments                | 0            |
| 5 Other events                          | 0            |
| 6 Net amount at current fiscal year end | (20,378,896) |

B Reconciliation of Net Loss/(Gain)

|   |              |
|---|--------------|
| 1 Net amount at prior fiscal year end   | (56,139,405) |
| 2 Amount recognized                     | 2,727,822    |
| 3 Experience loss/(gain)                | (19,143,592) |
| 4 Effect of curtailments                | 0            |
| 5 Effect of settlements                 | 0            |
| 6 Other events                          | 0            |
| 7 Net amount at current fiscal year end | (54,555,209) |

Summary and Comparison of Benefit Costs and Cash Flows

|  | 31-Dec-21   |
|--|-------------|
| A Total Benefit Cost                           |             |
| 1 Employer service cost                        | 3,165,476   |
| 2 Interest cost                                | 1,020,994   |
| 3 Expected return on plan assets               | (3,261,472) |
| 4 Subtotal                                     | 904,998     |
| 5 Net prior service cost/(credit) amortization | (5,093,254) |
| 6 Net loss/(gain) amortization                 | (2,726,351) |
| 7 Subtotal                                     | (6,815,585) |
| 8 Net periodic benefit cost/(income)           | (5,910,588) |
| 9 Curtailment gain or loss                     | 0           |
| 10 Settlement gain or loss                     | 0           |
| 11 Special contract termination benefits       | 0           |
| 12 Total benefit cost                          | (5,914,588) |

|                     |                   |
|---------------------|-------------------|
| 2021 Estimated NPBC | 2021 Service Cost |
| RIP 3,606,742       | 12,158,445        |
| Excess 977,872      | 284,087           |
| SERP 1,011,637      | -                 |
| OPEB (5,914,588)    | 3,165,476         |

Willis Towers Watson

The information contained in this exhibit is incomplete without the supporting letter

|   |            |
|---|------------|
| El Paso Electric Company                                  |            |
| OPEB  |            |
| Disclosure for Fiscal Year Ending 31-Dec-20 under US GAAP | in Dollars |

|   |              |
|---|--------------|
| <b>Reconciliation of Net Balances</b>                           |              |
| <b>A Reconciliation of Prior Service Cost/(Credit) Balances</b> |              |
| 1 Net amount at prior fiscal year end                           | (25,472,150) |
| 2 Amortization amount   | 3,093,284    |
| 3 Plan amendments   | 0            |
| 4 Effect of curtailments  | 0            |
| 5 Other events  | 0            |
| 6 Net amount at current fiscal year end                         | (20,378,866) |
| <b>B Reconciliation of Net Loss/(Gain)</b>                      |              |
| 1 Net amount at prior fiscal year end                           | (38,139,435) |
| 2 Amount recognized   | 2,727,822    |
| 3 Experience loss/(gain)  | (19,143,582) |
| 4 Effect of curtailments  | 0            |
| 5 Effect of settlements   | 0            |
| 6 Other events  | 0            |
| 7 Net amount at current fiscal year end                         | (54,555,209) |

|   |             |           |
|---|-------------|-----------|
| <b>Summary and Comparison of Benefit Costs and Cash Flows</b> |             | 31-Dec-21 |
| <b>A Total Benefit Cost</b>                                   |             |           |
| 1 Employer service cost                                       | 3,165,476   |           |
| 2 Interest cost   | 1,020,994   |           |
| 3 Expected return on plan assets                              | (3,281,473) |           |
| 4 Subtotal  | 904,997     |           |
| 5 Net prior service cost/(credit) amortization                | (3,093,284) |           |
| 6 Net loss/(gain) amortization                                | (3,726,331) |           |
| 7 Subtotal  | (5,814,588) |           |
| 8 Net periodic benefit cost/(income)                          | (5,514,588) |           |
| 9 Curtailment gain or loss                                    | 0           |           |
| 10 Settlement gain or loss                                    | 0           |           |
| 11 Special contract termination benefits                      | 0           |           |
| 12 Total benefit cost   | (5,514,588) |           |



EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
EMPLOYEE PENSIONS AND BENEFITS  
SPONSOR CYNTHIA S. PRIETO  
PREPARER MYRNA A. ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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Source: Schedule G-16 from RMS (Draft 03.04.21)

| EL PASO ELECTRIC COMPANY                     |           |  |                 |                |                        |                      |                       |                                |                               | SCHEDULE G-15            |
|--|-----------|--|-----------------|----------------|------------------------|----------------------|-----------------------|--------------------------------|-------------------------------|--------------------------|
| 2021 TEXAS RATE CASE FILING                  |           |  |                 |                |                        |                      |                       |                                |                               | PAGE 12 OF 12            |
| SCHEDULE G-15 MONTHLY O&M EXPENSE            |           |  |                 |                |                        |                      |                       |                                |                               |                          |
| SPONSOR JENNIFER I BORDEN / CYNTHIA S PRIETO |           |  |                 |                |                        |                      |                       |                                |                               |                          |
| PREPARER MYRNA A ORTIZ / MELODY BOISSELER    |           |  |                 |                |                        |                      |                       |                                |                               |                          |
| FOR THE TEST YEAR ENDED DECEMBER 31 2020     |           |  |                 |                |                        |                      |                       |                                |                               |                          |
| Line No                                      | FERC Acct | (a)<br>Description                     | (m)<br>December | (n)<br>Total   | (o)<br>Payroll Expense | (p)<br>Other Expense | (q)<br>Per Book Total | (r)<br>Non-Payroll Adjustments | (s)<br>Payroll Adjustment (B) | (t)<br>As Adjusted Total |
| <u>Administrative &amp; General Expense</u>  |           |  |                 |                |                        |                      |                       |                                |                               |                          |
| <u>Operation</u>                             |           |  |                 |                |                        |                      |                       |                                |                               |                          |
| 107  | 920000    | Administrative & General Salaries      | 2,836,144       | 31,939,633     | 31,939,633             | 0                    | 31,939,633            | 0                              | 0                             | 31,939,633               |
| 108  | 921000    | Office Supplies & Expenses             | 746,006         | 5,473,363      | 0                      | 5,473,363            | 5,473,363             | 0                              | 0                             | 5,473,363                |
| 109  | 923000    | Outside Services Employed              | 1,505,763       | 15,916,521     | 0                      | 15,916,521           | 15,916,521            | 0                              | 0                             | 15,916,521               |
| 110  | 924000    | Property Insurance                     | 427,783         | 4,852,276      | 0                      | 4,852,276            | 4,852,276             | 0                              | 0                             | 4,852,276                |
| 111  | 924000    | Property Insurance - PV                | 1,161,083       | 0              | 0                      | 0                    | 0                     | 0                              | 0                             | 0                        |
| 112  | 925000    | Injures & Damages                      | 211,468         | 3,644,212      | 0                      | 3,644,212            | 3,644,212             | 0                              | 0                             | 3,644,212                |
| 113  | 925000    | Injures & Damages - PV                 | (540,596)       | 0              | 0                      | 0                    | 0                     | 0                              | 0                             | 0                        |
| 114  | 926000    | Employee Pensions & Benefits           | 1,812,039       | 18,332,362     | 0                      | 18,332,362           | 18,332,362            | 0                              | 0                             | 18,332,362               |
| 115  | 926000    | Employee Pensions & Benefits - PV      | (3,658,101)     | 0              | 0                      | 0                    | 0                     | 0                              | 0                             | 0                        |
| 116  | 928000    | Regulatory Commission Expenses         | 2,063,656       | 13,218,765     | 0                      | 13,218,765           | 13,218,765            | 0                              | 0                             | 13,218,765               |
| 117  | 928000    | Regulatory Commission Expenses - PV    | (2,405,318)     | 0              | 0                      | 0                    | 0                     | 0                              | 0                             | 0                        |
| 118  | 930100    | General Advertising Expenses           | 582,255         | 1,693,142      | 0                      | 1,693,142            | 1,693,142             | 0                              | 0                             | 1,693,142                |
| 119  | 930200    | Miscellaneous General Expenses         | 14,439          | 3,015,826      | 0                      | 3,015,826            | 3,015,826             | 0                              | 0                             | 3,015,826                |
| 120  | 930200    | Miscellaneous General Expenses - PV    | (11,662,451)    | 427,467        | 0                      | 427,467              | 427,467               | 0                              | 0                             | 427,467                  |
| 121  | 931000    | Rents                                  | 36,490          | 406,234        | 0                      | 406,234              | 406,234               | 0                              | 0                             | 406,234                  |
| 122  |           | Total Operation                        | (7,069,339)     | 98,919,801     | 3,939,633              | 6,881,168            | 98,919,801            | 0                              | 0                             | 98,919,801               |
| 123  | 935000    | Maintenance of General Plant           | 488,041         | 9,520,823      | 230,131                | 2,900,692            | 9,520,823             | 0                              | 0                             | 9,520,823                |
| 124  |           | Total Administrative & General Expense | (6,580,397)     | 108,440,624    | 32,169,764             | 76,270,960           | 108,440,624           | 0                              | 0                             | 108,440,624              |
| 125  |           | Total Operation & Maintenance Expense  | 53,189,240      | \$ 528,631,061 | \$ 83,537,342          | \$ 444,789,546       | \$ 528,631,061        | \$ (0)                         | \$ 0                          | \$ 528,631,061           |

Totals per schedule G-15  
Employee Pensions & Benefits 18,332,362  
Employee Pensions & Benefits - PV 0

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EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 EMPLOYEE PENSIONS AND BENEFITS  
 SPONSOR CYNTHIA S. PRIETO  
 PREPARER MYRNA A. ORTIZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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Source: 2020 Compensation Cost Summary Report

