

SECTION 8.11. *Appointment of MUFG as Successor Administrative Agent.*

(a) As of the Effective Date, the Lenders, constituting the Required Lenders, irrevocably designate and appoint MUFG as successor Administrative Agent, and MUFG hereby accepts such appointment, pursuant to this Article VIII, to serve as successor Administrative Agent for all purposes of this Agreement and the other Loan Documents and to take such actions, perform such duties and exercise such powers as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto and in each case subject to all of the rights, protections, immunities and indemnities provided to the Administrative under each such agreement.

(b) The Borrowers hereby consent to the appointment made under Section 8.11(a).

(c) As of the Effective Date, all notices, requests, instructions, directions and other communications to be delivered to the Administrative Agent under this Agreement and the other Loan Documents shall be given or made to MUFG as successor Administrative Agent pursuant to the terms of Section 10.01 of this Agreement.

SECTION 8.12. *Assignment and Assumption.* (a) As of the Effective Date, JPMorgan hereby assigns and transfers to the Successor Administrative Agent, and the Successor Administrative Agent hereby assumes, all of the rights, remedies, duties and other obligations of the Administrative Agent under this Agreement and the other Loan Documents, without recourse, representation or warranty other than the power to make such assignment. As of the Effective Date, JPMorgan is discharged from its duties and obligations as Administrative Agent under the Loan Documents.

(b) The parties to this Agreement acknowledge and agree that, on and after the Effective Date, (i) the Successor Administrative Agent shall have all of the rights, benefits, protections, privileges, immunities, indemnities and obligations of the Administrative Agent under this Agreement and the other Loan Documents, but shall have no responsibility, obligation or liability in connection with any act or omission of the Resigning Agent and (ii) JPMorgan shall have no responsibility, obligation or liability in connection with any act or omission of the Successor Administrative Agent.

(c) From and after the Effective Date, each reference in this Agreement and the other Loan Documents to "Administrative Agent" shall in each case mean and be a reference to MUFG, acting in such capacity.

(d) Each of the Borrowers, JPMorgan and the other parties to this Agreement agrees to execute all documents that are necessary or as MUFG may from time to time reasonably request to evidence its appointment as the Successor Administrative Agent.

(e) Each Borrower reaffirms and acknowledges its obligations to the Successor Administrative Agent with respect to this Agreement and all other Loan Documents and that the delivery of any agreements, instruments or any other document and any other actions taken or to be taken shall be to the reasonable satisfaction of the Successor Administrative Agent

notwithstanding whether any of the foregoing was or were previously satisfactory to the Resigning Agent.

SECTION 8.13. *Certain ERISA Matters.* (a) Each Lender (x) represents and warrants, as of the date such person became a Lender party hereto, to, and (y) covenants, from the date such person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding paragraph (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding paragraph (a), such Lender further (x) represents and warrants, as of the date such person became a Lender party hereto, to, and (y) covenants, from the date such person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party,

that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

ARTICLE IX

Guarantee

As a result of the arrangements contemplated by the Trust Agreement and the Purchase Contract for the financing by the Trustee of Nuclear Fuel, El Paso acknowledges that it will derive substantial benefit from the commitments of the Lenders to make Loans to the Trustee and the commitment of each Issuing Bank to issue Letters of Credit for the account of the Trustee. To induce the Lenders to make the Loans and the Issuing Banks to issue Letters of Credit and to enter into this Agreement, El Paso agrees with each Lender, each Issuing Bank, the Syndication Agent and the Administrative Agent (each such person, together with its successors and assigns, a "***Guaranteed Party***") as follows:

SECTION 9.01. *Guarantee.* El Paso unconditionally and irrevocably guarantees, as a primary obligor and not merely as a surety, (a) the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans made to the Trustee, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) each payment required to be made by the Trustee under this Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide Cash Collateral and (iii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Trustee to the Guaranteed Parties under this Agreement and the other Loan Documents and (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Trustee under or pursuant to this Agreement and the other Loan Documents (all the monetary and other obligations referred to in the preceding clauses (a) and (b) being collectively called the "***Trust Obligations***"). El Paso further agrees that the Trust Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Trust Obligation.

SECTION 9.02. *Obligations Not Waived.* To the fullest extent permitted by applicable law, El Paso waives presentment to, demand of payment from and protest to the Trustee of any of the Trust Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. To the fullest extent permitted by applicable law, the obligations of El Paso hereunder shall not be affected by (a) the failure of the Administrative Agent or any other Guaranteed Party to assert any claim or demand or to enforce or exercise any right or remedy against the Trustee, (b) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of this Agreement, any other Loan Document, any Guarantee or any

other agreement, including with respect to any other guarantor of the Trust Obligations or (c) any release or substitution of any one or more endorsers, other guarantors or other obligors of all or any portion of the Trust Obligations.

SECTION 9.03. *Guarantee of Payment.* El Paso further agrees that its guarantee constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any other Guaranteed Party to any of the security held for payment of the Trust Obligations or to any balance of any deposit account or credit on the books of the Administrative Agent or any other Guaranteed Party in favor of the Trustee or any other person.

SECTION 9.04. *No Discharge or Diminishment of Guarantee.* The guarantee obligations of El Paso hereunder are continuing and irrevocable and shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the payment in full in cash of the Trust Obligations), including any claim of waiver, release, surrender, alteration or compromise of any of the Trust Obligations, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Trust Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of El Paso hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or any other Guaranteed Party to assert any claim or demand or to enforce any remedy under this Agreement, any other Loan Document or any other agreement, by any waiver or modification of any provision of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Trust Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of El Paso or that would otherwise operate as a discharge of El Paso as a matter of law or equity (other than the payment in full in cash of all the Trust Obligations).

SECTION 9.05. *Defenses of the Trustee Waived.* To the fullest extent permitted by applicable law, El Paso waives any defense based on or arising out of any defense of the Trustee or the unenforceability of the Trust Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Trustee, other than the payment in full in cash of the Trust Obligations. The Administrative Agent and the other Guaranteed Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Trust Obligations, make any other accommodation with the Trustee or any other guarantor or exercise any other right or remedy available to them against the Trustee or any other guarantor, without affecting or impairing in any way the liability of El Paso hereunder except to the extent the Trust Obligations have been fully, finally paid in cash. To the fullest extent permitted by applicable law, El Paso waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of El Paso against the Trustee or any other guarantor, as the case may be, or any security.

SECTION 9.06. *Agreement to Pay; Subrogation.* In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent or any other Guaranteed Party has at law or in equity against El Paso by virtue hereof, upon the failure of the Trustee to pay any Trust Obligation when and as the same shall become due, whether at maturity,

by acceleration, after notice of prepayment or otherwise, El Paso hereby promises to and will forthwith pay, or cause to be paid, to the Administrative Agent or such other Guaranteed Party as designated thereby in cash the amount of such unpaid Trust Obligations. Upon payment by El Paso of any sums to the Administrative Agent or any Guaranteed Party as provided above, all rights of El Paso against the Trustee arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior payment in full in cash of all the Trust Obligations. In addition, any indebtedness of the Trustee now or hereafter held by El Paso is hereby subordinated in right of payment to the prior payment in full of the Trust Obligations. If any amount shall erroneously be paid to El Paso on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of the Trustee, such amount shall be held in trust for the benefit of the Guaranteed Parties and shall forthwith be paid to the Administrative Agent to be credited against the payment of the Trust Obligations, whether matured or unmatured, in accordance with the terms of the Loan Documents.

SECTION 9.07. *Information.* El Paso assumes all responsibility for being and keeping itself informed of the Trustee's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Trust Obligations and the nature, scope and extent of the risks that El Paso assumes and incurs hereunder, and agrees that none of the Administrative Agent or the other Guaranteed Parties will have any duty to advise El Paso of information known to it or any of them regarding such circumstances or risks.

SECTION 9.08. *Termination.* The guarantee made hereunder (a) shall terminate when all the Trust Obligations have been indefeasibly paid in full in cash and the Lenders have no further commitment to lend to the Trustee under this Agreement, the Trustee L/C Exposure has been reduced to zero and the Issuing Banks have no further obligation to issue Letters of Credit under this Agreement and (b) shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Trust Obligation is rescinded or must otherwise be restored by any Guaranteed Party or El Paso upon the bankruptcy or reorganization of the Trustee, El Paso or otherwise.

ARTICLE X

Miscellaneous

SECTION 10.01. *Notices.* (a) *Notices Generally.* Except as provided in paragraph (b) below, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows:

(i) if to El Paso, to El Paso Electric Company, Stanton Tower, 100 N. Stanton, El Paso, Texas 79901, Attention of: General Counsel (Telecopier No. (915) 521-4729);

(ii) if to the Trustee, to The Bank of New York Mellon Trust Company, N.A., 601 Travis Street, The Chase Center AIM 775-1800, Houston, Texas 77002, Attention of: Corporate Trust Administration (Telecopier No. (713) 483-6954), with a copy to El Paso

Electric Company, Stanton Tower, 100 N. Stanton, El Paso, Texas 79901, Attention of: General Counsel (Telecopier No. (915) 521-4729);

(iii) if to the Administrative Agent, to MUFG Union Bank, N.A., 1221 Avenue of the Americas, 6th Floor, New York, New York 10020-1001, Attention: Lawrence Blat (Telecopier No.: (212) 782-4934; Email: Agencydesk@us.sc.mufg.jp / cld.sf@unionbank.com); and

(iv) if to a Lender or an Issuing Bank, to it at its address (or telecopier number) set forth on Schedule 2.01, in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto (or in its Administrative Questionnaire, as the case may be) or, in the case of an Augmenting Lender, in the documentation executed by such Augmenting Lender pursuant to Section 2.21(a).

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below shall be effective as provided in said paragraph (b). Notwithstanding the foregoing, notices to the Trustee shall not be deemed to have been given until actually received by the Trustee at its address set forth above.

(b) *Electronic Communications.* Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender or any Issuing Bank pursuant to Article II if such Lender or such Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or either Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) *Change of Address, Etc.* Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

SECTION 10.02. *Survival of Agreement.* All covenants, agreements, representations and warranties made by each Borrower herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and the Issuing Banks and shall survive the making by the Lenders of the Loans and the issuance of Letters of Credit by the Issuing Banks, regardless of any investigation made by the Lenders or the Issuing Banks or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding (for which sufficient Cash Collateral has not been deposited with the Administrative Agent) and so long as the Commitments have not been terminated. The provisions of Sections 2.12 (except as expressly limited therein), 2.14, 2.18 and 10.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the expiration of any Letter of Credit, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, any Lender or any Issuing Bank.

SECTION 10.03. *Binding Effect.* This Agreement shall become effective when it shall have been executed by the Borrowers and the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto.

SECTION 10.04. *Successors and Assigns.* (a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of each Borrower, the Administrative Agent, the Issuing Banks or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more assignees (other than (x) any Borrower, (y) any Affiliate or Subsidiary of El Paso and (z) any Defaulting Lender or any of its subsidiaries, or any person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a subsidiary thereof) all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); *provided, however*, that (i) except in the case of an assignment to a Lender or an Affiliate of a Lender, (x) El Paso must give its prior written consent to such assignment (which consent shall not be unreasonably withheld), *provided*, that El Paso shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within seven (7) Business Days after having received written notice thereof, and (y) the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 (or, if less, the entire remaining amount of such Lender's Commitment), *provided further* that during the continuation of an Event of

Default, the consent of El Paso shall not be required for such assignment, (ii) all assignments shall require the prior written consent of the Administrative Agent and each Issuing Bank (which consents shall not be unreasonably withheld), (iii) each such assignment shall be of a constant, and not a varying, percentage of all the assigning Lender's rights and obligations under this Agreement, (iv) the parties to each such assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500, and (v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Upon acceptance and recording pursuant to paragraph (e) of this Section 10.04, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five Business Days after the execution thereof, (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.12 (except as expressly limited therein), 2.14, 2.18 and 10.05, as well as to any Fees accrued for its account and not yet paid); *provided*, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Commitment, and the outstanding balance of its Loans, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Acceptance, (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of the Borrowers or the performance or observance by either Borrower of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 3.05 or delivered pursuant to Section 5.04 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are

reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) Notwithstanding Section 2.04, the Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive and the Borrowers, the Administrative Agent, the Issuing Banks and the Lenders may treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by each Borrower, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above and, if required, the written consent of each Borrower, each Issuing Bank and the Administrative Agent to such assignment, the Administrative Agent shall (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Lenders and the Issuing Banks. No assignment shall be effective unless it has been recorded in the Register as provided in this paragraph (e).