858,940 Compensation for Performance Shares  
 (219,373) Less capitalized amount  
 639,567

| El Paso Electric Company<br>Restricted and Performance Stock<br>Summary of Compensation Cost for Prior Period<br>As of 12/31/2020 |                                    |                                    |  |                                    |                                    |                                    |                                    |
|---|------------------------------------|------------------------------------|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Category  | 2020-2020<br>Performance<br>Shares | 2020-2020<br>Performance<br>Shares |  | 2020-2020<br>Performance<br>Shares | 2020-2020<br>Performance<br>Shares | 2020-2020<br>Performance<br>Shares | 2020-2020<br>Performance<br>Shares |
| 4th Quarter-Current Year  |                                    | 123,727                            |  |                                    | 685,656                            |                                    |                                    |
| 3rd Quarter-Current Year  | 112,382                            | 323,659                            |  | 122,788                            | 639,925                            |                                    |                                    |
| 2nd Quarter-Current Year  | 373,280                            | (554,959)                          |  | 651,942                            | 225,029                            |                                    | (466,309)                          |
| 1st Quarter-Prior Year  | 373,278                            | 490,364                            |  | 658,161                            | 769,831                            |                                    | 36,425                             |
|   | 858,940                            | 582,791                            |  | 1,432,891                          | 2,320,031                          |                                    | (429,884)                          |
| Summary of Restricted and Performance Stock for 2020  | Grand Total                        | Rounded Expense                    |  |                                    |                                    |                                    |                                    |
| 4th Quarter-Current Year  |                                    | 0                                  |  |                                    |                                    |                                    |                                    |
| 3rd Quarter-Current Year  | 235,170                            | 200,000                            |  |                                    |                                    |                                    |                                    |
| 2nd Quarter-Current Year  | 1,025,222                          | 1,000,000                          |  |                                    |                                    |                                    |                                    |
| 1st Quarter-Prior Year  | 1,031,889                          | 1,000,000                          |  |                                    |                                    |                                    |                                    |
| Total 12 Months Ended   | 2,292,281                          | 2,200,000                          |  |                                    |                                    |                                    |                                    |
| Summary of Restricted and Performance Stock for 2019  | Grand Total                        | Rounded Expense                    |  |                                    |                                    |                                    |                                    |
| 4th Quarter-Current Year  | 1,009,383                          | 1,000,000                          |  |                                    |                                    |                                    |                                    |
| 3rd Quarter-Current Year  | 969,584                            | 1,000,000                          |  |                                    |                                    |                                    |                                    |
| 2nd Quarter-Current Year  | (796,239)                          | (800,000)                          |  |                                    |                                    |                                    |                                    |
| 1st Quarter-Prior Year  | 1,296,210                          | 1,300,000                          |  |                                    |                                    |                                    |                                    |
| Total 12 Months Ended   | 2,472,938                          | 2,500,000                          |  |                                    |                                    |                                    |                                    |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 EMPLOYEE PENSIONS AND BENEFITS  
 SPONSOR CYNTHIA S PRIETO  
 PREPARER MYRNA A ORTIZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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Queries for OPEB and Pension Benefits (SERVICE COSTS ONLY)

| CR Query Report<br>El Paso Electric   |            |                  |
|---|------------|------------------|
| Account   | Project    | Amount           |
| 526000 EMPLOYEE PENSIONS & BEN  | AP763 OPEB | (\$3,848,723.00) |
|   |            | (\$3,848,723.00) |
| <b>CRITERIA</b><br>Account = 526000<br>Amount Type = Actuals<br>Company in (Company 98 Rollup) (Structure 2)<br>GL Journal Category = 6236 OTHER PST RET BEN 106<br>Month Number B.e 2020X<br>Project = AP763 |            |                  |

(3,848,723)

| CR Query Report<br>El Paso Electric  |                |                |
|--|----------------|----------------|
| Account  | Project        | Amount         |
| 526000 EMPLOYEE PENSIONS & BEN   | AP761 PENSIONS | \$4,591,228.00 |
|  |                | \$4,591,228.00 |
| <b>CRITERIA</b><br>Account = 526000<br>Amount Type = Actuals<br>Company in (Company 98 Rollup) (Structure 2)<br>GL Journal Category = 6236 OTHER PST RET BEN 106<br>Month Number B.e 2020X |                |                |

4,591,228

| CR Query Report<br>El Paso Electric   |                           |              |
|---|---------------------------|--------------|
| Account   | Project                   | Amount       |
| 526000 EMPLOYEE PENSIONS & BEN  | AP765 EXCESS BENEFIT PLAN | \$900,686.00 |
|   |                           | \$900,686.00 |
| <b>CRITERIA</b><br>Account = 526000<br>Amount Type = Actuals<br>Company in (Company 98 Rollup) (Structure 2)<br>GL Journal Category = 6231 EXCESS BENEFIT PLAN<br>Month Number B.e 2020X<br>Project = AP765 |                           |              |

900,686

| CR Query Report<br>El Paso Electric  |            |                |
|--|------------|----------------|
| Account  | Project    | Amount         |
| 526000 EMPLOYEE PENSIONS & BEN   | AP764 SERP | \$1,041,445.00 |
|  |            | \$1,041,445.00 |
| <b>CRITERIA</b><br>Account = 526000<br>Amount Type = Actuals<br>Company in (Company 98 Rollup) (Structure 2)<br>GL Journal Category = 6248 SUP PMSN EXP SUP RET<br>Month Number B.e 2020X<br>Project = AP764 |            |                |

1,041,445

| Breakdown of OPEB and Pension       |              |          |           |             |              |
|-------------------------------------|--------------|----------|-----------|-------------|--------------|
|                                     | RIP          | Other    | SERP      | OPEB        | Total        |
| Service Cost                        | 11,517,230   | 277,327  | 2,477,806 | 14,472,363  | 14,472,363   |
| Interest Cost                       | 11,517,230   | 370,494  | 403,719   | 1,495,514   | 13,486,957   |
| Expected Return on Assets           | (22,977,561) |          |           | (2,495,371) | (25,472,932) |
| Amount of (Gain)/Loss               | 1,049,899    | 297,821  | 537,795   | (2,727,838) | 6,095,619    |
| Amount of Prior Service Credit Cost | (3,427,070)  | (32,065) |           | (1,073,254) | (4,492,389)  |
|                                     | 1,671,228    | 945,646  | 1,041,445 | (3,848,723) | 1,041,445    |
| Non-Servicing Cost Components       | (7,037,603)  | 627,529  | 1,041,445 | (6,476,529) | (11,795,158) |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 EMPLOYEE PENSIONS AND BENEFITS  
 SPONSOR: CYNTHIA S. PRIETO  
 PREPARER: MYRNA A. ORTIZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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El Paso Electric Company  
 Calculation of 401(k) Expenses

| Description  | Amount                |                              |
|--|-----------------------|------------------------------|
| Test year 401(k) expense   | \$ 5,302,570          | Gross 401(k)                 |
| Divided by: Test year gross payroll<br>including non-financial incentive<br>compensation | <u>\$ 123,977,778</u> | (Adj 3 p3, less Adj 3, pg 8) |
| 401(k) expense percent of payroll  | 4.277033%             |                              |
| Times: Requested gross payroll and non-<br>financial incentive compensation              | <u>\$ 115,346,201</u> | (Adj 3, p2, lines 10+13)     |
| Requested 401(k) expense   | \$ 4,933,394.64       |                              |
| Benefit O&M %  | <u>74.46%</u>         | (1 - cap rate)               |
|  | 3,673,406             |                              |
| Less: Test year expense  | <u>\$ 3,930,336</u>   |                              |
| Adjustment to 401(k) expense   | <u>(256,930)</u>      |                              |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 EMPLOYEE PENSIONS AND BENEFITS  
 SPONSOR: CYNTHIA S. PRIETO  
 PREPARER: MYRNA A. ORTIZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP-A/A-3/B1  
 WP/ A-3  
 ADJUSTMENT NO.4  
 PAGE 26 OF 26

**El Paso Electric Company**  
**Envision RX Quarterly Rebates**  
**Test Year Ended December 31, 2020**

| Period             | Actives    | Retirees*    | Total         |
|--------------------|------------|--------------|---------------|
| Prior to Test Year | 217,441.73 | \$ 17,104.10 | \$ 234,545.83 |
| During Test Year   | 517,100.68 | \$ 69,308.82 | \$ 586,409.50 |

**\*Amounts designated as rebates for Retirees were credited to the trust.**

|              | Total Rebate  | Actives    | Month Booked |
|--------------|---------------|------------|--------------|
| Q3'19 Rebate | \$ 122,921.66 | 114,423.78 | 202003       |
| Q4'19 Rebate | \$ 111,624.17 | 103,017.95 | 202002       |
| Q1'20 Rebate | \$ 299,485.90 | 266,489.34 | 202009       |
| Q2'20 Rebate | \$ 286,923.60 | 250,611.34 | 202012       |

\$217,441.73 relates to EnvisionRx rebates for Q3 2019-Q4 2019 recorded during 2020 for actives.

|   |                |
|---|----------------|
| Adj to medical expenses for current test year | 217,442        |
| Cap rate                                      | 25.54%         |
|   | <u>55,535</u>  |
| Net of cap                                    | <u>161,907</u> |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 DECOMMISSIONING EXPENSE  
 SPONSOR: LARRY J. HANCOCK  
 PREPARED BY: LARRY J. HANCOCK  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/ A-3  
 ADJUSTMENT NO. 5  
 PAGE 1 OF 2

| Line<br>No. | (a)<br>Description                                  | (b)<br>Amount  |
|-------------|---|----------------|
|             | Decommissioning Funding/Accretion<br>Account 411109 |                |
| 1           | Expense Amount, As Adjusted                         | \$ 138,102 (A) |
|             | Less:   |                |
| 2           | Amount Per Book                                     | 9,847,575      |
| 3           | Adjustment  | \$ (9,709,474) |
|             | Rio Grande, Newman, Copper and Montana              |                |
| 4           | Liability Accretion                                 | \$ 138,102     |
| 5           | Palo Verde NDT Funding                              | 0              |
| 6           | Total Expense, as Adjusted                          | \$ 138,102 (A) |

Justification for requested adjustment:

Accretion expense has been included for the natural gas-fired generation plants listed on line 4 above. No PV funding will be requested in this case.

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
DECOMMISSIONING EXPENSE  
SPONSOR: LARRY J. HANCOCK  
PREPARED BY: LARRY J. HANCOCK  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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ADJUSTMENT NO. 5  
PAGE 2 OF 2

| Operating Segment                  | Amount              |
|------------------------------------|---------------------|
| 151 - PALO VERDE - UNIT 1          | \$ 3,119,124        |
| 152 - PALO VERDE - UNIT 2          | 2,912,075           |
| 153 - PALO VERDE - UNIT 3          | 2,817,550           |
| 154 - PALO VERDE - COMMON          | 845,340             |
| 155 - PALO VERDE - WRF             | 15,384              |
| 120 - RIO GRANDE - COMMON          | 63,652              |
| 110 - NEWMAN - COMMON              | 46,785              |
| 180 - MONTANA PWR STATION - COMMON | 13,773              |
| 130 - COPPER                       | 9,559               |
| 900 - SERVCO                       | 4,332               |
|                                    | <u>\$ 9,847,575</u> |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 PALO VERDE ADJUSTMENT  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: ALEJANDRA MONTALVO  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WPIA-3  
 ADJUSTMENT NO. 6  
 PAGE 1 OF 4

| Line<br>No. | (a)<br>Description                               | (b)<br>Amount         |
|-------------|--|-----------------------|
|             | Palo Verde Adjustment<br>FERC Account No. 524000 |                       |
| 1           | Expense Amount, As Adjusted                      | \$ 42,512,917         |
|             | Less:  |                       |
| 2           | Amount Per Book                                  | <u>42,735,916 (A)</u> |
| 3           | Adjustment                                       | <u>\$ (222,999)</u>   |

Notes:  
 (A)

As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts, not an increase in costs incurred during the test year ended December 31, 2020.

Justification for Requested Adjustments:

This adjustment is necessary to remove the out of period amounts for the 2019 Palo Verde true-up recorded in the Test Year. Property Insurance and Injuries & Damage costs were adjusted to reflect current and budgeted premium costs provided by APS.



EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 PALO VERDE ADJUSTMENT  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: ALEJANDRA MONTALVO  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 6  
 PAGE 2 OF 4

| Line No. | (a)<br>FERC Account 524 - Miscellaneous Nuclear<br>Power Expense | (b)<br>2019 Out of<br>Period<br>Adjustment (A) | (c)<br>Insurance<br>Premium<br>Adjustment (B) | (d)<br>Total<br>Adjustments |
|----------|--|--|---|-----------------------------|
| 1        | Property Insurance Adj   | \$ -   | \$ 1,567,947                                  | \$ 1,567,947                |
| 2        | Injuries and Damages Adj   | 100,874  | (333,282)                                     | (232,408)                   |
| 3        | Employee Pensions & Benefits Adj                                 | 592,631  | -   | 592,631                     |
| 4        | Miscellaneous General Expense Adj                                | (2,151,169)                                    | -   | (2,151,169)                 |
| 5        | Total  | <u>\$ (1,457,664)</u>                          | <u>\$ 1,234,665</u>                           | <u>\$ (222,999)</u>         |

Notes:

(A) To remove the 2019 Palo Verde true-up recorded in the Test Year.

(B) To reflect insurance premiums as provided by APS based on current premiums or budget.

| PALO VERDE<br>2019 True-ups for A&G and Payroll Loads<br>Billed in May 2020<br>\$(,000) |                                |          |              |         | Added by Regulatory<br>Accounting      |             |
|---|--------------------------------|----------|--------------|---------|--|-------------|
| FERC Account  | Description                    | A&G      | Payroll Load | Total   | EPE portion<br>15.80%<br>Out-of-Period | Amounts     |
| 107   | Construction Work in Progress  | \$207    | (\$495)      | (\$289) |  |             |
| 120.1   | Nuclear Fuel in Process        | 18       | (41)         | (23)    |  |             |
| 186   | Miscellaneous Deferred Debits  |          | (11)         | (11)    |  |             |
| 232   | Liability                      |          | 0            | 0       |  |             |
| 408.1   | Taxes Other than Income Tax    |          | (1,218)      | (1,218) |  |             |
| 925   | Injuries and Damages           |          | (638)        | (638)   |  | (100,874)   |
| 926   | Employee Pension & Benefits    |          | (4,866)      | (4,866) |  | (768,877)   |
| 926 TO/ROA  | Employee Pension & Benefits    |          | 1,115        | 1,115   |  | 176,246     |
| 930.2   | Miscellaneous General Expenses | 13,615   | 0            | 13,615  |  | 2,151,169   |
| Net Adjustments   |                                | \$13,840 | (\$6,154)    | \$7,686 |  | \$1,457,664 |

Source: PV O&M contact at APS

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 PALO VERDE ADJUSTMENT  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: ALEJANDRA MONTALVO  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 6  
 PAGE 4 OF 4

| <b>Account 924000 Property Insurance</b>             |                |              |                     |
|--|----------------|--------------|---------------------|
| Current Premiums provided by APS:                    | % Owned by EPE | Total PVGS   | EPE Share           |
| NEIL Primary Property                                | 15.80%         | \$ 4,500,728 | \$ 711,115          |
| Excess Property & Decontamination                    | 15.80%         | 867,564      | 137,075             |
| NEIL Excess Non-Nuclear Property                     | 15.80%         | 236,663      | 37,392              |
| NEIL Outage  |                |              | 296,535             |
| Total EPE 2021 Actual Property Insurance Premium     |                |              | 1,182,117           |
| Less: Per Book adjusted for NEIL Refund 5-Yr Average |                |              | (385,830)           |
| <b>Acct 924000 Adjustment</b>                        |                |              | <b>\$ 1,567,947</b> |

| <b>Account 925000 Injuries and Damages Premiums</b> |                     |
|---|---------------------|
| 2021 APS Budget                                     | \$ 283,294          |
| Less: Per Book                                      | 616,576             |
| <b>Acct 925000 Adjustment</b>                       | <b>\$ (333,282)</b> |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 COVID-19 RELATED COSTS  
 SPONSOR: CYNTHIA S. PRIETO  
 PREPARER: MYRNA A. ORTIZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/ A-3  
 ADJUSTMENT NO. 7  
 PAGE 1 of 2

| Line<br>No. | (a)<br>Description                                  | (b)<br>Total<br>Amount |
|-------------|---|------------------------|
|             | COVID-19 Related Costs<br>Various FERC Account Nos. |                        |
| 1           | Expense Amount, As Adjusted                         | \$ -                   |
|             | Less:   |                        |
| 2           | Amount Per Book                                     | 3,987,723 (A)          |
| 3           | Expense Adjustment                                  | \$ (3,987,723) (B)     |

Note:

(A) Includes COVID-19 related costs only.

(B) Test Year Adjustments:

|        |                       |
|--------|-----------------------|
| 506000 | \$ (82,700)           |
| 524000 | (1,546,840)           |
| 549000 | (36,076)              |
| 556000 | (2,935)               |
| 566000 | (9,598)               |
| 586000 | (1,885)               |
| 588000 | (77,018)              |
| 903000 | (131,276)             |
| 904000 | (803,227)             |
| 921000 | (632,746)             |
| 923000 | (118,966)             |
| 926000 | (544,456)             |
|        | <u>\$ (3,987,723)</u> |

Justification for requested adjustment:

On March 26, 2020, the PUCT issued in Docket No 50664, an order authorizing electric utilities to record as regulatory assets, expenses resulting from the effects of COVID-19, including but not limited to, non-payment of qualified customer bills. Therefore, the Company is removing these test year costs from Cost of Service and requesting these amounts be recovered in a separate rider.

See the testimony of EPE witness Cynthia S. Prieto.

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

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
INTERNAL WORKPAPER - COSTS RELATED TO COVID-19 PANDEMIC  
SPONSOR CYNTHIA S PRIETO  
PREPARER MYRNA A. ORTIZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/ A-3  
ADJUSTMENT NO. 7  
PAGE 2 of 2

| Line No. | (a)<br>Account and Description                     | (b)<br>Palo Verde<br>Costs (1) | (c)<br>Operational<br>Support (2) | (d)<br>Safety (3)   | (e)<br>Customer<br>Support (4) | (f)<br>Medical Costs<br>(5) | (g)<br>Information<br>Technology (6) | (h)<br>Costs Savings<br>(7) | (i)<br>Bad Debt<br>Expense | (j)<br>Total        |
|----------|--|--------------------------------|-----------------------------------|---------------------|--------------------------------|-----------------------------|--------------------------------------|-----------------------------|----------------------------|---------------------|
| 1        | 506000 - MISC STEAM POWER EXP                      | \$ -                           | \$ 5,118                          | \$ 77,582           | \$ -                           | \$ -                        | \$ -                                 | \$ -                        | \$ -                       | \$ 82,700           |
| 2        | 524000 - MISC NUCLEAR POWER EXP                    | 1,546,840                      | -                                 | -                   | -                              | -                           | -                                    | -                           | -                          | 1,546,840           |
| 3        | 549000 - MISC OTHER POWER GEN EXP                  | -                              | 12,493                            | 23,583              | -                              | -                           | -                                    | -                           | -                          | 36,076              |
| 4        | 556000 - SYSTM CONTROL & LOAD DISP                 | -                              | -                                 | 2,935               | -                              | -                           | -                                    | -                           | -                          | 2,935               |
| 5        | 566000 - MISC TRANSMISSION EXP                     | -                              | 1,540                             | 8,058               | -                              | -                           | -                                    | -                           | -                          | 9,598               |
| 6        | 586000 - METER EXPENSES                            | -                              | -                                 | 1,885               | -                              | -                           | -                                    | -                           | -                          | 1,885               |
| 7        | 588000 - MISC DISTR EXPENSE                        | -                              | 15,863                            | 61,154              | -                              | -                           | -                                    | -                           | -                          | 77,018              |
| 8        | 903000 - CUST RECORDS & COLL EXP                   | -                              | 451                               | 11,863              | 111,957                        | -                           | 7,005                                | -                           | -                          | 131,276             |
| 9        | 904000 - UNCOLLECTIBLE ACCOUNTS                    | -                              | -                                 | -                   | -                              | -                           | -                                    | -                           | 803,227 (8)                | 803,227             |
| 10       | 921000 - OFFICE SUPPLIES & EXP                     | -                              | 235,356                           | 1,061,103           | 31,639                         | -                           | 73,375                               | (768,725)                   | -                          | 632,746             |
| 11       | 923000 - OUTSIDE SVS EMPLOYED                      | -                              | 66,078                            | 14,143              | -                              | -                           | 38,745                               | -                           | -                          | 118,966             |
| 12       | 926000 - EMPLOYEE PENSIONS & BEN                   | -                              | -                                 | -                   | -                              | 544,456                     | -                                    | -                           | -                          | 544,456             |
| 13       | COVID-19 related costs included in Cost of Service | 1,546,840                      | 336,900                           | 1,262,305           | 143,596                        | 544,456                     | 119,125                              | (768,725)                   | 803,227                    | 3,987,723           |
| 14       | 182399 - OTHER REGULATORY ASSETS                   | -                              | -                                 | -                   | -                              | -                           | -                                    | -                           | 3,213,020 (9)              | 3,213,020           |
| 15       | Total COVID-19 expenses                            | <u>\$ 1,546,840</u>            | <u>\$ 336,900</u>                 | <u>\$ 1,262,305</u> | <u>\$ 143,596</u>              | <u>\$ 544,456</u>           | <u>\$ 119,125</u>                    | <u>\$ (768,725)</u>         | <u>\$ 4,016,247</u>        | <u>\$ 7,200,743</u> |
| 16       | 450000 - FORFEITED DISCOUNTS                       |                                |                                   |                     |                                |                             |                                      |                             |                            | 944,710 (10)        |
| 17       | Total COVID-19 rider request                       |                                |                                   |                     |                                |                             |                                      |                             |                            | <u>\$ 8,145,453</u> |

Notes:

- (1) O&M charges from APS identified as COVID-19 related, including outside services and materials and supplies costs
- (2) Security, medical consulting, food and accommodations (i.e. beds, freezers, washers, dryers, televisions).
- (3) Personal protective equipment, janitorial services, disinfectants, etc
- (4) Mailings and notices related to COVID-19
- (5) Medical claims and testing costs for COVID-19 incurred between March 2020 and November 2020
- (6) Third party support, software (webex and cell service), computer peripherals (headsets, printers, cables), added due to COVID-19
- (7) Costs savings identified for office supplies and training and travel when comparing 2020 to 2019 costs
- (8) COVID-19 related bad debts charged to expense
- (9) COVID-19 related bad debts charged to regulatory assets.
- (10) Late payment fees not assessed to customers between March 2020 and October 2020 per PUCT orders.