(f) Each Lender may without the consent of the Borrowers, the Issuing Banks or the Administrative Agent sell participation interests to one or more banks or other entities (other than (x) any Borrower, (y) any Affiliate or Subsidiary of El Paso and (z) any Defaulting Lender or any of its subsidiaries, or any person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a subsidiary thereof) in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); *provided, however*, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the benefit of the cost protection provisions contained in Sections 2.12, 2.14 and 2.18 (subject to the requirements and limitations therein, including the requirements under Section 2.18(f) (it being understood that the documentation required under Section 2.18(f) shall be delivered to the participating Lender)) to the same extent as if they were Lenders, *provided, however*, that the holder of a participation agrees to be subject to the provisions of Sections 2.15, 2.16, 2.17, 2.18(g) and 2.19 as if it were an assignee and the right of each holder of a participation to receive payment under Sections 2.12, 2.14 and 2.18 shall be limited to the lesser of (a) the amounts actually incurred by such holder for which payment is provided under said sections and (b) the amounts that would have been payable under said sections by the applicable Borrower to the Lender granting the participation to such holder had such participation not been granted, (iv) the Borrowers, the Administrative Agent, the Issuing Banks and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender

shall retain the sole right to enforce the obligations of the Borrowers relating to the Loans or L/C Disbursements and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable hereunder or the amount of principal of or the rate at which interest is payable on the Loans, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans or increasing or extending the Commitments) and (v) without the prior written consent of the Administrative Agent, no participation shall be sold to a prospective participant that bears a relationship to either Borrower described in Section 108(e)(4) of the Code. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain at one of its offices in the United States a register on which it enters the name and address of each of its participants and the principal amounts (and stated interest) of each such participant's interest in the Loans or other obligations under this Agreement and the other Loan Documents (the "**Participant Register**"). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(g) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 10.04, disclose to the assignee or participant or proposed assignee or participant any information relating to the Borrowers furnished to such Lender by or on behalf of the Borrowers; *provided* that, prior to any such disclosure of information designated by the Borrowers as confidential, each such assignee or participant or proposed assignee or participant shall execute an agreement whereby such assignee or participant shall agree (subject to customary exceptions) to preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 10.16.

(h) Any Lender may at any time assign all or any portion of its rights under this Agreement to a Federal Reserve Bank to secure extensions of credit by such Federal Reserve Bank to such Lender; *provided* that no such assignment shall release a Lender from any of its obligations hereunder or substitute any such Bank for such Lender as a party hereto. In order to facilitate such an assignment to a Federal Reserve Bank, each Borrower shall, at the request of the assigning Lender, duly execute and deliver to the assigning Lender a promissory note or notes evidencing the Loans made to such Borrower by the assigning Lender hereunder.

(i) Subject to Section 6.05(f) in the case of the Trustee, neither Borrower shall assign or delegate any of its rights or duties hereunder without the prior written consent of the Administrative Agent, each Issuing Bank and each Lender, and any attempted assignment without such consent shall be null and void. This Section 10.04(i) shall not limit the ability of the Trustee to resign or be removed as Trustee under the Trust Agreement pursuant to Section 8.1 thereof, *provided*, that the successor Trustee shall promptly deliver, or cause to be delivered, to the Administrative Agent true and complete copies of all instruments and other agreements executed and delivered by the predecessor Trustee and/or the successor trustee pursuant to Section 8.3 of the Trust Agreement in connection with any such resignation or removal.

(j) In the event that S&P, Moody's and Thompson's BankWatch (or InsuranceWatch Ratings Service, in the case of Lenders that are insurance companies (or Best's

Insurance Reports, if such insurance company is not rated by Insurance Watch Ratings Service)) shall, after the date that any Lender becomes a Lender, downgrade the long-term certificate of deposit ratings of such Lender, and the resulting ratings shall be below BBB-, Baa3 and C (or BB, in the case of a Lender that is an insurance company (or B, in the case of an insurance company not rated by InsuranceWatch Ratings Service)), respectively, then each Issuing Bank shall have the right, but not the obligation, at its own expense, upon notice to such Lender and the Administrative Agent, to replace (or to request the Borrowers to use their reasonable efforts to replace) such Lender with an assignee (in accordance with and subject to the restrictions contained in paragraph (b) above), and such Lender hereby agrees to transfer and assign without recourse (in accordance with and subject to the restrictions contained in paragraph (b) above) all its interests, rights and obligations in respect of its Commitment to such assignee; *provided, however*, that (i) no such assignment shall conflict with any law, rule and regulation or order of any Governmental Authority and (ii) such Issuing Bank or such assignee, as the case may be, shall pay to such Lender in immediately available funds on the date of such assignment the principal of and interest accrued to the date of payment on the Loans made by such Lender hereunder and all other amounts accrued for such Lender's account or owed to it hereunder.

(k) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to such assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrowers and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, each Issuing Bank and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

SECTION 10.05. *Expenses; Indemnity.* (a) Each Borrower jointly and severally agrees to promptly pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Syndication Agent and each Issuing Bank in connection with the syndication of the credit facilities provided for herein and the preparation and administration of this Agreement and the other Loan Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated) or incurred by the Administrative Agent, the Syndication Agent, any Lender or any Issuing Bank in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made or Letters of Credit issued hereunder, including the reasonable and documented fees, charges and disbursements of (i) Hughes Hubbard & Reed LLP, counsel for the Administrative Agent and the Syndication Agent, (ii) one local counsel to the Administrative

Agent per material jurisdiction deemed necessary by the Administrative Agent and (iii) if necessary, one special counsel to the Administrative Agent per regulatory regime, and, in connection with any such enforcement or protection, the reasonable and documented fees, charges and disbursements of any other counsel for the Administrative Agent, the Syndication Agent, any Lender or any Issuing Bank.

(b) Each Borrower jointly and severally agrees to indemnify the Administrative Agent, the Syndication Agent, each Lender and each Issuing Bank, each Affiliate of any of the foregoing persons and each of their respective directors, officers, employees and agents (each such person being called an “*Indemnatee*”) against, and to hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable and documented counsel fees, charges and disbursements, incurred by or asserted against any Indemnatee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions and the other transactions contemplated thereby, (ii) the use of the proceeds of the Loans or issuance of Letters of Credit, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnatee is a party thereto, (iv) any actual or alleged presence or Release of Hazardous Materials on any property owned or operated by either Borrower or any Subsidiary, or any Environmental Claim related in any way to either Borrower or any Subsidiary or (v) any strict liability or liability without fault or other liability of an owner or vendor relating in any way to the Nuclear Fuel, whether arising out of statute, judicial decision or otherwise; *provided* that such indemnity shall not, as to any Indemnatee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by the final and non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnatee.

(c) The provisions of this Section 10.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the expiration of any Letter of Credit, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, any Lender or any Issuing Bank. All amounts due under this Section 10.05 shall be payable on written demand therefor.

(d) To the extent permitted by applicable law, the Borrowers shall not assert, and hereby waive, any claim against any Indemnatee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

SECTION 10.06. *Right of Setoff.* If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the extent not prohibited by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final; *provided*, that in the case of the Trustee, such deposits shall be limited to deposits included in the Trust Estate) at any time held and other indebtedness at any

time owing by such Lender to or for the credit or the account of either Borrower against any of and all the Obligations now or hereafter existing under this Agreement and the other Loan Documents held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured; *provided, further*, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.24 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Banks, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender under this Section 10.06 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 10.07. *Applicable Law.* THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN LETTERS OF CREDIT) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH LETTER OF CREDIT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OR RULES DESIGNATED IN SUCH LETTER OF CREDIT, OR IF NO SUCH LAWS OR RULES ARE DESIGNATED, THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS MOST RECENTLY PUBLISHED AND IN EFFECT, ON THE DATE SUCH LETTER OF CREDIT WAS ISSUED, BY THE INTERNATIONAL CHAMBER OF COMMERCE (THE “UNIFORM CUSTOMS”) AND, AS TO MATTERS NOT GOVERNED BY THE UNIFORM CUSTOMS, THE LAWS OF THE STATE OF NEW YORK.

SECTION 10.08. *Waivers; Amendment.* (a) No failure or delay of the Administrative Agent, any Lender or any Issuing Bank in exercising any power or right hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by either Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Borrowers in any case shall entitle either Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders, except as otherwise expressly provided in the definition of “LIBO Rate” set forth in Section 1.01; *provided, however*, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment

date or date for the payment of any interest on any Loan or any date for reimbursement of an L/C Disbursement, or waive or excuse any such payment or any part thereof, or decrease the rate of interest on any Loan or L/C Disbursement, without the prior written consent of each Lender directly and adversely affected thereby, (ii) increase or extend the Commitment of any Lender without the prior written consent of such Lender, (iii) decrease the Commitment Fees or L/C Participation Fees of any Lender, or extend the date of payment of such fees, without the prior written consent of such Lender, (iv) amend or modify the pro rata sharing requirements of Section 2.15 without the prior written consent of each Lender (it being understood and agreed that "amend and extend" transactions which provide for different interest rates and fees for extending Lenders shall only require the consent of the extending Lenders and the Required Lenders), (v) amend or modify the provisions of this Section 10.08 or Section 10.04(i) or the definition of the term "Required Lenders" without the prior written consent of each Lender, or (vi) release El Paso from its guarantee hereunder or release any Subsidiary from any guarantee of the El Paso Obligations, without the prior written consent of each Lender; *provided further, however*, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Syndication Agent or any Issuing Bank hereunder or under any other Loan Document without the prior written consent of the Administrative Agent, the Syndication Agent or such Issuing Bank, respectively.

(c) Notwithstanding anything herein to the contrary, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent that by its terms requires the consent of all the Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended, or the maturity of any of its Loans may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any amendment, waiver or consent requiring the consent of all the Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders shall require the consent of such Defaulting Lender.

SECTION 10.09. *Interest Rate Limitation.* Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan or L/C Disbursement, together with all fees, charges and other amounts which are treated as interest on such Loan or L/C Disbursement under applicable law (collectively the "***Charges***"), shall exceed the maximum lawful rate (the "***Maximum Rate***") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan or the applicable Issuing Bank in accordance with applicable law, the rate of interest payable in respect of such Loan or L/C Disbursement hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or L/C Disbursement but were not payable as a result of the operation of this Section 10.09 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or L/C Disbursements or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender; *provided that* at any time Texas law shall establish the Maximum Rate, the Maximum Rate shall be the "weekly

ceiling” (formerly known as the indicated (weekly) rate ceiling in Article 1.04, Subtitle 1, Title 79, of the Revised Civil Statutes of Texas, as amended) described in and computed in accordance with Chapter 303 of the Texas Finance Code, as amended; *provided further* that, to the extent permitted by such Article, the Administrative Agent may from time to time by notice to each Borrower revise the election of such interest rate ceiling as such ceiling affects then current or future balances of the Loans.

SECTION 10.10. *Entire Agreement.* THIS AGREEMENT, THE FEE LETTER AND THE OTHER LOAN DOCUMENTS CONSTITUTE THE ENTIRE CONTRACT BETWEEN THE PARTIES RELATIVE TO THE SUBJECT MATTER HEREOF. ANY OTHER PREVIOUS AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF IS SUPERSEDED BY THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS. NOTHING IN THIS AGREEMENT OR IN THE OTHER LOAN DOCUMENTS, EXPRESSED OR IMPLIED, IS INTENDED TO CONFER UPON ANY PARTY OTHER THAN THE PARTIES HERETO AND THERETO ANY RIGHTS, REMEDIES, OBLIGATIONS OR LIABILITIES UNDER OR BY REASON OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.

SECTION 10.11. *WAIVER OF JURY TRIAL.* EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.11.

SECTION 10.12. *Severability.* In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions. Without limiting the foregoing provisions of this Section, if and to the extent that the enforceability of any provision of this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent or any Issuing Bank, as applicable, then such provision shall be deemed to be in effect only to the extent not so limited.

SECTION 10.13. *Counterparts.* This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 10.03. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission (including, without limitation, by Adobe portable document format file (also known as a “PDF” file)) shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 10.14. *Headings.* Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 10.15. *Jurisdiction; Consent to Service of Process.* (a) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against either Borrower or its respective properties in the courts of any jurisdiction.

(b) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement (other than the Trustee) irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.16. *Confidentiality.* The Administrative Agent, each Issuing Bank and each of the Lenders agrees to keep confidential (and to use its best efforts to cause its respective agents and representatives to keep confidential) the Information (as defined below) and all copies thereof, extracts therefrom and analyses or other materials based thereon, except that the Administrative Agent, any Issuing Bank or any Lender shall be permitted to disclose Information (a) to such of its respective officers, directors, employees, agents, affiliates and representatives as need to know such Information, (b) to the extent requested by any regulatory

authority, (c) to the extent otherwise required by applicable laws and regulations or by any subpoena or similar legal process, (d) in connection with any suit, action or proceeding relating to the enforcement of its rights hereunder or under the other Loan Documents, (e) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 10.16 or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrowers, or (f) to the extent permitted by Section 10.04(g). For the purposes of this Section 10.16, "**Information**" shall mean all financial statements, certificates, reports, agreements and information (including all analyses, compilations and studies prepared by the Administrative Agent, any Issuing Bank or any Lender based on any of the foregoing) that are received from the Borrowers and related to the Borrowers, any shareholder of El Paso or any employee, customer or supplier of either Borrower, other than any of the foregoing that were available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to its disclosure thereto by either Borrower, and which are in the case of Information provided after January 14, 2014, clearly identified at the time of delivery as confidential. The provisions of this Section 10.16 shall remain operative and in full force and effect until the third anniversary of the date of termination of this Agreement.

SECTION 10.17. *Texas Revolving Credit Statute.* If, notwithstanding the provisions of Section 10.07, Texas law shall be applied by any Governmental Authority to this Agreement, the other Loan Documents or the obligations of either Borrower hereunder or thereunder, each Borrower hereby agrees that the provisions of Chapter 346 of the Texas Finance Code, as amended (formerly found in Chapter 15 of Subtitle 3, Title 79, of the Revised Civil Statutes of Texas, 1925, as amended), shall not govern or in any manner apply to its obligations hereunder or thereunder.

SECTION 10.18. *No Recourse; Multiple Capacities.* (a) Wherever in this Agreement or the other Loan Documents BONY has undertaken any obligations in its capacity as Trustee, it has done so solely in such capacity and not in its individual capacity. Notwithstanding any other provision of this Agreement, BONY, in its individual capacity, shall not be personally liable for the obligations or liabilities of the Trustee hereunder or under any other Loan Document and no party hereto or to any other Loan Document, or any Affiliate thereof, shall commence any action or proceeding, or make any claim, or shall join with or authorize any other Person to commence any action or proceeding or make any claim, against BONY in its individual capacity under or in connection with this Agreement or any other Loan Document. Each of the parties hereto acknowledges and agrees that no provision contained herein or in any other Loan Document provides for any recourse by the Administrative Agent, any Issuing Bank or any Lender against the Trustee other than to the Trust Estate.

(b) Each party to this Agreement acknowledges that Section 6.1 of the Trust Agreement imposes limitations on the liability of BONY in its capacity as Trustee; *provided, however*, that notwithstanding any provision to the contrary contained in Section 6.1 of the Trust Agreement, the sole recourse against the Trustee for any claim by the Administrative Agent, any Issuing Bank or any Lender under this Agreement and the other Loan Documents shall be to the Trust Estate.

SECTION 10.19. *Limited Representations, Warranties and Covenants of Trustee.* With respect to the representations, warranties and covenants of the Trustee in the Loan

Documents, including the representations and warranties contained in Article III, the affirmative covenants contained in Article V and the negative covenants contained in Article VI, it is understood and agreed that (a) the Trustee has made no independent inquiry as to (i) the assets placed in trust into the Rio Grande Resources Trust II or (ii) any facts concerning El Paso and the Subsidiaries or as to the status or condition of any of their assets or any disclosures made by them and (b) the Trustee's representations, warranties and covenants are limited to itself in its capacity as Trustee and only to the extent that the matters contained therein are within its control and relate to the Trust Agreement (including, without limitation, the assets held by it as Trustee under the Trust Agreement), the Purchase Contract and the Loan Documents, and no such representation, warranty or covenant shall apply to BONY, including any property, assets or business of BONY, in its individual capacity. The Trustee makes no representation or warranty with respect to the accuracy of any representations or warranties of El Paso or the Subsidiaries.

SECTION 10.20. *USA Patriot Act Notice.* Each Lender, each Issuing Bank and each Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender, such Issuing Bank or such Agent, as applicable, to identify the Borrowers in accordance with the USA Patriot Act.

SECTION 10.21. *Amendment and Restatement.* (a) The Borrowers, the Administrative Agent, the Syndication Agent, the Issuing Banks and the Lenders hereby agree that upon the effectiveness of this Agreement, the terms and provisions of the Existing Credit Agreement shall be and hereby are amended and restated in their entirety by the terms and conditions of this Agreement and the terms and provisions of the Existing Credit Agreement, except as otherwise provided in the next paragraph, shall be superseded by this Agreement.

(b) Notwithstanding the amendment and restatement of the Existing Credit Agreement by this Agreement, the Borrowers shall continue to be liable to the Agents, the Issuing Banks, the Lenders and the other Indemnitees with respect to agreements on the part of the Borrowers under the Existing Credit Agreement to indemnify and hold harmless the Agents, the Issuing Banks, the Lenders and the other Indemnitees from and against all losses, claims, damages, liabilities, costs, charges and expenses to which the Agents, the Issuing Banks, the Lenders and the other Indemnitees may be subject arising in connection with, and as provided in, the Existing Credit Agreement. This Agreement is given as a substitution of, and not as a payment of, the obligations of the Borrowers under the Existing Credit Agreement and is not intended to constitute a novation of the Existing Credit Agreement. Upon the effectiveness of this Agreement all amounts outstanding and owing by the Borrowers under the Existing Credit Agreement as of the date hereof shall constitute obligations hereunder.

(c) Each of the parties hereto hereby agrees that the Administrative Agent may, on the Effective Date, take any and all actions as may be reasonably necessary to ensure that, after giving effect to the amendment and restatement of the Existing Credit Agreement by this Agreement, the outstanding Loans (if any) are held by the Lenders in accordance with their Applicable Percentages. This may be accomplished at the discretion of the Administrative Agent, following consultation with El Paso, (i) by requiring the outstanding Loans to be prepaid with the proceeds of a new Borrowing, (ii) by permitting the Borrowings outstanding on the Effective Date

to remain outstanding until the last day of the respective Interest Periods therefor, even though the Lenders would hold the Loans comprising such Borrowings other than in accordance with their Applicable Percentages, (iii) by requiring each New Lender and each Effective Date Increasing Lender, if any, to purchase by assignment from the Existing Lenders (in which case the Existing Lenders shall assign to the New Lenders and the Effective Date Increasing Lenders) such portion of the outstanding Loans, if any, owing to them as shall be designated by the Administrative Agent such that, after giving effect to all such purchases and assignments, the outstanding Loans owing to each Lender shall equal such Lender's Applicable Percentage of the aggregate amount of Loans owing to all Lenders or (iv) by any combination of the foregoing. Any prepayment described in this paragraph (c) shall be subject to Section 2.14, but shall otherwise be without premium or penalty. In addition, on the Effective Date, each New Lender and each Effective Date Increasing Lender, if any, shall be deemed to have purchased by assignment from the Existing Lenders (and the Existing Lenders shall be deemed to have assigned to the New Lenders and the Effective Date Increasing Lenders) a portion of the participations then held by the Existing Lenders in the outstanding L/C Exposure, such that, after giving effect to all such deemed purchases and assignments, each Lender's L/C Exposure shall equal such Lender's Applicable Percentage of the aggregate L/C Exposure at such time. Each Borrower, the Resigning Agent, the Issuing Bank (as defined in the Existing Credit Agreement) and each Existing Lender hereby (A) consents to the assignments to each Lender on the Effective Date contemplated by this Section and (B) waives the requirement under Section 10.04(b)(iv) of the Existing Credit Agreement for the execution and delivery of an Assignment and Acceptance (as defined under the Existing Credit Agreement) in respect of such assignments. Each New Lender and Effective Date Increasing Lender consents to the assignments to such Lender on the Effective Date contemplated by this Section.

(d) By execution of this Agreement all parties hereto agree that each of the other Loan Documents is hereby amended such that all references to the Existing Credit Agreement and the obligations of the Borrowers thereunder shall be deemed to refer to this Agreement and the continuation of the Borrowers' obligations hereunder.

SECTION 10.22. *Acknowledgement and Consent to Bail-in of EEA Financial Institutions.* Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any of the parties hereto, each party hereto acknowledges that any liability of any Lender or Issuing Bank that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or any Issuing Bank that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

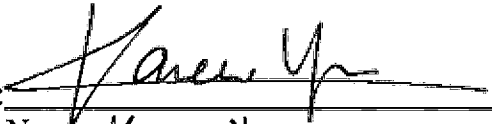
EL PASO ELECTRIC COMPANY

By: 

Name: Nathan T. Hirschi

Title: Senior Vice President and Chief
Financial Officer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., not in its individual capacity,
but solely in its capacity as Trustee

By: 
Name: Karen Yu
Title: Vice President

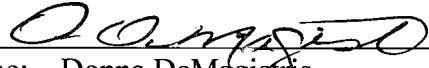
MUFG UNION BANK, N.A., as Administrative
Agent, Syndication Agent, an Issuing Bank and a
Lender

By:  _____
Name: ERIC OTIENO
Title: VICE PRESIDENT

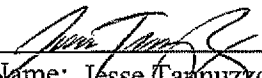
JPMORGAN CHASE BANK, N.A., as Resigning
Agent, an Issuing Bank and a Lender

By: Nancy R. Barwig
Name: Nancy R. Barwig
Title: Credit Risk Director

MIZUHO BANK, LTD., as an Issuing Bank and a
Lender

By: 
Name: Donna DeMagistris
Title: Authorized Signatory

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as an Issuing Bank and a Lender

By: 
Name: Jesse Tannuzzo
Title: Vice President

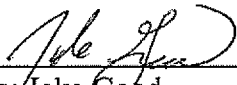
U.S. BANK NATIONAL ASSOCIATION, as an
Issuing Bank and a Lender

By: _____

Name: John M. Eyerman

Title: Senior Vice President

COBANK, ACB, as a Lender

By: 
Name: Jake Good
Title: Vice President

SCHEDULE 1.01

L/C Issuing Bank Sublimit

Issuing Bank	L/C Issuing Bank Sublimit
MUFG Union Bank, N.A.	\$10,000,000
JPMorgan Chase Bank, N.A.	\$10,000,000
Mizuho Bank, Ltd.	\$10,000,000
Wells Fargo Bank, National Association	\$10,000,000
U.S. Bank National Association	\$10,000,000