WP/ A-3  
ADJUSTMENT NO. 7  
PAGE 2 of 2

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 OUTSIDE SERVICES EMPLOYED  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: MELODY BOISSELIER  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 8  
 PAGE 1 OF 1

| Line<br>No. | (a)<br>Description  | (b)<br>Amount     |
|-------------|---|-------------------|
|             | Outside Services Employed<br>FERC Account Nos.<br>923000 and 930200 |                   |
| 1           | Expense, As Adjusted  | \$ 19,390,455     |
|             | Less:   |                   |
| 2           | Expense Per Book  | <u>19,359,815</u> |
| 3           | Adjustment  | <u>\$ 30,640</u>  |

| Account | As Adjusted          | Per Books            | Adjustment       |
|---------|----------------------|----------------------|------------------|
| 923000  | 16,019,966           | 15,916,522           | 103,444 (A)      |
| 930200  | 3,370,490            | 3,443,294            | (72,804) (B)     |
|         | <u>\$ 19,390,455</u> | <u>\$ 19,359,815</u> | <u>\$ 30,640</u> |

Justification for Requested Adjustment

(A) Adjustment for fee increases of \$173,644 for internal auditors, partially offset by a decrease of \$70,200 for external auditors fees.

(B) Adjustment to remove New York Stock Exchange fees.

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
PROPERTY INSURANCE  
SPONSOR: JENNIFER I. BORDEN  
PREPARER: DENISE PEREZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 9  
PAGE 1 OF 2

| Line<br>No. | (a)<br>Description                            | (b)<br>Amount        |
|-------------|---|----------------------|
|             |   |                      |
|             | Property Insurance<br>FERC Account No. 924000 |                      |
| 1           | Expense Amount, As Adjusted                   | \$ 5,329,751         |
|             | Less:   |                      |
| 2           | Amount Per Book                               | <u>4,852,276</u> (A) |
| 3           | Adjustment                                    | <u>\$ 477,475</u>    |

(A) Includes Local Insurance only.

Justification for Requested Adjustment:

Property Insurance is restated to reflect current premiums for Insurance Policies.

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
PROPERTY INSURANCE  
SPONSOR: JENNIFER I. BORDEN  
PREPARER: DENISE PEREZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 9  
PAGE 2 OF 2

| (a)                                |  | (b)                 |
|------------------------------------|--|---------------------|
| Line<br>No.                        | Description  | Annual<br>Amount    |
| <u>Property Insurance Premiums</u> |  |                     |
| 1                                  | All Risk Property - Boiler & Machinery (04/01/20 - 04/01/21) | \$ 5,290,000        |
| 2                                  | Blanket Crime (07/1/20 - 07/1/21)                            | <u>39,751</u>       |
| 3                                  | Total Adjusted Property Insurance                            | <u>\$ 5,329,751</u> |



EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION AND MAINTENANCE EXPENSE  
INJURIES AND DAMAGES  
SPONSOR: JENNIFER I. BORDEN  
PREPARER: DENISE PEREZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 10  
PAGE 1 OF 3

| Line<br>No. | (a)<br>Description                              | (b)<br>Amount        |
|-------------|---|----------------------|
|             |   |                      |
|             | Injuries and Damages<br>FERC Account No. 925000 |                      |
| 1           | Expense Amount, As Adjusted                     | \$ 3,319,277         |
|             | Less:   |                      |
| 2           | Amount Per Book                                 | <u>3,644,212 (A)</u> |
| 3           | Adjustment                                      | <u>\$ (324,935)</u>  |

Note:  
(A) Includes Local Insurance only.

Justification for Requested Adjustment

Injuries and Damages Insurance is restated to reflect premiums for current Insurance Policies.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 INJURIES AND DAMAGES  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: DENISE PEREZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 10  
 PAGE 2 OF 3

| Line<br>No. | (a)<br>Description                                      | (b)<br>Annual<br>Amount    |
|-------------|---|----------------------------|
|             | <u>Liability Insurance Premiums</u>                     |                            |
| 1           | Employment Practices Liability (07/29/20 - 07/29/21)    | \$ 60,702                  |
| 2           | Excess Liability (06/01/20 - 06/01/21)                  | 2,080,613                  |
| 3           | D & O Liability (07/29/20 - 07/29/21)                   | 324,416                    |
| 4           | Pension Trust Liability (07/29/20 - 07/29/21)           | 20,009                     |
| 5           | Excess Pension Trust Liability (07/29/20 - 07/29/21)    | 70,000                     |
| 6           | Cyber Liability (05/01/20 - 5/01/21)                    | 95,690                     |
| 7           | Kidnap/Ransom & Extortion (12/1/20 - 12/1/21)           | 4,654                      |
| 8           | Foreign Package (02/09/20 - 02/09/21)                   | 3,500                      |
| 9           | Notary Errors & Ommi Bond (3/10/20 - 03/10/21)          | 616                        |
| 10          | Sub-Total Premiums                                      | <u>\$ 2,660,200</u>        |
| 11          | Workers' Compensation (06/01/20 - 06/01/21)             | 196,560                    |
| 12          | Operation and Maintenance Expense Ratio                 | <u>75.29%</u>              |
| 13          | Workers' Compensation Included in Expense               | <u>147,990</u>             |
| 14          | Total Premiums  | \$ 2,808,190               |
| 15          | Recurring Local Operations Expense (1/01/20 - 12/31/20) | <u>511,087</u>             |
| 16          | Total Adjusted Injuries and Damages Expense             | <u><u>\$ 3,319,277</u></u> |

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 INJURIES AND DAMAGES  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: DENISE PEREZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 10  
 PAGE 3 OF 3

| Line<br>No. | (a)<br>Description   | (b)<br>Total       |
|-------------|--|--------------------|
|             | Account 925000<br>Recurring Operating Expenses               |                    |
| 1           | Prepaid Insurance Dir & Officers                             | \$ (712,978)       |
| 2           | Prepaid Insurance Liability                                  | (2,269,641)        |
| 3           | Prepaid Workers Compensation                                 | (150,506)          |
| 4           | Total Test Year Expenses Reflected in Premiums               | <u>(3,133,125)</u> |
| 5           | Amount Per Books   | <u>3,644,212</u>   |
| 6           | Total Recurring Operating Expenses not reflected in premiums | <u>\$ 511,087</u>  |

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
AMORTIZATION OF REGULATORY ASSETS  
SPONSOR: JENNIFER I. BORDEN  
PREPARER: MELODY BOISSELIER  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WPIA-3  
ADJUSTMENT NO. 11  
PAGE 1 OF 1

|          | (a)  | (b) | (c) | (d)                 |
|----------|--|-----|-----|---------------------|
| Line No. | Description  |     |     | Amount              |
|          | Amortization of Regulatory Assets<br>FERC Accounts 407.3 |     |     |                     |
| 1        | Balance, As Adjusted                                     |     |     | \$ 5,020,299        |
|          | Less:  |     |     |                     |
| 2        | Amount Per Books   |     |     | <u>2,238,525</u>    |
| 3        | Adjustment   |     |     | <u>\$ 2,781,774</u> |

Justification for requested adjustment:

|   | Regulatory Asset Amortization  | Per Book            | Adjustment          | As Adjusted         |
|---|--------------------------------|---------------------|---------------------|---------------------|
| 4 | COVID-related Regulatory Asset | \$ -                | \$ 2,781,774        | \$ 2,781,774 (A)    |
| 5 | New Mexico Regulatory Assets   | 1,448,181           | -                   | 1,448,181 (B)       |
| 6 | Texas FC Decommissioning       | 790,344             | -                   | 790,344             |
| 7 | Total                          | <u>\$ 2,238,525</u> | <u>\$ 2,781,774</u> | <u>\$ 5,020,299</u> |

Notes:

- (A) To include one year of amortization of the COVID costs as discussed in EPE witness Prieto's testimony.
- (B) New Mexico Regulatory Asset amortization is direct assigned to New Mexico.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 RATE CASE AND OTHER REGULATORY EXPENSES  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: DENISE PEREZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 12  
 PAGE 1 OF 2

| Line<br>No. | (a)<br>Description                                      | (b)<br>Amount       |
|-------------|---|---------------------|
|             | Regulatory Commission Expense<br>FERC Account No 928000 |                     |
| 1           | Expense, As Adjusted                                    | \$ 3,111,445        |
|             | Less:   |                     |
| 2           | Amount Per Book   | 3,714,886 (A)       |
| 3           | Adjustment  | <u>\$ (603,441)</u> |

Note:

(A) This amount does not include Energy Efficiency costs:

|  |                   |
|--|-------------------|
| Rate Case and Other Regulatory Activities (page 2) | \$ 3,714,886      |
| Energy Efficiency                                  | 9,503,879         |
| Amount Per Book                                    | <u>13,218,765</u> |