SCHEDULE 2.01

Commitments

Lender	Address for Notices	Commitment
MUFG Union Bank, N.A.	1221 Avenue of the Americas, 6th Floor New York, NY 10020-1001 Attention: Lawrence Blat Telecopier No.: (212) 782-4934 Email: Agencydesk@us.sc.mufig.jp / cld.sf@unionbank.com	\$60,000,000
JPMorgan Chase Bank, N.A.	10 S. Dearborn St., 9th Floor Chicago, IL 60603 Attention: Nancy Barwig Facsimile: (312) 732-1762 Email: nancy.r.barwig@jpmorgan.com	\$60,000,000
U.S. Bank National Association	800 Nicollet Mall Minneapolis, MN 55402 Attention: CLS Syndication Services Facsimile: (920) 237-7993 Email: CLSSyndicationServicesTeam@usbank.com	\$60,000,000
Wells Fargo Bank, National Association	7711 Plantation Road Roanoke, VA 24019 Attention: Felicia Spinner Facsimile: (866) 270-7214 (for notices only) Email: RKELCMemberSynd@wellsfargo.com	\$60,000,000
Mizuho Bank, Ltd.	180 Plaza Ten, Harborside Financial Ctr. Jersey City, NJ 07311 Attention: Flora Lio Facsimile: (201) 626-9941 Email: LAU_USCORP1@mizuhocbus.com	\$60,000,000
CoBank, ACB	6340 S. Fiddlers Green Circle Greenwood Village, CO 80111 Attention: CoBank Loan Accounting / Legal Loan Processing – Closing Facsimile: (720) 528-6258 Email: cobankloanaccounting@cobank.com / closing@cobank.com	\$50,000,000
Total		\$350,000,000

SCHEDULE 2.20
Existing Letters of Credit

Fronting/Issuing Bank:	Beneficiary:	Obligor:	Obligation:	Expiration Date:
JPMorgan Chase Bank, N.A.	Liberty Mutual Insurance Company	El Paso Electric	\$85,000	June 1, 2019

SCHEDULE 3.04
Governmental Approvals

FERC

On September 1, 2017, El Paso Electric Company (the “Company”) filed with the Federal Energy Regulatory Commission (“FERC”) an application seeking authority pursuant to Section 204 of the Federal Power Act to enter into the Credit Agreement and to engage in transactions related thereto. The FERC Order approving the Company’s application (Docket ES17-54-000) was issued on October 31, 2017.

New Mexico Public Regulation Commission

On September 5, 2017, the Company filed with the New Mexico Public Regulation Commission (“NMPRC”) an application seeking authority pursuant to NMSA 1978 §62-6-6 to enter into the Credit Agreement and to engage in transactions related thereto. The Hearing Examiner’s Recommended Decision was issued on September 26, 2017, recommending the approval of the Company’s application. The NMPRC Order adopting the Hearing Examiner’s Recommended Decision and approving the Company’s application (Case No. 17-00217-UT) was issued on October 4, 2017.

SCHEDULE 3.07
Subsidiaries

None.

SCHEDULE 3.08
Litigation and Compliance with Laws

Schedule 3.15 is incorporated herein by reference.

SCHEDULE 3.15
Environmental Matters

(c) Releases

The Company experiences sporadic, limited quantity releases of electric insulating oil (mineral oil) within its electric distribution and transmission system consistent with the operation of these systems. These releases are commonly cleaned and removed within regulatory accepted timeframes and are overseen by the respective environmental enforcement agencies.

In a similar manner, the generation of electricity at power plants owned and operated by the Company, may experience sporadic and limited quantity releases of chemicals common to the processes of the generation of electricity within the power plant property. These releases are commonly cleaned and removed within regulatory accepted timeframes and are overseen by the respective environmental enforcement agencies.

(d) Environmental Claims

Since 2009, the EPA and certain environmental organizations have been scrutinizing, and in some cases, have filed lawsuits, relating to certain air emissions and air permitting matters related to Four Corners Generating Station ("Four Corners"). Since July 2011, the U.S. Department of Justice ("DOJ"), on behalf of the EPA, and Arizona Public Service Company ("APS") have been engaged in substantive settlement negotiations in an effort to resolve the pending matters. The allegations being addressed through settlement negotiations are that APS failed to obtain the necessary permits and install the controls necessary under the U.S. Clean Air Act ("CAA") to reduce SO₂, NO_x, and particular matter ("PM"), and that defendants failed to obtain an operating permit under Title V of the CAA that reflects applicable requirements imposed by law. In March 2012, the DOJ provided APS with a draft consent decree to settle the EPA matter, which decree contains specific provisions for the reduction and control of NO_x, SO₂, and PM, as well as provisions for a civil penalty, and expenditures on environmental mitigation projects with an emphasis on projects that address alleged harm to the Navajo Nation. Settlement discussions are on-going and the Company is unable to predict the outcome of these settlement negotiations. The Company has accrued a total of \$0.5 million as a loss contingency related to this matter.

(e) Hazardous Materials Handling.

The Company handles, stores, transports and arranges for the proper disposal of limited and specific hazardous materials. Other waste streams including but not limited to regulated wastes, non-regulated wastes, hazardous wastes, non-hazardous wastes, and industrial wastes are handled, stored, transported and properly disposed as necessary to the operation(s) of its business.

SCHEDULE 6.02
Liens

None.

SCHEDULE 6.04
Certain Investments

1. Contributions to and interests of the Company in decommissioning trusts relating to the Palo Verde Generating Station (to the extent such contributions and interest constitute investments) as contemplated by the Arizona Nuclear Power Project (ANPP) Participation Agreement dated as of August 23, 1973, as amended.
2. Investments of \$2.0 million in debt securities collateralized by student loans re-insured by the Department of Education as part of the Federal Family Education Loan Program, consisting of one \$2.0 million investment in auction rate securities maturing in 2044.
3. Other minor investments which were obtained in the ordinary course of business and, in the aggregate, have a book value of less than \$300,000.

Administrative Details Reply Form



ADMINISTRATIVE QUESTIONNAIRE

Agent Address: MUFG Union Bank, N.A.
1221 Avenue of the Americas
New York, NY 10020

Return form to: Lawrence Blat
Agency Desk
Telephone: 212-405-6621 / 6628
Email: lawrence.blat@mufgsecurities.com
agencydesk@us.mufg.jp

It is very important that **all** of the requested information be completed accurately and that this questionnaire be returned promptly. If your institution is sub-allocating its allocation, please fill out an administrative questionnaire for each legal entity. **Appropriate Withholding Tax form should be sent with the Administrative Questionnaire.**

Legal Name of Lender to appear in Documentation:

Signature Block Information:

- | | | | | |
|----------------------------|--------------------------|-----|--------------------------|----|
| • Signing Credit Agreement | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| • Coming in Via Assignment | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |

Type of Lender:

(Bank, Asset Manager, Broker/Dealer, CLO/CDO, Finance Company, Hedge Fund, Insurance, Mutual Fund, Pension Fund, Other Regulated Investment Fund, Special Purpose Vehicle, Other-please specify)

Lender Parent:

Domestic Address:

Eurodollar Address:

Contacts/Notification Methods: Borrowings, Paydowns, Interest, Fees, etc.

Primary Credit Contact

Secondary Credit Contact

Name: _____
Company: _____
Title: _____
Address: _____

Telephone: _____
Title: _____
Fax: _____
Email: _____

Primary Operations Contact

Secondary Operations Contact

Name: _____
Company: _____
Title: _____
Address: _____

Telephone: _____
Title: _____
Fax: _____
Email: _____

Bid Contact

L/C Contact

Name: _____
Company: _____
Title: _____
Address: _____

Telephone: _____
Title: _____
Fax: _____
Email: _____

Lender's Domestic Wire Instructions

Bank Name: _____
ABA/Routing No.: _____
Account Name: _____
Account No.: _____
FFC Account Name: _____
FFC Account No.: _____
Attention: _____
Reference: _____

Lender's Foreign Wire Instructions

Currency: _____
Bank Name: _____
Swift//Routing No.: _____
Account Name: _____
Account No.: _____
FFC Account Name: _____
FFC Account No.: _____
Attention: _____
Reference: _____

Agent's Wire Instructions

Bank Name: MUFG Union Bank, N.A
Swift//Routing No.: 122-000-496
Account Name: Loan Operations Department
Account No.: 77070196431
Attention: Agency Desk

Tax Documents

NON-U.S. LENDER INSTITUTIONS

I. Corporations

If your institution is incorporated outside of the United States for U.S. federal income tax purposes and is the beneficial owner of the Interest and other income it receives, you must complete one of the following three tax forms, as applicable to your institution: **a.) Form W-8BEN-E** (*Certificate of Foreign Status of Beneficial Owner*), **b.) Form W-8ECI** (*Income Effectively Connected to a U.S. Trade or Business*), or **c.) Form W-8EXP** (*Certificate of Foreign Government or Governmental Agency*).

A U.S. taxpayer identification number is required for any institution submitting Form W-8ECI. It is also required on Form W-8BEN-E for certain institutions claiming the benefits of a tax treaty with the U.S. Please refer to the instructions when completing the form applicable to your institution. In addition, please be advised that U.S. tax regulations do not permit the acceptance of faxed forms. **An original tax form must be submitted.**

II. Flow-Through Entities

If your institution is organized outside the U.S. and is classified for U.S. federal income tax purposes as either a Partnership, Trust, Qualified or Non-Qualified Intermediary, or other non-U.S. flow-through entity, an original **Form W-8IMY** (*Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding*) must be completed by the intermediary together with a withholding statement. Flow-through entities other than Qualified Intermediaries are required to include tax forms for each of the underlying beneficial owners.

Please refer to the instructions when completing this form. In addition, please be advised that U.S. tax regulations do not permit the acceptance of faxed forms. **Original tax form(s) must be submitted.**

U.S. LENDER INSTITUTIONS

If your institution is incorporated or organized within the United States, you must complete and return **Form W-9** (*Request for Taxpayer Identification Number and Certification*). **Please be advised that we request that you submit an original Form W-9.**

Pursuant to the language contained in the tax section of the credit agreement, the applicable tax form for your institution must be completed and returned prior to the first payment of income. Failure to provide the proper tax form when requested may subject your institution to U.S. tax withholding.

[Form of]

ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (this “Assignment and Acceptance”) is dated as of the Effective Date set forth below and is entered into by and between [the][each]¹ Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each]² Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]³ hereunder are several and not joint.]⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto (the “Standard Terms and Conditions”) are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below, (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant to the Credit Agreement to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the revolving credit facility set forth in the Credit Agreement (including any letters of credit and guarantees included in such facility), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant to the Credit Agreement or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

² For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

³ Select as appropriate.

⁴ Include bracketed language if there are either multiple Assignors or multiple Assignees.

2. Assignee[s]:

[Assignee is an Affiliate of *identify Lender*]

3. Borrowers: El Paso Electric Company and The Bank of New York Mellon Trust Company, N.A., not in its individual capacity, but solely in its capacity as successor trustee of the Rio Grande Resources Trust II

4. Administrative Agent: MUFG Union Bank, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: Third Amended and Restated Credit Agreement, dated as of September 13, 2018, among El Paso Electric Company, The Bank of New York Mellon Trust Company, N.A., not in its individual capacity, but solely in its capacity as successor trustee of the Rio Grande Resources Trust II, the Lenders named therein and from time to time party thereto, the Issuing Banks named therein and from time to time party thereto, MUFG Union Bank, N.A., as administrative agent for the Lenders and the Issuing Banks, and MUFG Union Bank, N.A., as syndication agent

6. Assigned Interest[s]:

Assignor[s] ⁵	Assignee[s] ⁶	Aggregate Amount of Commitment/Loans for all Lenders ⁷	Amount of Commitment/Loans Assigned ⁸	Percentage Assigned of Commitment/Loans ⁸	[CUSIP Number]
		\$	\$	%	
		\$	\$	%	
		\$	\$	%	

[7. Trade Date:]⁹

⁵ List each Assignor, as appropriate.

⁶ List each Assignee, as appropriate.

⁷ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁸ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

⁹ To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

[Remainder of page intentionally left blank]

Effective Date: _____, 20____ [TO BE INSERTED BY ADMINISTRATIVE AGENT
AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE
REGISTER THEREFOR.]

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR[S]:¹⁰

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE[S]:¹¹

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

¹⁰ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

¹¹ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[Consented to and]¹² Accepted:

MUFG UNION BANK, N.A., as
Administrative Agent

By: _____
Name:
Title:

[Consented to:]¹³

[EL PASO ELECTRIC COMPANY

By: _____
Name:
Title:

[ISSUING BANK],
as an Issuing Bank,

By: _____
Name:
Title:

[ISSUING BANK],
as an Issuing Bank,

By: _____
Name:
Title:]

¹² To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

¹³ To be added only if the consent of any Borrower and/or other parties (e.g., any Issuing Bank) is required by the terms of the Credit Agreement.

EL PASO ELECTRIC COMPANY
THIRD AMENDED AND RESTATED CREDIT AGREEMENT

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents, (iii) the financial condition of the Borrowers, any of their respective subsidiaries or Affiliates or any other person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrowers, any of their respective subsidiaries or Affiliates or any other person of any of their respective obligations under any Loan Document.

1.2 Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.04 of the Credit Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date set forth above, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.04 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase [the][such] Assigned Interest, and (vii) if it is a new Non-U.S. Lender, attached to this Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; (b) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (c) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date set forth above, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts that have accrued to but excluding the Effective Date set forth above and to [the][the relevant] Assignee for amounts that have accrued from and after the Effective Date set forth above. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date set forth above to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of New York.

[Form of]

BORROWING REQUEST

MUFG Union Bank, N.A., as Administrative Agent
for the Lenders referred to below
1221 Avenue of the Americas, 6th Floor
New York, New York 10020-1001

Attention of Lawrence Blat

Ladies and Gentlemen:

[Date]

The undersigned, [EL PASO ELECTRIC COMPANY] [THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., not in its individual capacity, but solely in its capacity as trustee of the Rio Grande Resources Trust II] (the “*Borrower*”), refers to the Third Amended and Restated Credit Agreement, dated as of September 13, 2018 (as amended, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among El Paso Electric Company, The Bank of New York Mellon Trust Company, N.A., not in its individual capacity, but solely in its capacity as trustee of the Rio Grande Resources Trust II, the lenders named therein and from time to time party thereto (the “*Lenders*”), the issuing banks named therein and from time to time party thereto (the “*Issuing Banks*”), MUFG Union Bank, N.A., as administrative agent for the Lenders and the Issuing Banks, and MUFG Union Bank, N.A., as syndication agent. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement. The Borrower hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that it requests a Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Borrowing is requested to be made:

- (A) Date of Borrowing (which is a Business Day).....
- (B) Principal Amount of Borrowing¹
- (C) Interest rate basis²
- (D) Interest Period and the last day thereof³

-
1. With respect to any Eurodollar Borrowing, not less than \$5,000,000 and in an integral multiple of \$1,000,000, and with respect to any ABR Borrowing, not less than \$100,000 and in an integral multiple of \$1,000, but in any event not exceeding the available Total Commitment available to the Borrowers.
 2. Specify Eurodollar Borrowing or ABR Borrowing.
 3. Which shall be subject to the definition of “Interest Period” and end not later than the Maturity Date (applicable only for Eurodollar Borrowings only).

- (E) Funds are requested to be disbursed to the Borrower's account with JPMorgan Chase Bank, N.A. (Account No. []).

Upon acceptance of any or all of the Loans offered by the Lenders in response to this request, the Borrower shall be deemed to have represented and warranted that the conditions to lending specified in Sections 4.01(b) and (c) of the Credit Agreement have been satisfied.

[APPLICABLE BORROWER],

By: _____
Name:
Title: [Responsible Officer]

SUBSIDIARY GUARANTEE AGREEMENT (as supplemented from time to time, this "*Agreement*") dated as of [], between [], a [] [corporation] (the "*Guarantor*") and MUFG UNION BANK, N.A. ("*MUFG*"), as Administrative Agent (as defined below).

Reference is made to the Third Amended and Restated Credit Agreement, dated as of September 13, 2018 (and as amended, amended and restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among El Paso Electric Company, a Texas corporation ("*El Paso*"), The Bank of New York Mellon Trust Company, N.A., not in its individual capacity, but solely in its capacity as trustee of the Rio Grande Resources Trust II (the "*Trustee*"; each of El Paso and the Trustee is referred to individually herein as a "*Borrower*" and collectively as the "*Borrowers*"), the Lenders named therein and from time to time party thereto, the Issuing Banks named therein and from time to time party thereto, MUFG, as administrative agent (in such capacity, the "*Administrative Agent*") for the Lenders and the Issuing Banks, and MUFG, as syndication agent. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

Pursuant to Section 5.09 of the Credit Agreement, El Paso has agreed, among other things, to cause any Material Subsidiary to execute a guarantee of all the Obligations (as defined below). The Guarantor is a Material Subsidiary and acknowledges that it will derive substantial benefit from the commitments of the Lenders to make Loans to the Borrowers and the commitments of the Issuing Banks to issue Letters of Credit for the account of the Borrowers. Accordingly, the Guarantor agrees with each Lender, each Issuing Bank, the Syndication Agent and the Administrative Agent (each such person, together with its successors and assigns, a "*Guaranteed Party*") as follows:

SECTION 1. *Guarantee.* The Guarantor unconditionally and irrevocably guarantees, as a primary obligor and not merely as a surety, (a) the due and punctual payment of (i) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans made to El Paso, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (ii) all monetary obligations of El Paso pursuant to the Guarantee set forth in Article IX of the Credit Agreement, (iii) each payment required to be made by El Paso under the Credit Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral, and (iv) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of El Paso to the Guaranteed Parties under the Credit Agreement and the other Loan Documents and (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of El Paso under or pursuant to the Credit Agreement and the other Loan Documents (all the monetary and other obligations referred to in the preceding clauses (a) and (b) being collectively called the "*Obligations*"). The Guarantor further agrees that the Obligations may be extended or renewed,

in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Obligation.

SECTION 2. *Obligations Not Waived.* To the fullest extent permitted by applicable law, the Guarantor waives presentment to, demand of payment from and protest to the Borrowers of any of the Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. To the fullest extent permitted by applicable law, the obligations of the Guarantor hereunder shall not be affected by (a) the failure of the Administrative Agent or any other Guaranteed Party to assert any claim or demand or to enforce or exercise any right or remedy against the Borrowers, (b) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of the Credit Agreement, any other Loan Document, any Guarantee or any other agreement, including with respect to any other guarantor of the Obligations or (c) any release or substitution of any one or more endorsers, other guarantors or other obligors of all or any portion of the Obligations.

SECTION 3. *Guarantee of Payment.* The Guarantor further agrees that its guarantee constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any other Guaranteed Party to any of the security held for payment of the Obligations or to any balance of any deposit account or credit on the books of the Administrative Agent or any other Guaranteed Party in favor of the Borrowers or any other person.

SECTION 4. *No Discharge or Diminishment of Guarantee.* The obligations of the Guarantor hereunder are continuing and irrevocable and shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the payment in full in cash of the Obligations), including any claim of waiver, release, surrender, alteration or compromise of any of the Obligations, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of the Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or any other Guaranteed Party to assert any claim or demand or to enforce any remedy under the Credit Agreement, any other Loan Document or any other agreement, by any waiver or modification of any provision of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of the Guarantor or that would otherwise operate as a discharge of the Guarantor as a matter of law or equity (other than the payment in full in cash of all the Obligations).

SECTION 5. *Defenses of Borrowers Waived.* To the fullest extent permitted by applicable law, the Guarantor waives any defense based on or arising out of any defense of a Borrower or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of a Borrower, other than the payment in full in cash of the Obligations. The Administrative Agent and the other Guaranteed Parties may, at their election, compromise or adjust any part of the Obligations, make any other accommodation with the Borrowers or any other guarantor or exercise any other right or remedy available to them against the Borrowers or any other guarantor, without affecting or impairing in any way the liability of the Guarantor hereunder except to the extent the Obligations have been fully, finally

paid in cash. To the fullest extent permitted by applicable law, the Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of Guarantor against a Borrower or any other guarantor, as the case may be.

SECTION 6. *Agreement to Pay.* In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent or any other Guaranteed Party has at law or in equity against the Guarantor by virtue hereof, upon the failure of a Borrower to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Administrative Agent or such other Guaranteed Party as designated thereby in cash the amount of such unpaid Obligations. Upon payment by the Guarantor of any sums to the Administrative Agent or any Guaranteed Party as provided above, all rights of the Guarantor against the Borrowers arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior payment in full in cash of all the Obligations. In addition, any indebtedness of a Borrower now or hereafter held by the Guarantor is hereby subordinated in right of payment to the prior payment in full of the Obligations. If any amount shall erroneously be paid to the Guarantor on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of a Borrower, such amount shall be held in trust for the benefit of the Guaranteed Parties and shall forthwith be paid to the Administrative Agent to be credited against the payment of the Obligations, whether matured or unmatured, in accordance with the terms of the Loan Documents.

SECTION 7. *Information.* The Guarantor assumes all responsibility for being and keeping itself informed of each Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that the Guarantor assumes and incurs hereunder, and agrees that none of the Administrative Agent or the other Guaranteed Parties will have any duty to advise the Guarantor of information known to it or any of them regarding such circumstances or risks.

SECTION 8. *Representations and Warranties.* The Guarantor represents and warrants that all representations and warranties relating to it contained in the Credit Agreement are true and correct in all material respects.

SECTION 9. *Termination.* The guarantee made hereunder (a) shall terminate when all the Obligations have been paid in full in cash and the Lenders have no further commitment to lend under the Credit Agreement, the L/C Exposure has been reduced to zero and the Issuing Banks have no further obligation to issue Letters of Credit under the Credit Agreement and (b) shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by any Guaranteed Party or the Guarantor upon the bankruptcy or reorganization of either Borrower or otherwise.

SECTION 10. *Binding Effect; Assignments.* Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Guarantor that are contained in this Agreement shall bind and inure to the benefit of each party hereto and their

respective successors and assigns. This Agreement shall become effective when it shall have been executed on behalf of the Guarantor and the Administrative Agent, and thereafter shall be binding upon the Guarantor and the Administrative Agent and their respective successors and assigns, and shall inure to the benefit of the Guarantor, the Administrative Agent and the other Guaranteed Parties, and their respective successors and assigns, except that the Guarantor shall not have the right to assign its rights or obligations hereunder or any interest herein (and any such attempted assignment shall be void). If all of the capital stock of the Guarantor is sold, transferred or otherwise disposed of (other than to an Affiliate of a Borrower) pursuant to a transaction permitted by the Credit Agreement, the Guarantor shall be released from its obligations under this Agreement without further action.

SECTION 11. *Waivers; Amendment.* (a) No failure or delay of the Administrative Agent in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent hereunder and of the other Guaranteed Parties under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Guarantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on the Guarantor in any case shall entitle the Guarantor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to a written agreement entered into between the Guarantor and the Administrative Agent, with the prior written consent of the Required Lenders (except as otherwise provided in the Credit Agreement).

SECTION 12. *GOVERNING LAW.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 13. *Notices.* All communications and notices hereunder shall be in writing and given as provided in Section 10.01 of the Credit Agreement. All communications and notices hereunder to the Guarantor shall be given to it at its address set forth below its name on the signature page hereto, with a copy to El Paso.

SECTION 14. *Survival of Agreement; Severability.* (a) All covenants, agreements, representations and warranties made by the Guarantor herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Administrative Agent and the other Guaranteed Parties and shall survive the making by the Lenders of Loans and the issuance of the Letters of Credit by the Issuing Banks regardless of any investigation made by the Guaranteed Parties or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any other fee or amount payable by a

Borrower under the Credit Agreement or any other Loan Document is outstanding and unpaid or the L/C Exposure does not equal zero and as long as the Commitments have not been terminated.