Justification for Requested Adjustment

This adjustment represents the removal of costs recovered through a separate surcharge/rider, the inclusion of the estimated 2021 rate case expenses amortized over four years and the 2017 TX rate case expenses incurred after August 2017 per the Final Order in Case 46831, also amortized over four years. See Company Witness Schichtl's testimony for the proposed recovery of the current rate case expenses.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 RATE CASE AND OTHER REGULATORY EXPENSES  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: DENISE PEREZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 12  
 PAGE 2 OF 2

| EL PASO ELECTRIC COMPANY<br>2021 TEXAS RATE CASE FILING<br>SCHEDULE G-14 REGULATORY COMMISSION EXPENSES<br>SPONSOR: JENNIFER I. BORDEN<br>PREPARER: DENISE PEREZ<br>FOR THE TEST YEAR ENDED DECEMBER 31, 2020 |  |                  |                         |                           | SCHEDULE G-14<br>PAGE 1 OF 1 |
|---|--|------------------|-------------------------|---------------------------|------------------------------|
| COPY  |  |                  |                         |                           |                              |
| Line No.  | (a)<br>Description                                   | (b)<br>Docket No | (c)<br>Test Year Amount | (d)<br>Company Adjustment | (e)<br>Company Request       |
| 1   | FERC Audit 2019                                      | PA19-3-000       | \$ 79,594               | \$ -                      | \$ 79,594                    |
| 2   | 2019 NM Long Term Purchased Power Agreements         | 19-00348-UT      | 164,322                 |                           | 164,322 (F)                  |
| 3   | 2015 TX Rate Case Expense                            | 44941            | 369,120                 | (369,120) (B)             | 0                            |
| 4   | 2017 TX Rate Case Expense                            | 46831            | 1,130,196               | (1,130,196) (B)           | 0                            |
| 5   | Annual FERC Fees                                     | N/A              | 487,710                 |                           | 487,710                      |
| 6   | NM Newman 6 Certificate of Convenience and Necessity | 19-00349-UT      | 317,959                 |                           | 317,959 (F)                  |
| 7   | 2019 TX Fuel Reconciliation                          | 50058            | 344,535                 | (258,401) (C)             | 86,134                       |
| 8   | Regulatory Activity Texas                            | (A)              | 240,615                 |                           | 240,615                      |
| 9   | Regulatory Activity New Mexico                       | (A)              | 283,175                 |                           | 283,175 (F)                  |
| 10  | Regulatory Activity FERC                             | (A)              | 62,248                  |                           | 62,248 (F)                   |
| 11  | NM Renewable Procurement Plan Filing                 | 19-00099-UT      | 217,012                 |                           | 217,012 (F)                  |
| 12  | PCAOB Annual Fees                                    | N/A              | 18,400                  |                           | 18,400                       |
| 13  | 2017 TX Rate Case Expense-Post August 2017           | 46831            | 0                       | 95,513 (D)                | 95,513                       |
| 14  | 2021 TX Rate Case                                    |                  | 0                       | 1,058,763 (E)             | 1,058,763                    |
| 15  | Total  |                  | \$ 3,714,886            | \$ (603,441)              | \$ 3,111,445                 |

Notes.

(A) Regulatory activity consists of other general regulatory expenses not identifiable to any particular case

(B) Represents adjustments related to costs recovered through a separate surcharge/rider

(C) To remove three-fourths of the costs related to the 2019 Fuel Reconciliation.

(D) To include one-fourth of the 2017 TX rate case costs incurred after August 2017 per the Final Order in Case 46831.

(E) Represents one-fourth of the estimated rate case expenses presented in Schedule G-14 1

(F) These regulatory commission expenses will be direct assigned to Other and not included in the Texas revenue requirement request

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
OPERATION & MAINTENANCE EXPENSE  
MISCELLANEOUS GENERATION O&M  
SPONSOR: JENNIFER I. BORDEN  
PREPARER: DENISE PEREZ  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/ A-3  
ADJUSTMENT NO. 13  
PAGE 1 OF 2

| (a)         |   | (b)                |
|-------------|---|--------------------|
| Line<br>No. | Description   | Amount             |
|             | Rio Grande Unit 6 Generation O&M<br>Various FERC Account Nos. |                    |
| 1           | Expense Amount, As Adjusted                                   | \$ 0               |
|             | Less:   |                    |
| 2           | Amount Per Book   | 48,136             |
| 3           | Adjustment  | <u>\$ (48,136)</u> |

Justification for Requested Adjustments:

This adjustment removes O&M expenses related Rio Grande Unit 6

See the testimony of EPE witness Olsen.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION & MAINTENANCE EXPENSE  
 MISCELLANEOUS GENERATION O&M  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: DENISE PEREZ  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/ A-3  
 ADJUSTMENT NO. 13  
 PAGE 2 OF 2

| Line<br>No.                                | (a)<br>Account No. | (b)<br>Description                                | (c)<br>Per Book<br>Amount | (d)<br>Adjustment  | (e)<br>As Adjusted<br>Amount |
|--|--------------------|---|---------------------------|--------------------|------------------------------|
| <u>Rio Grande Unit 6 O&amp;M Costs (A)</u> |                    |   |                           |                    |                              |
| 1  | 512000             | Maintenance of Boiler Plant                       | \$ 109                    | \$ (109)           | \$ 0                         |
| 2  | 513000             | Maintenance of Electric Plant                     | 47,694                    | (47,694)           | 0                            |
| 3  | 514000             | Maintenance of Miscellaneous Steam Plant          | 333                       | (333)              | 0                            |
| 4  |                    | Total Miscellaneous Generation Expense Adjustment | <u>\$ 48,136</u>          | <u>\$ (48,136)</u> | <u>\$ 0</u>                  |

Notes.

(A) This adjustment eliminates Non-Payroll O&M expenses related to Rio Grande Unit 6.



EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
DEPRECIATION AND AMORTIZATION EXPENSE  
SPONSOR: LARRY J. HANCOCK  
PREPARER: LARRY J. HANCOCK  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 14  
PAGE 1 OF 3

| (a)         |  | (b)                  |
|-------------|--|----------------------|
| Line<br>No. | Description  | Amount               |
|             | Depreciation and Amortization<br>FERC Account Nos. 403000, 403100 & 404000 |                      |
| 1           | Adjusted Depreciation and Amortization Expense                             | \$ 126,643,814       |
|             | Less:  |                      |
| 2           | Amount Per Book  | 106,473,349          |
| 3           | Adjustment   | <u>\$ 20,170,465</u> |

Justification for requested adjustment:

This adjustment reflects the adjustments made to plant in service as shown in Adjustment No.1 and the application of the new depreciation rates, both discussed in EPE Witness Hancock's testimony. The depreciation and amortization expense adjustments are described on page 2.

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
DEPRECIATION AND AMORTIZATION EXPENSE  
SPONSOR: LARRY J. HANCOCK  
PREPARER: LARRY J. HANCOCK  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 14  
PAGE 2 OF 3

| Line No. | (a)<br>Description                | (b)<br>Per Book<br>Expense | (c)<br>Adjustments   | (d)<br>Adjusted<br>Expense |
|----------|-----------------------------------|----------------------------|----------------------|----------------------------|
| 1        | Production Plant                  | \$ 24,905,884              | \$ 10,220,675 (B)    | \$ 35,126,559              |
| 2        | Palo Verde Production Plant       | 29,402,205                 | (2,962,372) (C)      | 26,439,833                 |
| 3        | Asset Retirement Obligation       | (1,334,255)                | 1,317,164 (D)        | (17,091)                   |
| 4        | Transmission Plant                | 7,724,410                  | 1,705,185 (E)        | 9,429,595                  |
| 5        | Distribution Plant                | 24,641,929                 | 6,869,911 (F)        | 31,511,840                 |
| 6        | General Plant                     | 11,993,473                 | 4,017,898 (G)        | 16,011,371                 |
| 7        | Total Depreciation Expense        | <u>97,333,646</u>          | <u>21,168,461</u>    | <u>118,502,107</u>         |
| 8        | Amortization Expense              | <u>9,139,703</u>           | <u>(997,996) (H)</u> | <u>8,141,707</u>           |
| 9        | Total Depreciation & Amortization | <u>\$ 106,473,349 (A)</u>  | <u>\$ 20,170,465</u> | <u>\$ 126,643,814</u>      |

Notes:

- (A) FERC Accounts: 403000, 403100, 404000
- (B) To include \$10,547,071 related to new plant additions and new depreciation rates based on the 2019 GF Study, to remove \$(317,303) related to the Copper Turbine and \$(9,093) related to capitalized incentive compensation.
- (C) To restate PVGS depreciation expense by \$(2,962,372).
- (D) To remove ARO depreciation expense of \$1,317,164 related to PVGS.
- (E) To include \$1,722,531 related to new plant additions and new depreciation rates and to remove \$(17,346) related to capitalized incentive compensation.
- (F) To include \$6,982,092 related to new plant additions and new depreciation rates and to remove \$(112,181) related to capitalized incentive compensation.
- (G) To include \$1,957,245 adjustment to per book expense for transportation equipment, \$2,091,931 due to new rates and new plant additions for other general plant, and to remove \$(31,278) related to capitalized incentive compensation.
- (H) To exclude amortization expense related to capitalized incentive compensation of \$(39,647) and \$(958,349) related to the annualization of various software projects.

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
DEPRECIATION AND AMORTIZATION EXPENSE  
SPONSOR: LARRY J. HANCOCK  
PREPARER: LARRY J. HANCOCK  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 14  
PAGE 3 OF 3

|         | (a)                                       | (b)            | (c)            | (d)                       | (e)            | (f)                                | (g)                              | (h)  | (i)               | (j)            |
|---------|---|----------------|----------------|---------------------------|----------------|------------------------------------|----------------------------------|--|-------------------|----------------|
| Line No | Function                                  | Per Book       | PV Revaluation | New Rates/Plant Additions | Copper Turbine | Capitalized Incentive Compensation | Adjustments to Depreciable Plant | Adjustments to Intangible Plant Amortization | Total Adjustments | Adjusted       |
| 1       | Production                                | \$ 24,905,884  | \$ -           | \$ 10,547,071             | \$ (317,303)   | \$ (9,093)                         | \$ -                             | \$ -   | \$ 10,220,675     | \$ 35,126,559  |
| 2       | Palo Verde Production                     | 29,402,205     | (2,962,372)    | -                         | -              | -                                  | -                                | -  | (2,962,372)       | 26,439,833     |
| 3       | ARO                                       | (1,334,255)    | 1,317,164      | -                         | -              | -                                  | -                                | -  | 1,317,164         | (17,091)       |
| 4       | Transmission                              | 7,724,410      |                | 1,722,531                 | -              | (17,346)                           | -                                | -  | 1,705,185         | 9,429,595      |
| 5       | Distribution                              | 24,641,929     |                | 6,982,092                 | -              | (112,181)                          | -                                | -  | 6,869,911         | 31,511,840     |
| 6       | General                                   | 11,993,473     |                | 2,091,931                 | -              | (31,278)                           | 1,957,245                        | -  | 4,017,898         | 16,011,371     |
| 7       | Depreciation Expense                      | 97,333,646     | (1,645,208)    | 21,343,625                | (317,303)      | (169,897)                          | 1,957,245                        | -  | 21,168,461        | 118,502,107    |
| 8       | Amortization Expense                      | 9,139,703      |                |                           |                | (39,647)                           |                                  | (958,349)                                    | (997,996)         | 8,141,707      |
| 9       | Total Depreciation & Amortization Expense | \$ 106,473,349 | \$ (1,645,208) | \$ 21,343,625             | \$ (317,303)   | \$ (209,544)                       | \$ 1,957,245                     | \$ (958,349)                                 | \$ 20,170,465     | \$ 126,643,814 |