(b) In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 15. *Counterparts.* This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 10. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

SECTION 16. *Rules of Interpretation.* The rules of interpretation specified in Section 1.02 of the Credit Agreement shall be applicable to this Agreement.

SECTION 17. *Jurisdiction; Consent to Service of Process.* (a) The Guarantor hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any other Guaranteed Party may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against the Guarantor or its properties in the courts of any jurisdiction.

(b) The Guarantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 13. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 18. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 18.

SECTION 19. *Right of Setoff.* If an Event of Default shall have occurred and be continuing, each Guaranteed Party is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other Indebtedness at any time owing by such Guaranteed Party to or for the credit or the account of the Guarantor against any or all the obligations of the Guarantor now or hereafter existing under this Agreement and the other Loan Documents held by such Guaranteed Party, irrespective of whether or not such Guaranteed Party shall have made any demand under this Agreement or any other Loan Document and although such obligations may be unmatured. The rights of each Guaranteed Party under this Section 19 are in addition to other rights and remedies (including other rights of setoff) which such Guaranteed Party may have.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement
as of the day and year first above written.

[MATERIAL SUBSIDIARY]

By: _____
Name:
Title:

Address for Notices:

MUFG UNION BANK, N.A.,
as Administrative Agent

By: _____
Name:
Title:

EXECUTION VERSION

EXTENSION AND INCREASE CONFIRMATION

This EXTENSION AND INCREASE CONFIRMATION, dated as of March 20, 2020 (this “**Confirmation**”), is by and among EL PASO ELECTRIC COMPANY, a Texas corporation (“**El Paso**”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association with trust powers, not in its individual capacity, but solely in its capacity as successor trustee of the Rio Grande Resources Trust II (the “**Trustee**” and together with El Paso, collectively, the “**Borrowers**”), each of the Persons designated on the signature pages hereto as an “Extending Lender” (collectively, the “**Extending Lenders**”), each of the Persons designated on the signature pages hereto as an “Extending Issuing Bank” (collectively, the “**Extending Issuing Banks**”), and MUFG UNION BANK, N.A., as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”).

W I T N E S S E T H:

WHEREAS, the Borrowers, the Extending Lenders, the Extending Issuing Banks and the Administrative Agent are parties to that certain Third Amended and Restated Credit Agreement, dated as of September 13, 2018 (as heretofore supplemented or modified, the “**Credit Agreement**”);

WHEREAS, pursuant to Section 2.22 of the Credit Agreement, the Borrowers have requested that the Initial Maturity Date for each Lender be extended for an additional one-year period to September 13, 2024 (the “**Extension**”), and in connection therewith the Borrowers have requested that the Lenders and the Issuing Banks waive the requirement in Section 2.22 of the Credit Agreement that notice of the Extension be given at least thirty (30) days (but not more than ninety (90) days) prior to the relevant anniversary of the Effective Date (the “**Extension Notice Requirement**”);

WHEREAS, El Paso has requested that the Total Commitment be increased to \$400,000,000 pursuant to Section 2.21 of the Credit Agreement (the “**Increase**”); and

WHEREAS, the parties hereto are willing to agree to the foregoing, subject to the terms and conditions set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. *Definitions.* Unless otherwise defined in this Confirmation, capitalized terms used in this Confirmation which are defined in the Credit Agreement, as supplemented hereby (the “**Supplemented Credit Agreement**”), shall have the meanings assigned to such terms in the Supplemented Credit Agreement. The interpretive provisions set forth in Section 1.02 of the Credit Agreement shall apply to this Confirmation.

SECTION 2. *Extension of Initial Maturity Date and Waiver.* (a) Each Extending Lender and each Extending Issuing Bank hereby confirms that pursuant to Section 2.22 of the Credit Agreement (i) it has agreed to the Extension and (ii) effective as of the Confirmation

Effective Date (as hereinafter defined), the Maturity Date with respect to such Extending Lender's Commitment and such Extending Issuing Bank's L/C Commitment shall be September 13, 2024.

(b) Effective as of the Confirmation Effective Date, each of the Extending Issuing Banks and the Extending Lenders hereby waives the Extension Notice Requirement solely with respect to the Extension. The grant of the waiver set forth in this Section 2(b) will not, either alone or taken with other waivers of provisions of the Credit Agreement or any other Loan Document, be deemed to create or be evidence of a course of conduct. The Lenders and the Issuing Banks reserve the right to insist on strict compliance with the terms of the Loan Documents, and the Borrowers hereby expressly acknowledge such reservation of rights. Any future or additional waiver of any provision of the Credit Agreement or any other Loan Document shall be effective only if set forth in a writing separate and distinct from this Confirmation and executed by the appropriate parties in accordance with the terms thereof. The waiver set forth in this Section 2(b) shall be limited precisely as provided for herein and shall not be deemed to be a waiver of, amendment of, consent to departure from or modification of any term or provision of the Credit Agreement or any other Loan Document except to the extent specifically provided for herein.

SECTION 3. *Increased Commitments of Certain Extending Lenders.* (a) Effective as of the Confirmation Effective Date, each of the Extending Lenders agrees to increase its Commitment as an Increasing Lender pursuant to Section 2.21(a) of the Credit Agreement by the amount set forth opposite its name in Annex A attached hereto.

(b) Each Extending Lender hereby confirms that after giving effect to the increases in Commitments described in clause (a) above, such Extending Lender has a Commitment equal to the amount set forth opposite its name on Schedule 2.01 attached hereto and all references to Schedule 2.01 in the Credit Agreement shall be references to Schedule 2.01 attached hereto in respect of the Commitment of each Extending Lender.

SECTION 4. *Reallocation of Borrowings.* Effective as of the Confirmation Effective Date, (a) each Lender that is an Increasing Lender as of such date shall fund to the Administrative Agent such amount as shall be required (and designated by the Administrative Agent) so that the aggregate outstanding amount of its Loans shall be equal to its Applicable Percentage of all the outstanding Loans, (b) the Administrative Agent shall apply such portion of the funds advanced by each Increasing Lender pursuant to clause (a) above to repay the Loans of each other Lender to the extent required so that, after giving effect to such repayments, the aggregate amount of the Loans of each Lender shall be equal to its Applicable Percentage of all the outstanding Loans, (c) the amount of each Borrowing held by each Lender shall be deemed reallocated so that the portion of each Borrowing held by each Lender shall be its Applicable Percentage of such Borrowing and (d) the amount of participations (if any) then held by the Lenders in the outstanding L/C Exposure shall be deemed reallocated pursuant to Section 2.21(b) of the Credit Agreement so that the amount of each Lender's participation is equal to its Applicable Percentage of the aggregate L/C Exposure at such time. In connection

with the foregoing repayments and reallocation, the Borrowers shall pay any amounts required to be paid under Section 2.14 of the Credit Agreement.

SECTION 5. *Representations and Warranties.* To induce the other parties hereto to enter into this Confirmation, each of El Paso and, subject to Sections 10.18 and 10.19 of the Credit Agreement, the Trustee represents and warrants to the Administrative Agent, the Issuing Banks and each of the Lenders (but in the case of the Trustee, solely with respect to matters pertaining to the Trustee) that as of the date hereof:

(a) *Organization; Powers.* (i) El Paso has the corporate power and authority to execute and deliver this Confirmation and to perform its obligations hereunder.

(ii) BONY, in its capacity as Trustee, has all requisite trust power and authority to execute and deliver this Confirmation and to perform its obligations hereunder.

(b) *Authorization.* The execution, delivery and performance by it of this Confirmation (i) have been duly authorized by all requisite corporate, trust and, if required, stockholder action and (ii) will not (A) violate (1) with respect to El Paso and each of the Material Subsidiaries, any provision of law, statute, rule or regulation, or of the articles of incorporation or other constitutive documents or by-laws of El Paso or any of its Material Subsidiaries or of the Trust Agreement, as applicable, (2) with respect to the Trustee, any provision of law, statute, rule or regulation, or of the articles of incorporation or other constitutive documents or by-laws of the Trustee or of the Trust Agreement, as applicable, (3) any order of any Governmental Authority binding on it or any of its property or (4) any provision of any indenture, agreement or other instrument to which it is a party or by which it or any of its property is or may be bound, (B) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such indenture, agreement or other instrument or (C) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by it. This Confirmation has been duly executed and delivered by it.

(c) *Enforceability.* This Confirmation constitutes its legal, valid and binding obligation enforceable against it in accordance with such document's terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(d) *Governmental Approvals.* No action, consent or approval of, registration or filing with or any other action by, any Governmental Authority is or will be required in connection with the transactions contemplated by this Confirmation, except for such as have been made or obtained, are in full force and effect and are not subject to any appeal or stay.

(e) *No Default; Event of Default.* Both immediately before and after giving effect to this Confirmation, no Default or Event of Default has occurred and is continuing.

(f) *Credit Agreement Representations and Warranties.* The representations and warranties of the Loan Parties set forth in the Credit Agreement and in the other Loan Documents are true and correct in all material respects on and as of the date hereof with the same effect as though such representations and warranties had been made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties were true and correct in all material respects as of such earlier date).

SECTION 6. *Conditions to Effectiveness.* This Confirmation shall become effective as of the date first written above (such date of effectiveness, the “*Confirmation Effective Date*”) when, and only when, the Administrative Agent shall have received:

(a) counterparts of this Confirmation duly executed and delivered by each party hereto;

(b) legal opinions, certificates and board resolutions consistent with those delivered on the Effective Date under paragraphs (a), (b), and (c) of Section 4.02 of the Credit Agreement;

(c) the other certificates and documents required to be delivered pursuant to Sections 2.21(c) and 2.22(d) of the Credit Agreement;

(d) such evidence as the Administrative Agent may reasonably request to verify that each Borrower is duly organized or formed, validly existing and in good standing in the jurisdiction where organized; and

(e) all fees and other amounts due and payable by the Borrowers on or prior to the Confirmation Effective Date, including, (i) to the extent invoiced at least one (1) Business Day prior to the anticipated Confirmation Effective Date, reimbursement or payment of all reasonable and documented fees and out-of-pocket disbursements of counsel to the Administrative Agent and other out-of-pocket fees and expenses required to be reimbursed or paid by the Borrowers hereunder or under any other Loan Document and (ii) all fees payable by El Paso pursuant to that certain fee letter agreement, dated the date hereof, between MUFG and El Paso.

SECTION 7. *GOVERNING LAW.* THIS CONFIRMATION SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 8. *Counterparts.* This Confirmation may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Confirmation by facsimile or other electronic transmission (including,

without limitation, by Adobe portable document format file (also known as a "PDF" file)) shall be as effective as delivery of a manually signed counterpart of this Confirmation.

SECTION 9. *Effect of Confirmation.* From and after the effectiveness of this Confirmation, (a) each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall refer to the Supplemented Credit Agreement and (b) all references to the Credit Agreement in any other document, instrument, agreement or writing shall hereafter be deemed to refer to the Supplemented Credit Agreement. Except as expressly set forth herein, this Confirmation shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Administrative Agent, the Issuing Banks or the Lenders under the Credit Agreement or under any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are hereby ratified and affirmed in all respects and shall continue in full force and effect. This Confirmation shall constitute a "Loan Document" for all purposes under the Credit Agreement and the other Loan Documents.

SECTION 10. *Non-Reliance.* Each Lender acknowledges that it has, independently and without reliance upon any Agent, any Issuing Bank or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Confirmation. Each Lender also acknowledges that it will, without reliance upon any Agent, any Issuing Bank or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit decisions in taking or not taking action under or based upon this Confirmation, the Credit Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

SECTION 11. *Costs and Expenses.* Each Borrower jointly and severally agrees to promptly pay on demand all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent in connection with the preparation, negotiation, execution and delivery of this Confirmation, including, without limitation, the reasonable and documented fees, charges and disbursements of Hughes Hubbard & Reed LLP, counsel to the Administrative Agent, with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities hereunder and under the Credit Agreement in connection with this Confirmation. El Paso further agrees to promptly pay on demand all reasonable and documented out-of-pocket expenses incurred by the Trustee in connection with this Confirmation, including, without limitation, the reasonable and documented fees, charges and disbursements of Bryan Cave Leighton Paisner, LLP, counsel to the Trustee.

SECTION 12. *Headings.* Section and subsection headings in this Confirmation are for convenience of reference only, and are not part of, and are not to be taken into consideration in interpreting, this Confirmation.

SECTION 13. *Entire Agreement.* THIS CONFIRMATION, THE SUPPLEMENTED CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL

AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

SECTION 14. Miscellaneous. This Confirmation shall be subject to the provisions of Sections 10.11, 10.12, 10.15, 10.18 and 10.19 of the Credit Agreement, each of which is incorporated by reference herein, *mutatis mutandis*.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow]

S-1

IN WITNESS WHEREOF, the parties hereto have caused this Confirmation to be duly executed as of the date first above written.

BORROWERS:

EL PASO ELECTRIC COMPANY

By: Nathan T. Hirschi

Name: Nathan T. Hirschi
Title: Senior Vice President and
Chief Financial Officer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., not in its individual capacity,
but solely in its capacity as Trustee

By: _____

Name:
Title:

[Signature Page to Extension and Increase Confirmation]

S-1

IN WITNESS WHEREOF, the parties hereto have caused this Confirmation to be duly executed as of the date first above written.

BORROWERS:

EL PASO ELECTRIC COMPANY

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., not in its individual capacity,
but solely in its capacity as Trustee

By: 
Name: Lisa McCants
Title: Client Service Manager

[Signature Page to Extension and Increase Confirmation]

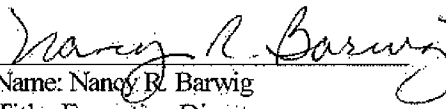
S-2

MUFG UNION BANK, N.A., as Administrative
Agent, an Extending Lender and an Extending
Issuing Bank

By: Kevin Sillona
Name: Kevin Sillona
Title: Vice President

S-3

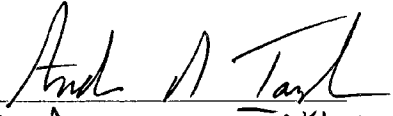
JPMORGAN CHASE BANK, N.A., as
an Extending Lender and an Extending Issuing
Bank

By: 
Name: Nancy R. Barwig
Title: Executive Director

[Signature Page to Extension and Increase Confirmation]

S-4

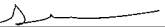
U.S. BANK NATIONAL ASSOCIATION, as
an Extending Lender and an Extending Issuing
Bank

By: 
Name: ANDREW N TAYLOR
Title: SENIOR VICE PRESIDENT

[Signature Page to Extension and Increase Confirmation]

S-5

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as an Extending Lender and an
Extending Issuing Bank

By: 
Name: Daniel Capps
Title: Vice President

S-6

MIZUHO BANK, LTD., as an Extending Lender
and an Extending Issuing Bank

By: Edward Sacks
Name: Edward Sacks
Title: Authorized Signatory

S-7

COBANK, ACB, as an Extending Lender

By: Kelli Cholas
Name: Kelli Cholas
Title: Assistant Corporate Secretary

[Signature Page to Extension and Increase Confirmation]

ANNEX A

COMMITMENT INCREASE

Lender	Commitment Increase
MUFG Union Bank, N.A.	\$6,666,666.68
JPMorgan Chase Bank, N.A.	\$6,666,666.68
U.S. Bank National Association	\$6,666,666.66
Wells Fargo Bank, National Association	\$6,666,666.66
Mizuho Bank, Ltd.	\$6,666,666.66
CoBank, ACB	\$16,666,666.66
Total:	\$50,000,000.00

SCHEDULE 2.01

SCHEDULE 2.01

Commitments

Lender	Address for Notices	Commitment
MUFG Union Bank, N.A.	1221 Avenue of the Americas, 6th Floor New York, NY 10020-1001 Attention: Lawrence Blat Telecopier No.: (212) 782-4934 Email: Agencydesk@us.sc.mufg.jp / cld.sf@unionbank.com	\$66,666,666.68
JPMorgan Chase Bank, N.A.	10 S. Dearborn St., 9th Floor Chicago, IL 60603 Attention: Ladi Oluwole Telephone: (972) 324-2605 Email: ladi.oluwole@jpmorgan.com	\$66,666,666.68
U.S. Bank National Association	800 Nicollet Mall Minneapolis, MN 55402 Attention: CLS Syndication Services Facsimile: (920) 237-7993 Email: CLSSyndicationServicesTeam@usbank.com	\$66,666,666.66
Wells Fargo Bank, National Association	7711 Plantation Road Roanoke, VA 24019 Attention: Felicia Spinner Facsimile: (866) 270-7214 (for notices only) Email: RKELCMemberSynd@wellsfargo.com	\$66,666,666.66
Mizuho Bank, Ltd.	180 Plaza Ten, Harborside Financial Ctr. Jersey City, NJ 07311 Attention: Flora Lio Facsimile: (201) 626-9941 Email: LAU_USCORP1@mizuhocbus.com	\$66,666,666.66
CoBank, ACB	6340 S. Fiddlers Green Circle Greenwood Village, CO 80111 Attention: CoBank Loan Accounting / Legal Loan Processing – Closing Facsimile: (720) 528-6258 Email: cobankloanaccounting@cobank.com / closing@cobank.com	\$66,666,666.66
Total:		\$400,000,000.00

EL PASO ELECTRIC COMPANY

SOAH Docket No. 473-21-2606
PUC Docket No. 52195
DOD/FEA's 1st, Q. No. DOD/FEA 1-13
Attachment 3

PUBLIC

DOD/FEA 1-13 Attachment 3 is a CONFIDENTIAL and/or HIGHLY SENSITIVE PROTECTED MATERIALS attachment.

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

APPLICATION OF EL PASO	§	BEFORE THE STATE OFFICE
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EL PASO ELECTRIC COMPANY'S RESPONSE TO
THE UNITED STATES DEPARTMENT OF DEFENSE AND ALL OTHER FEDERAL
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QUESTION NOS. DOD/FEA 1-1 THROUGH DOD/FEA 1-43

DOD/FEA 1-14:

Please refer to file *TIEC 1-7 Attachment 01 Confidential*. Please provide the annual funding source for the Nuclear Fuel line item. If available, please provide the amounts on a monthly basis.

RESPONSE:

Refer to the direct testimony of El Paso Electric Company (“EPE”) witness Lisa D Budtke, pages 16 to 17, for a description of the funding source of nuclear fuel. Refer to DOD/FEA 1-14 Attachment 1-Confidential, for the monthly amount of nuclear fuel financing for years 2021-2023. Years 2024-2025 are not available on a monthly basis.

Preparer: Greg Shearman

Title: Manager – Forecasting

Sponsor: Lisa D. Budtke

Title: Director – Treasury Services & Investor
Relations

EL PASO ELECTRIC COMPANY

SOAH Docket No. 473-21-2606
PUC Docket No. 52195
DOD/FEA's 1st, Q. No. DOD/FEA 1-14
Attachment 1

PUBLIC

DOD/FEA 1-14 Attachment 1 is a CONFIDENTIAL and/or HIGHLY SENSITIVE PROTECTED MATERIALS attachment.

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DOD/FEA 1-15:

Please refer to the file *TIEC 1-7 Attachment 01 Confidential*. Please provide the annual amount of funding from the RCF broken down by Nuclear Fuel funding, and other items (by line item indicating, separately, generation, transmission, distribution, or general capital projects funding). Please show the amounts requested above on a gross and net of pay-down basis. If available, please provide the amounts on a monthly basis.

RESPONSE:

Refer to the direct testimony of El Paso Electric Company ("EPE") witness Lisa D Budtke, pages 4 and 5, for a description of the sources of capital. Revolving Credit Facility ("RCF") borrowings in EPE's forecast are separated between working capital and nuclear fuel. However, RCF borrowings for working capital are forecast on the total company financing needs and are not specifically identified by the items listed above. Forecast borrowings are also not broken down on a gross and net of pay-down basis. Refer to DOD/FEA 1-15, Attachment 1-Confidential, for the total company monthly financing requirements of working capital for years 2021-2023. Years 2024-2025 are not available on a monthly basis.

Preparer: Greg Shearman

Title: Manager – Forecasting

Sponsor: Lisa D. Budtke

Title: Director – Treasury Services & Investor Relations

EL PASO ELECTRIC COMPANY

SOAH Docket No. 473-21-2606
PUC Docket No. 52195
DOD/FEA's 1st, Q. No. DOD/FEA 1-15
Attachment 1

PUBLIC

DOD/FEA 1-15 Attachment 1 is a CONFIDENTIAL and/or HIGHLY SENSITIVE PROTECTED MATERIALS attachment.

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QUESTION NOS. DOD/FEA 1-1 THROUGH DOD/FEA 1-43

DOD/FEA 1-16:

Please provide copies of all Commission Orders or Commission guidance from Project No. 50664, or elsewhere, that the Company is relying upon for its proposals to recover COVID-19 costs.

RESPONSE:

El Paso Electric Company relied on the publicly available Commission Orders found in the Public Utility Commission of Texas Interchange Filing Search under Docket No. 50664 (<https://interchange.puc.texas.gov/search/filings/?UtilityType=A&ControlNumber=50664&ItemMatch=Equal&DocumentType=ALL&SortOrder=Ascending>) for its proposals to recover COVID-19 costs.

Preparer: En Li

Title: Manager – Financial Accounting

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

SOAH DOCKET NO. 473-21-2606
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DOD/FEA 1-17:

Please confirm or deny FEA's understanding that the Company has included a return on equity, as well as interest recovery, when calculating the accrued balance amounts to be recovered through the COVID-19 regulatory asset. Please explain.

RESPONSE:

Confirm. El Paso Electric Company ("EPE") included carrying costs based on a weighted average cost of capital approved in EPE's last rate case (Docket No. 46831) when calculating the accrued balance amounts to be recovered through the COVID-19 regulatory asset. However, EPE's calculation only included carrying costs up to the test year ended December 31, 2020. Based on the broad language in the Commission Orders in Docket No. 50664, EPE could have included carrying costs through the full recovery period of the costs. Please refer to Workpaper B-1, Adjustment No. 3, for the calculation of the COVID-19 regulatory asset.

Preparer: En Li

Title: Manager – Financial Accounting

Sponsor: Cynthia S. Prieto
Jennifer I. Borden

Title: Vice President – Controller
Director – Regulatory Accounting

SOAH DOCKET NO. 473-21-2606
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DOD/FEA 1-18:

Has the Commission, in Project No. 50664, made a decision allowing or disallowing utilities to include a return on equity in the “carrying costs” of the regulatory asset related to COVID-19 cost recovery? If allowed, please provide a copy of the language.

RESPONSE:

The Public Utility Commission of Texas (“PUC”) stated the following in PUCT Docket No. 50664: “In future proceedings, the Commission will consider whether each utility’s request for recovery of these regulatory assets is reasonable and necessary. The Commission will also consider in the future proceeding other issues, such as the appropriate period of recovery for the approved amount of regulatory assets, any amount of carrying costs thereon, and other related matters.” (Order Related to Accrual of Regulatory Assets-March 26, 2020) The PUCT also stated that these considerations would be on a case-by-case basis.

Preparer: En Li

Title: Manager – Financial Accounting

Sponsor: Cynthia S. Prieto
Jennifer I. Borden

Title: Vice President – Controller
Director – Regulatory Accounting

SOAH DOCKET NO. 473-21-2606
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DOD/FEA 1-19:

Please refer to the file *WP B-1 Adj 03 Reg Assets and Liab*, “Tab Adj 3 pg 2”, column (d) labeled “Compound Interest at $7.725\% ((1+0.07725)^{(1/12)) - 1$ (A)”. Please confirm or deny that the monthly rate shown of 0.00622022 includes both interest and a return on equity.