WP/A-3  
ADJUSTMENT NO. 14  
PAGE 3 OF 3

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
TAXES OTHER THAN INCOME TAXES  
PROPERTY TAXES  
SPONSOR: SEAN M. IHORN  
PREPARER: TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/ A-3  
ADJUSTMENT NO. 15  
PAGE 1 OF 2

| (a)         |   | (b)               |
|-------------|---|-------------------|
| Line<br>No. | Description                             | Amount            |
|             | Property Tax<br>FERC Account No. 408100 |                   |
| 1           | Expense Amount, As Adjusted             | \$ 29,105,002     |
|             | Less:                                   |                   |
| 2           | Amount Per Book                         | <u>28,273,987</u> |
| 3           | Adjustment                              | <u>\$ 831,015</u> |

Justification for requested adjustment:

Property taxes are annualized to reflect the most current plant balances.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 TAXES OTHER THAN INCOME TAXES  
 PROPERTY TAXES  
 SPONSOR: SEAN M. IHORN  
 PREPARER: TAMMY HENDERSON  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 15  
 PAGE 2 OF 2

| Line No.                        | (a)<br>Total Property Taxes<br>Summary | (b)<br>Net Plant Balances<br>January 1, 2020 | (c)<br>Property Taxes<br>Taxes Assessed | (d)<br>Effective<br>Tax Rate |
|---------------------------------|--|--|---|------------------------------|
| 1                               | Balances as of Jan. 1, 2020            | \$ 2,953,915,373 (A)                         | \$ 28,273,987 (B)                       | 0.95717%                     |
| 2                               | Net Plant Balances as of Dec. 31, 2020 |  |   | \$ 3,040,735,338 (C)         |
| 3                               | Requested Property Taxes               |  |   | <u>\$ 29,105,002</u>         |
| Test Year Ended<br>December 31, |  |  |   |                              |
|                                 | Property Taxes by State                | 2020 (D)                                     | Requested (E)                           | Adjustment                   |
| 4                               | Arizona                                | \$ 6,647,928                                 | \$ 6,843,320                            | \$ 195,392                   |
| 5                               | New Mexico                             | 3,907,431                                    | 4,022,276                               | 114,845                      |
| 6                               | Texas                                  | 17,718,628                                   | 18,239,406                              | 520,778                      |
| 7                               | Total                                  | <u>\$ 28,273,987</u>                         | <u>\$ 29,105,002</u>                    | <u>\$ 831,015</u>            |

Notes:

- (A) Net Plant Balance at January 1, 2020 from FERC Form 1, page 110, column (c) line 2.
- (B) Represents property taxes expensed related to Plant In Service balances and does not include property taxes which were capitalized to CWIP. Agrees to Schedule G-9, page 1, column (e), sum of lines 1, 2 and 3.
- (C) Agrees to Net Plant in Service balance at 9/30/16 as adjusted, excluding the adjustment for the revaluation of Palo Verde. Agrees to WP B-1/1, Adj No. 1 Plant in Service, page 3, column (j), line (8) less column (b), line (8); less WP B-1/1 Adj No.12 Accum Depr, page 3, column (k), line (10) less column (b), line (10).
- (D) Property tax balances for test year ended December 31, 2020 per Schedule G-9, page 1, column (e), lines 1 to 3.
- (E) As Requested property taxes allocated to states based on test year end balance ratio to total property taxes.

WP/A-3  
 ADJUSTMENT NO. 15  
 PAGE 2 OF 2

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 TAXES OTHER THAN INCOME TAXES  
 PAYROLL TAXES  
 SPONSOR: CYNTHIA S. PRIETO  
 PREPARER: TAMMY HENDERSON  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 16  
 PAGE 1 OF 3

| Line<br>No. | (a)<br>Description                       | (b)<br>Amount                |
|-------------|--|------------------------------|
|             | Payroll Taxes<br>FERC Account No. 408100 |                              |
| 1           | Expense Amount, As Adjusted              | \$ 5,122,464                 |
| 2           | Less:<br>Amount Per Book                 | <u>6,443,320</u>             |
| 3           | Adjustment for EPE Payroll Taxes         | (1,320,856)                  |
|             | PVGS Payroll Adjustment                  | 192,444 (A)                  |
| 4           | Total Adjustment for Payroll Taxes:      | <u><u>\$ (1,128,412)</u></u> |

Note:

Justification for requested adjustment:

Payroll taxes have been adjusted to reflect current salary and wage levels and 2021 maximum payroll subject to payroll taxes.

- (A) Adjustment to remove the out-of-period true-up for PVGS payroll taxes. See WP A-3, Adjustment No 6 for support for PVGS true-up adjustment.

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
TAXES OTHER THAN INCOME TAXES  
PAYROLL TAXES  
SPONSOR: CYNTHIA S. PRIETO  
PREPARER: TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 16  
PAGE 2 OF 3

|          | (a)   | (b)                   |
|----------|---|-----------------------|
| Line No. | Description   | Amount                |
| 1        | Number of Employees Earning Over \$142,800                              | 149                   |
| 2        | Total Salaries and Wages of above employees (including bonus)           | \$ 56,293,166         |
| 3        | Salaries and Wages Subject to OASDI Tax (A) (149 x \$142,800)           | (21,277,200)          |
| 4        | Tax Exempt Salaries and Wages   | <u>\$ 35,015,966</u>  |
| 5        | Total Gross Annualized Salaries & Wages                                 | \$ 115,346,201 (B)    |
| 6        | Tax Exempt Salaries and Wages   | (35,015,966)          |
| 7        | OASDI Taxable Salaries and Wages  | 80,330,235            |
| 8        | FICA Tax Rate for OASDI   | 6.20%                 |
| 9        | Annualized OASDI FICA Taxes   | <u>\$ 4,980,475</u>   |
| 10       | Total Gross Annualized Salaries & Wages                                 | \$ 115,346,201 (B)    |
| 11       | FICA Tax Rate for Medicare  | 1.45%                 |
| 12       | Annualized Medicare FICA Taxes  | <u>\$ 1,672,520</u>   |
| 13       | Total Annualized FICA Taxes (Line 9 + Line 12)                          | \$ 6,652,995          |
| 14       | O & M Expense Ratio including bonuses                                   | 74.95% (B)            |
| 15       | Adjusted Payroll Taxes charged to Operating Expense (Line 13 x Line 14) | <u>4,986,420</u>      |
| 16       | FUTA and SUTA expense for test year ended December 31, 2020             | 152,561               |
| 17       | Total Payroll for test year ended December 31, 2020                     | <u>129,349,905</u>    |
| 18       | FUTA/SUTA average tax rate  | 0.12%                 |
| 19       | Total Gross Annualized Salaries & Wages                                 | 115,346,201           |
| 20       | Annualized FUTA/SUTA Taxes  | <u>136,044</u>        |
| 21       | Adjusted Payroll Taxes charged to Operating Expense (Line 15 + Line 20) | 5,122,464             |
| 22       | Per Book Payroll Taxes  | 6,443,320 (C)         |
| 23       | Payroll Tax Adjustment for EPE  | <u>\$ (1,320,856)</u> |

(A) Old Age, Survivor & Disability Insurance

(B) Please refer to WP/ A-3, Adjustment No. 3 for calculation of the gross annualized salaries and wages and the O&M Expense Ratio.

(C ) Refer to Schedule G-9 for FICA, SUTA, and FUTA Totals.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 TAXES OTHER THAN INCOME TAXES  
 PAYROLL TAXES  
 SPONSOR: CYNTHIA S. PRIETO  
 PREPARER: TAMMY HENDERSON  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 16  
 PAGE 3 OF 3

### **2021 SOCIAL SECURITY CHANGES**

#### **Cost-of-Living Adjustment (COLA):**

Based on the increase in the Consumer Price Index (CPI-W) from the third quarter of 2019 through the third quarter of 2020, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 1.3 percent COLA for 2021. Other important 2021 Social Security information is as follows:

| <b>Tax Rate</b> | <b>2020</b> | <b>2021</b> |
|-----------------|-------------|-------------|
| Employee        | 7.65%       | 7.65%       |
| Self-Employed   | 15.30%      | 15.30%      |

**NOTE:** The 7.65% tax rate is the combined rate for Social Security and Medicare. The Social Security portion (OASDI) is 6.20% on earnings up to the applicable taxable maximum amount (see below). The Medicare portion (HI) is 1.45% on all earnings. Also, as of January 2013, individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9 percent in Medicare taxes. The tax rates shown above do not include the 0.9 percent.

|  | 2020                          | 2021                          |
|--|-------------------------------|-------------------------------|
| Maximum Taxable Earnings   |                               |                               |
| Social Security (OASDI only)   | \$137,700                     | \$142,800                     |
| Medicare (HI only)   | No Limit                      |                               |
| Quarter of Coverage  |                               |                               |
|  | \$1,410                       | \$1,470                       |
| Retirement Earnings Test Exempt Amounts  |                               |                               |
| Under full retirement age  | \$18,240/yr.<br>(\$1,520/mo.) | \$18,960/yr.<br>(\$1,580/mo.) |
| NOTE: One dollar in benefits will be withheld for every \$2 in earnings above the limit. |                               |                               |



EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
TAXES OTHER THAN INCOME TAXES  
REVENUE RELATED TAXES  
SPONSOR: SEAN M. IHORN  
PREPARER: TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
ADJUSTMENT NO. 17  
PAGE 1 OF 6

| Line<br>No. | (a)<br>Description  | (b)<br>Amount  |
|-------------|---|----------------|
|             | Texas Occupational and Street Rental (OSR)<br>FERC Account No. 408100 |                |
| 1           | Texas Annualized Operating Revenues                                   | \$ 630,169,716 |
| 2           | System Adjusted Rate  | (A) 0.03986451 |
| 3           | OSR Tax at Annualized Operating Revenues                              | 25,121,404     |
| 4           | Per Book Tax  | (B) 24,995,586 |
| 5           | Adjustment Under Current Rates  | \$ 125,818     |
| 6           | Requested Increase in Return  | \$ 40,061,227  |
| 7           | Requested Increase in Income Taxes                                    | 11,213,627     |
| 8           | Requested Increase Before Revenue Taxes                               | 51,274,854     |
| 9           | Revenue Adjustment Factor   | (C) 1.04926388 |
| 10          | Total Revenue Increase  | 53,800,852     |
| 11          | Effective Tax Rate - Texas OSR  | (D) 0.02999281 |
| 12          | Covid-19 Rate Adjustment  | 3,961          |
| 13          | Adjustment For Requested Revenues                                     | \$ 1,617,599   |

Notes:

- (A) See WP/A-3, Adj No. 17, page 6, line 20, column (e).
- (B) See Schedule G-9, line 14, column (f).
- (C) See WP/A-3, Adj No. 17, page 6, line 24, column (c).
- (D) See WP/A-3, Adj No. 17, page 6, line 21, column (e).

Justification for requested adjustment:

These adjustments are made to reflect the annualization of operating revenues and the Company's proposed cost of service.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 TAXES OTHER THAN INCOME TAXES  
 REVENUE RELATED TAXES  
 SPONSOR: SEAN M. IHORN  
 PREPARER: TAMMY HENDERSON  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 17  
 PAGE 2 OF 6

| Line<br>No. | (a)<br>Description  | (b)<br>Amount          |
|-------------|---|------------------------|
|             | <u>Texas Gross Receipts</u><br><u>FERC Account No. 408100</u> |                        |
| 1           | Texas Annualized Operating Revenues                           | \$ 630,169,716         |
| 2           | System Adjusted Rate  | (A) <u>0.015960833</u> |
| 3           | Adjusted Tax Under Current Rates                              | 10,058,034             |
| 4           | Per Book Tax  | (B) <u>10,007,659</u>  |
| 5           | Adjustment Under Current Rates                                | <u>\$ 50,375</u>       |
| 6           | Requested Increase in Return                                  | \$ 40,061,227          |
| 7           | Requested Increase in Income Taxes                            | <u>11,213,627</u>      |
| 8           | Requested Increase Before Revenue Taxes                       | 51,274,854             |
| 9           | Revenue Adjustment Factor                                     | (C) <u>1.04926388</u>  |
| 10          | Total Revenue Increase  | 53,800,852             |
| 11          | Effective Tax Rate - Texas Gross Receipts                     | (D) <u>0.01200843</u>  |
| 12          | Covid-19 Rate Adjustment                                      | 1,586                  |
| 13          | Adjustment For Requested Revenues                             | <u>\$ 647,650</u>      |

Notes:

- (A) See WP/A-3, Adj No. 17, page 6, line 20, column (d).
- (B) See Schedule G-9, line 13, column (f).
- (C) See WP/A-3, Adj No. 17, page 6, line 24, column (c).
- (D) See WP/A-3, Adj No. 17, page 6, line 21, column (d).

Justification for requested adjustment:

These adjustments are made to reflect the annualization of operating revenues and the Company's proposed cost of service.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 TAXES OTHER THAN INCOME TAXES  
 REVENUE RELATED TAXES  
 SPONSOR: SEAN M. IHORN  
 PREPARER: TAMMY HENDERSON  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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 ADJUSTMENT NO. 17  
 PAGE 3 OF 6

| Line<br>No. | (a)<br>Description   | (b)<br>Amount          |
|-------------|--|------------------------|
|             | <u>Texas Commission Assessment<br/>FERC Account No. 408100</u> |                        |
| 1           | Texas Annualized Operating Revenues                            | \$ 630,169,716         |
| 2           | System Adjusted Rate   | (A) <u>0.001576292</u> |
| 3           | Adjusted Tax Under Current Rates                               | 993,331                |
| 4           | Per Book Tax   | (B) <u>988,356</u>     |
| 5           | Adjustment Under Current Rates                                 | <u>\$ 4,975</u>        |
| 6           | Requested Increase in Return                                   | \$ 40,061,227          |
| 7           | Requested Increase in Income Taxes                             | <u>11,213,627</u>      |
| 8           | Requested Increase Before Revenue Taxes                        | 51,274,854             |
| 9           | Revenue Adjustment Factor                                      | (C) <u>1.04926388</u>  |
| 10          | Total Revenue Increase   | 53,800,852             |
| 11          | Effective Tax Rate - Texas Commission Assessment               | (D) <u>0.00118595</u>  |
|             | Covid-19 Rate Adjustment                                       | 157                    |
| 12          | Adjustment For Requested Revenues                              | <u>\$ 63,962</u>       |

Notes:

- (A) See WP/A-3, Adj No. 17, page 6, line 20, column (g).
- (B) See Schedule G-9, line 16, column (f).
- (C) See WP/A-3, Adj No. 17, page 6, line 24, column (c).
- (D) See WP/A-3, Adj No. 17, page 6, line 21, column (g).

Justification for requested adjustment:

These adjustments are made to reflect the annualization of operating revenues and the Company's proposed cost of service.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 TAXES OTHER THAN INCOME TAXES  
 REVENUE RELATED TAXES  
 SPONSOR: SEAN M. IHORN  
 PREPARER: TAMMY HENDERSON  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 17  
 PAGE 4 OF 6

|          | (a)   | (b)                   |
|----------|---|-----------------------|
| Line No. | Description   | Amount                |
|          | <u>New Mexico Occupational and Street Rental (NM OSR)</u><br><u>FERC Account No. 408100</u> |                       |
| 1        | New Mexico Annualized Operating Revenues  | \$ 173,635,344        |
| 2        | System Adjusted Rate  | (A) <u>0.00050369</u> |
| 3        | Adjusted Tax Under Current Rates  | 87,458                |
| 4        | Per Book Tax  | (B) <u>88,632</u>     |
| 5        | Adjustment Under Current Rates  | <u>\$ (1,174)</u>     |
| 6        | Requested Increase in Return  | \$ 40,061,227         |
| 7        | Requested Increase in Income Taxes  | <u>11,213,627</u>     |
| 8        | Requested Increase Before Revenue Taxes   | 51,274,854            |
| 9        | Revenue Adjustment Factor   | (C) <u>1.04926388</u> |
| 10       | Total Revenue Increase  | 53,800,852            |
| 11       | Effective tax rate - NM OSR   | (D) <u>0.00010635</u> |
| 12       | Covid-19 Rate Adjustment  | 14                    |
| 13       | Adjustment For Requested Revenues   | <u>\$ 5,736</u>       |

Notes:

- (A) See WP/A-3, Adj No. 17, page 6, line 20, column (f).  
 (B) See Schedule G-9, line 15, column (f).  
 (C) See WP/A-3, Adj No. 17, page 6, line 24, column (c).  
 (D) See WP/A-3, Adj No. 17, page 6, line 21, column (f).

Justification for requested adjustment:

These adjustments are made to reflect the annualization of operating revenues and the Company's proposed cost of service.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 TAXES OTHER THAN INCOME TAXES  
 REVENUE RELATED TAXES  
 SPONSOR: SEAN M. IHORN  
 PREPARER: TAMMY HENDERSON  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 17  
 PAGE 5 OF 6

| Line<br>No. | (a)<br>Description  | (b)<br>Amount  |
|-------------|---|----------------|
|             | New Mexico Commission Assessment<br>FERC Account No. 408100 |                |
| 1           | New Mexico Annualized Operating Revenues                    | \$ 173,635,344 |
| 2           | System Adjusted Rate  | (A) 0.00490745 |
| 3           | Adjusted Tax Under Current Rates                            | 852,107        |
| 4           | Per Book Tax  | (B) 888,139    |
| 5           | Adjustment Under Current Rates                              | \$ (36,032)    |
| 6           | Requested Increase in Return                                | \$ 40,061,227  |
| 7           | Requested Increase in Income Taxes                          | 11,213,627     |
| 8           | Requested Increase Before Revenue Taxes                     | 51,274,854     |
| 9           | Revenue Adjustment Factor                                   | (C) 1.04926388 |
| 10          | Total Revenue Increase                                      | 53,800,852     |
| 11          | Effective Tax Rate - NM Commission Assessment               | (D) 0.00106570 |
| 12          | Covid-19 Rate Adjustment                                    | 140            |
| 13          | Adjustment For Requested Revenues                           | \$ 57,476      |

Notes:

- (A) See WP/A-3, Adj No. 17, page 6, line 20, column (h).
- (B) See Schedule G-9, line 17, column (f).
- (C) See WP/A-3, Adj No. 17, page 6, line 24, column (c).
- (D) See WP/A-3, Adj No. 17, page 6, line 21, column (h).

Justification for requested adjustment:

These adjustments are made to reflect the annualization of operating revenues and the Company's proposed cost of service.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 TAXES OTHER THAN INCOME TAXES  
 REVENUE RELATED TAXES  
 SPONSOR SEAN M IHORN  
 PREPARER TAMMY HENDERSON  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO 17  
 PAGE 6 OF 6

| Line No  | REVENUE  | Per Book Revenue By Jurisdiction |              |              |               | Adj Revenue By Jurisdiction |             |             |                    |
|--|--|----------------------------------|--------------|--------------|---------------|-----------------------------|-------------|-------------|--------------------|
|  |  | TX                               | NM           | FERC/OTHER   | Total Company | TX                          | NM          | FERC/OTHER  | Total Company      |
| 1  | Base incl non-firm (440-445)                                 | 533,564,547                      | 127,307,164  |              | 660,871,711   | 537,922,392                 | 127,307,164 |             | 665,229,555        |
| 2  | Fuel (440-445)   | 81,322,716                       | 41,759,967   |              | 123,082,683   | 80,084,706                  | 34,417,529  |             | 114,502,235        |
| 3  | RGEC (447)   |                                  |              | 3,661,041    | 3,661,041     |                             |             | 3,606,932   | 3,606,932          |
| 4  | University Discount  |                                  |              |              | -             | (807,984)                   |             |             | (807,984)          |
| 5  | Forfeited Disc (450)   | 431,880                          |              |              | 431,880       | 1,276,178                   |             |             | 1,276,178          |
| 6  | Misc Serv Revs (451)   | 3,590,292                        | 1,293,457    | 1,100,558    | 5,984,307     | 3,590,292                   | 1,293,457   | 1,100,558   | 5,984,307          |
| 7  | Rent From Elect Prop (454)                                   | 2,309,138                        | 796,873      |              | 3,106,012     | 2,309,138                   | 796,873     |             | 3,106,012          |
| 8  | Energy Efficiency Riders (451 1)                             | 5,794,995                        | 4,809,442    |              | 10,604,437    | 5,794,995                   | 4,809,442   |             | 10,604,437         |
| 9  | Rate Case Surcharge (440-445)                                |                                  |              |              | -             |                             |             |             | -                  |
| 10   | Total Base Period Revenue                                    | 627,013,568                      | 175,966,903  | 4,761,599    | 807,742,071   | 630,169,716                 | 168,624,466 | 4,707,490   | 803,501,673        |
|  | Additional Revenues on which NMPRC taxes were paid           |                                  |              |              |               |                             |             |             |                    |
| 11   | Other Electric Revenues (456)                                | 957,119                          | 103,270      | 3,743        | 1,064,132     | 957,119                     | 103,270     | 3,743       | 1,064,132          |
| 12   | Transmission Revenues (456 1)                                | 19,509,898                       | 4,907,608    | 162,127      | 24,579,633    | 19,509,898                  | 4,907,608   | 162,127     | 24,579,633         |
| 13   | Base Period Revenues on which taxes were paid                | 647,480,586                      | 180,977,782  | 4,927,469    | 833,385,836   | 650,636,734                 | 173,635,344 | 4,873,360   | 829,145,438        |
| 14   | Sales For Resale (447)                                       | 65,727,609                       | 16,409,497   | 620,218      | 82,757,324    | 65,919,767                  | 16,203,305  | 634,252     | 82,757,324         |
| 15   | Retained Margins (447)                                       |                                  |              | 2,467,543    | 2,467,543     |                             |             | 2,467,543   | 2,467,543          |
| 16   | University Discount  |                                  |              |              | -             | 807,984                     |             |             | 807,984            |
| 17   | Rate Case Surcharge (440-445)                                |                                  |              |              | -             |                             |             |             | -                  |
| 18   | Total Revenue on which Revenue taxes were paid               | 713,208,195                      | 197,387,278  | 8,015,230    | 918,610,703   | 717,364,486                 | 189,838,649 | 7,975,155   | 915,178,289        |
|  |  |                                  |              |              |               |                             |             |             |                    |
| Texas Utility Gross Receipts Texas OSR NM OSR Texas PUC NM PUC Uncollectible |  |                                  |              |              |               |                             |             |             |                    |
| 19   | Test Year Tax Expense  | \$36,968,373                     | \$10,007,659 | \$24,995,586 | \$88,632      | \$988,356                   | \$888,139   | \$2,046,029 | Includes COVID adj |
| 20   | Tax Rate By Jurisdiction (Based on Per Book)                 |                                  | 0 015961     | 0 039865     | 0 000504      | 0 001576                    | 0 004907    | 0 002592    |                    |
| 21   | Revenue Related Expense To Per Book Total Co Revenue (Ln 13) | 0 044359                         | 0 012008     | 0 029993     | 0 000106      | 0 001186                    | 0 001066    |             |                    |
| 22   | Total Company Uncollectible Rate                             | 0 002592                         |              |              |               |                             |             |             |                    |
| 23   | Total Tax and Uncollectible Rate                             | 0 046951                         |              |              |               |                             |             |             |                    |
| 24   | Tax Adjustment factor (1 / (1- Rate) )                       | 1 049264                         |              |              |               |                             |             |             |                    |
|  |  |                                  |              |              |               |                             |             |             |                    |
| TX Ln 10 TX Ln 10 NM Ln 10 TX Ln 10 NM Ln 10 Total Lns 1 2 8 and 9           |  |                                  |              |              |               |                             |             |             |                    |
| 25   | Change in Revenue (Adjusted minus Per Book)                  | 3,156,148                        | 3,156,148    | (7,342,438)  | 3,156,148     | (7,342,438)                 | (4,222,603) |             |                    |
|  |  |                                  |              |              |               |                             |             |             |                    |
| Texas Utility Gross Receipts Texas OSR NM OSR Texas PUC NM PUC Uncollectible |  |                                  |              |              |               |                             |             |             |                    |
| 26   | Change in Revenue Related Fees                               | \$50,375                         | \$125,818    | (\$3,698)    | \$4,975       | (\$36,033)                  | (\$10,943)  |             |                    |
| 27   | Change in NOI Deficiency                                     | \$0                              | \$0          | \$0          | \$0           | \$0                         | \$0         |             |                    |
| 28   | L25 x L27  | \$0                              | \$0          | \$0          | \$0           | \$0                         | \$0         |             | \$0                |
|  | Current Adj Amounts  | \$0                              | \$0          | \$0          | \$0           | \$0                         | \$0         |             | \$0                |
|  | Difference   | \$0                              | \$0          | \$0          | \$0           | \$0                         | \$0         |             | \$0                |

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
STATE INCOME TAXES  
NEW MEXICO STATE INCOME TAX  
SPONSOR: SEAN M. IHORN  
PREPARER: TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WPIA-3  
ADJUSTMENT NO. 18  
PAGE 1 OF 2

| (a)         |  | (b)               |
|-------------|--|-------------------|
| Line<br>No. | Description  | Amount            |
|             | <u>New Mexico State Income Tax</u><br><u>FERC Account Nos. 409000, 410000 &amp; 411000</u> |                   |
| 1           | Expense at Annualized Present Rates  | \$ 1,657,328      |
|             | Less:  |                   |
| 2           | Amount Per Book  | <u>1,656,295</u>  |
| 3           | Adjustment   | <u>\$ 1,033</u>   |
| 4           | Expense at Requested Rates   | \$ 2,232,667      |
| 5           | Expense at Annualized Present Rates  | <u>1,657,328</u>  |
| 6           | Adjustment   | <u>\$ 575,339</u> |

Justification for requested adjustment:

This adjustment reflects the calculation of New Mexico Income Tax utilizing the return methodology as presented in Schedule G-7.8.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 STATE INCOME TAXES  
 ARIZONA STATE INCOME TAX  
 SPONSOR: SEAN M. IHORN  
 PREPARER: TAMMY HENDERSON  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 18  
 PAGE 2 OF 2

| Line<br>No. | (a)<br>Description  | (b)<br>Amount      |
|-------------|---|--------------------|
|             | Arizona State Income Tax<br>FERC Account Nos. 409100, 410000 & 411000 |                    |
| 1           | Expense at Annualized Present Rates                                   | \$ (235,027)       |
|             | Less:   |                    |
| 2           | Amount Per Book   | <u>(206,870)</u>   |
| 3           | Adjustment  | <u>\$ (28,157)</u> |
| 4           | Expense at Requested Rates  | \$ (153,655)       |
| 5           | Expense at Annualized Present Rates                                   | <u>(235,027)</u>   |
| 6           | Adjustment  | <u>\$ 81,372</u>   |

Justification for requested adjustment:

This adjustment reflects the calculation of Arizona Income Tax utilizing the return methodology as presented in Schedule G-7.8.



EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 TAXES OTHER THAN INCOME TAXES  
 TEXAS STATE MARGIN TAX  
 SPONSOR: SEAN M. IHORN  
 PREPARER: TAMMY HENDERSON  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 19  
 PAGE 1 OF 1

| Line<br>No. | (a)<br>Description  | (b)<br>Amount     |
|-------------|---|-------------------|
|             | Texas State Margin Tax<br>FERC Account Nos. 409100, 410000 & 411000 |                   |
| 1           | Expense at Annualized Present Rates                                 | \$ 1,974,320      |
|             | Less:   |                   |
| 2           | Amount Per Book   | <u>1,287,306</u>  |
| 3           | Adjustment  | <u>\$ 687,014</u> |
| 4           | Expense at Requested Rates  | \$ 2,426,592      |
| 5           | Expense at Annualized Present Rates                                 | <u>1,974,320</u>  |
| 6           | Adjustment  | <u>\$ 452,272</u> |

Justification for requested adjustment:

This adjustment reflects the calculation of Texas State Income Tax as a function of return as presented in Schedule G-7 8.

EL PASO ELECTRIC COMPANY  
2021 TEXAS RATE CASE FILING  
FEDERAL INCOME TAXES  
SPONSOR: SEAN M. IHORN  
PREPARER: TAMMY HENDERSON  
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WPI/A-3  
ADJUSTMENT NO. 20  
PAGE 1 OF 1

| Line<br>No. | (a)<br>Description   | (b)<br>Amount         |
|-------------|--|-----------------------|
|             | Federal Income Taxes<br><u>FERC Account Nos. 409100, 410000 &amp; 411000</u> |                       |
| 1           | Expense at Annualized Present Rates  | \$ 20,467,479         |
|             | Less:  |                       |
| 2           | Amount Per Book  | <u>23,561,655</u>     |
| 3           | Adjustment   | <u>\$ (3,094,176)</u> |
| 4           | Expense at Requested Rates   | \$ 30,572,124         |
| 5           | Expense at Annualized Present Rates  | <u>20,467,479</u>     |
| 6           | Adjustment   | <u>\$ 10,104,645</u>  |

Justification for requested adjustment:

This adjustment reflects the calculation of Federal Income Tax utilizing the return methodology as presented in Schedule G-7.8.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 MISCELLANEOUS GENERAL EXPENSES  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: ALEJANDRA MONTALVO  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 21  
 PAGE 1 OF 4

| Line<br>No. | (a)<br>Description  | (b)<br>Amount        |
|-------------|---|----------------------|
|             | Miscellaneous General Expenses<br>FERC Account No. 930200 |                      |
| 1           | Expense Amount, As Adjusted                               | \$ 2,913,607         |
|             | Less:   |                      |
| 2           | Amount Per Book   | <u>3,015,825</u> (A) |
| 3           | Adjustment  | <u>\$ (102,218)</u>  |

Note:  
 (A)

| Per Book Amount                                    |                  |
|--|------------------|
| Excluding Palo Verde Project costs:                |                  |
| Total FERC Account No. 930200 (Refer to Sch. G-15) | \$ 3,443,293     |
| Palo Verde (Refer to Sch. G-15)                    | <u>(427,468)</u> |
| Per Book excluding Palo Verde                      | <u>3,015,825</u> |

Justification for Requested Adjustment

To include annual debt commitment fees for the revolving credit facility in test year costs, and annualize Board of Directors' Fees.

Palo Verde Miscellaneous General Expenses are adjusted in Schedule A-3, Adjustment No. 6

See the testimony of Company Witness Lisa Budtke.

EL PASO ELECTRIC COMPANY  
 2021 TEXAS RATE CASE FILING  
 OPERATION AND MAINTENANCE EXPENSE  
 MISCELLANEOUS GENERAL EXPENSES  
 SPONSOR: JENNIFER I. BORDEN  
 PREPARER: ALEJANDRA MONTALVO  
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

WP/A-3  
 ADJUSTMENT NO. 21  
 PAGE 2 OF 4

| Line<br>No. | (a)<br>Account No. | (b)<br>Description                                | (c)<br>Amount              |
|-------------|--------------------|---|----------------------------|
|             |                    | <u>Board of Directors Fees</u>                    |                            |
| 1           | 930200             | Annualization of Board of Directors' Compensation | <u>\$ (673,429)</u>        |
|             |                    | <u>Revolving Credit Facility Commitment Fees</u>  |                            |
| 2           | 930200             | Revolving Credit Facility Commitment Fees         | <u>\$ 571,211</u>          |
| 3           |                    | Total Miscellaneous General Expenses Adjustment   | <u><u>\$ (102,218)</u></u> |