RESPONSE:

Confirm. The rate of .00622022 is calculated using a 7.725% weighted average cost of capital. The 7.725% was the weighted average cost of capital approved in El Paso Electric Company’s 2017 Texas Rate Case, Docket No. 46831 and is based on a 5.922% cost of debt, an authorized return on equity of 9.65%, and an authorized regulatory capital structure of 51.652% long-term debt and 48.348% equity.

Preparer: Melody Boisselier

Title: Principal Accountant – Regulatory
Accounting

Sponsor: Jennifer I. Borden

Director – Regulatory Accounting

SOAH DOCKET NO. 473-21-2606
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DOD/FEA 1-20:

Please refer to the file *WP B-1 Adj 03 Reg Assets and Liab*, “Tab Adj 3 pg 2”, column (b) labeled “Monthly Activity”. Please provide an explanation, supporting documentation and files to explain how the annual amount was apportioned to each month. For example, how did the Company determine that for the month of August 2020 \$1,167,728.98 was the appropriate monthly activity?

RESPONSE:

Please refer to El Paso Electric Company’s (“EPE”) response to Staff 5-1, Attachment 1, and Attachment 2, for a detailed explanation of the procedures followed by EPE to identify, quantify and record COVID-19 related costs.

The monthly amounts reported on *WP B-1 Adj 03 Reg Assets and Liab*, Adj 3 pg 2 were determined based on the month they were recorded in EPE’s accounting system.

Also refer to the direct testimony of EPE witness Prieto for a discussion on COVID-19 related costs and *WP A-3*, Adjustment 7, page 2 of 2 for a description by category of these costs.

Preparer: Melody Boisselier

Title: Principal Accountant – Regulatory
Accounting

Sponsor: Jennifer I. Borden
Cynthia S. Prieto

Director – Regulatory Accounting
Vice President – Controller

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DOD/FEA 1-21:

Please provide any and all supporting documentation for the calculation of the adjustment 450000 - FORFEITED DISCOUNTS of \$944,710 included in the file *WP A-3 Adj 07 COVID-19 Costs* ("Tab 2. Adj 7 P2" Line 31).

RESPONSE:

Please see El Paso Electric Company's response to Staff 7-3 for the calculation of the adjustment to FERC Account 450 for forfeited discounts of \$944,710 included in WP A-3, Adjustment No. 7, COVID-19 Costs.

Preparer: En Li

Title: Manager – Financial Accounting

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

SOAH DOCKET NO. 473-21-2606
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DOD/FEA 1-22:

Please refer to *RFI STAFF 5-5*. Please indicate whether the Company performed analyses on any other cost savings related to COVID-19, besides those shown in *WP A-3 Adj 07 COVID-19 Costs* and *RFI STAFF 5-5*. For example, did the Company analyze lower utility service costs at Company buildings due to COVID-19? Please provide documentation for all analyses performed, to include correspondence, press releases, presentations, and all other materials related to potential cost savings due to the pandemic.

RESPONSE:

El Paso Electric Company ("EPE") analyzed several other accounts for cost savings due to COVID-19, including fleet fuel and maintenance costs, customer service costs, distribution design costs, and transmission and distribution line maintenance costs. Please refer to DOD/FEA 1-22, Attachments 1 and 2, for savings analyses performed and documented through quarterly COVID-19 filings with the New Mexico Public Regulation Commission and other correspondence, respectively. Some COVID-19 related travel savings were recently identified with respect to EPE's Palo Verde costs as stated in EPE's response to TIEC 7-1. These savings were recorded as a savings in the cost of service rather than as a reduction in the COVID-19 regulatory asset.

Preparer: En Li

Title: Manager – Financial Accounting

Sponsor: Cynthia S. Prieto

Title: Vice President – Controller

July 31, 2020

Ms. Melanie Sandoval
Records Bureau Chief
New Mexico Public Regulation Commission
1120 Paseo De Peralta – PERA Building
Santa Fe, NM 87504

Subject: El Paso Electric Company's Quarterly Report NMPRC Case No. 20-00069-UT Compliance Filing

Dear Ms. Sandoval,

El Paso Electric Company ("EPE" or "Company") files this quarterly report pursuant to New Mexico Public Regulation Commission's ("NMPRC") Case No. 20-00069-UT *Order Authorizing Creation of a Regulatory Asset by Public Utilities for Costs Associated with Emergency Conditions* issued on June 24, 2020 ("Order"), which ordered public utilities choosing to create a regulatory asset to quarterly report certain information related to the impacts of the COVID-19 pandemic. Specifically, Section E of the Order states:

"Public utilities choosing to create a regulatory asset shall file quarterly reports with the Commission concerning usage, increased costs and offsetting savings within 30 days of the end of each quarterly period within the deferral period. The first report shall cover the period from March 11, 2020 through June 30, 2020 and be filed by July 31, 2020."

EPE has not recorded a regulatory asset nor a regulatory liability for costs incurred and savings as a result of the COVID-19 pandemic at this time; however, it is making this filing in the event that EPE records a regulatory asset in the future.

Exhibit I Customer Usage by Rate Class from March 11, 2020 through June 30, 2020. This exhibit provides New Mexico customer kWhs billed by customer rate class for each month of the reporting period. While EPE believes that the impact of the pandemic has had an overall adverse impact on kWhs sold to its customers, it also has resulted in a change in patterns of usage by customer class. Generally, declines in usage in the public authorities and commercial classes have been partially offset by increases in residential usage. EPE has not been able to specifically quantify the adverse impact of COVID-19 on sales volumes insofar as other factors such as weather and customer growth partially may offset this effect.

Exhibit II Increased Costs from March 11, 2020 through June 30, 2020. As the pandemic escalated and federal, state and local authorities began to issue emergency orders and mandated directives to its citizens and businesses, the impact to EPE began to escalate. During the month of March, EPE began modifying its operations and developing new business processes and workflows to identify costs directly related to the pandemic. Although these new processes were implemented in March, EPE identified little to no costs occurring in March. These minimal costs have been included in the "March 11 to April 30, 2020" column in Exhibit II. While every effort has been made to identify all costs related to the pandemic, as more information becomes available, modifications may be made to these reported costs.

The costs presented in Exhibit II are on a total company basis because EPE does not jurisdictionalize all costs in its general ledger.

Exhibit III Savings from March 11, 2020 through June 30, 2020. The only quantifiable potential savings EPE currently identifies are savings reported by Arizona Public Service Company related to Palo Verde Generating Station (“Palo Verde”) operations, potential savings related to training and travel, and office supplies. The Palo Verde savings serve to offset the costs incurred as reported in Exhibit II. EPE is investigating whether these savings are permanent savings or merely a deferral of costs to next year and therefore are not truly savings. EPE also quantified a reduction in training and travel costs related to the pandemic by comparing costs for the four months ended June 30, 2020, to the four months ended June 30, 2019. EPE has not evaluated whether what portion, if any, is a permanent savings or whether such costs have merely been deferred. As additional information develops, EPE will assess whether such costs are permanent.

EPE has considered that there may be potential savings due to work at home provisions through the reduction of office supplies such as copy paper and printer toner; however, these potential savings appear to be more than offset by additional technology costs required to work from remote locations. Accordingly, EPE identifies incremental costs related to technology in Exhibit II. Potential savings related to office supplies reported in Exhibit III is measured by comparing costs incurred this year to the same periods last year.

EPE does not anticipate savings related to reduced activity at utility offices, payment centers and other facilities. EPE facilities were closed to walk-in customers, but drive through and drop box services continued, and EPE did not reduce staff at these facilities.

Finally, EPE has not identified savings due to reduced fuel and maintenance costs associated with reduced activity of line personnel; but rather believes there has been an increase in such costs. EPE has not been able to quantify the net increase in fuel cost due to the increase in maintenance projects and therefore has not included such costs in Exhibit II. EPE has experienced an increase in its maintenance programs rather than a decrease. The work requests completed and underway for the six months ended June 30, 2020 exceed those for the same period last year.

If you have any questions regarding this filing, please feel free to contact me at 915-543-4354.

Sincerely,

/s/ Curtis Hutcheson

Curtis Hutcheson
Supervisor-Regulatory Case Management

Exhibit I
Exhibit II
Exhibit III

cc: Service list Case No. 20-00069-UT

Exhibit I: Usage by New Mexico Rate Class
March 11, 2020 to June 30, 2020

Exhibit I
Page 1 of 1

		March 11 to March 31, 2020 Usage (kWh)	April 2020 Usage (kWh)	May 2020 Usage (kWh)	June 2020 Usage (kWh)	Total Usage (kWh) by Rate Class for reporting period
New Mexico Rate Class:						
NMRT01	Residential Service Rate	30,157,988	42,277,031	53,740,975	73,019,166	199,195,160
NMRT03	Small Commercial Service Rate	6,494,411	10,177,490	11,199,580	14,097,842	41,969,323
NMRT04	General Service Rate	12,460,495	20,110,415	20,794,722	24,080,225	77,445,857
NMRT05	Irrigation Service Rate	881,883	3,618,271	5,959,667	4,975,261	15,435,082
NMRT07	City and County Service Rate	2,412,640	3,321,244	3,436,075	4,163,346	13,333,305
NMRT08	Water, Sewage, Storm Sewage Pumping or Sewage Disposal Rate	2,053,596	2,809,488	3,377,603	3,641,505	11,882,192
NMRT09	Large Power Service Rate	10,170,367	10,532,965	9,605,916	11,513,719	41,822,967
NMRT10	Military Research and Development Rate	9,724,153	8,154,340	9,078,218	12,119,526	39,076,237
NMRT11	Street Lighting Service Rate	112,966	150,496	150,408	150,110	563,980
NMRT12	Private Area Lighting Service Rate	300,953	431,211	430,541	429,122	1,591,827
NMRT16	NM Purchased Power Net Metering	2,791,623	2,401,838	3,045,711	4,854,666	13,093,838
NMRT19	Seasonal Agriculture Processing Service Rate	33,293	98,543	173,897	498,256	803,989
NMRT25	Outdoor Recreational Lighting Service Rate	70,633	21,945	7,178	9,537	109,293
NMRT26	State University Service Rate	2,229,000	2,223,005	1,627,046	2,688,532	8,767,583
NMRT29	Noticed Interruptible Service for Large Power	231,646	557,551	462,037	596,262	1,847,496
NMRT32	Voluntary Renewable Energy	25,907	23,455	30,024	37,635	117,021
Total		80,151,554	106,909,288	123,119,598	156,874,710	467,055,150

Exhibit II: Costs related to COVID-19 pandemic
March 11, 2020 to June 30, 2020

Exhibit II
Page 1 of 1

Description	March 11 to April 30, 2020	May 2020	June 2020	Total
Palo Verde Costs (1)	\$ 96,380	\$ 472,420	\$ 243,320	\$ 812,120
Operational Support (2)	16,457	31,777	15,479	63,713
Safety (3)	102,478	116,529	143,303	362,310
Customer Support (4)	56,100	87,495	-	143,595
Information Technology (5)	74,149	37,551	5,757	117,457
Bad debt expense	427,110	38,028	190,973	656,111
Total non-labor impacts	\$ 772,674	\$ 783,800	\$ 598,832	\$ 2,155,306
Labor	373,577	220,623	134,880	729,080
Labor related allocations	339,372	176,210	101,573	617,155
Total labor impacts	712,949	396,833	236,453	1,346,235
Total	<u>\$ 1,485,623</u>	<u>\$ 1,180,633</u>	<u>\$ 835,285</u>	<u>\$ 3,501,541</u>

- (1) O&M charges from APS identified as COVID-19 related.
- (2) Security, medical consulting, food and accommodations (i.e. beds, freezers, washers, dryers, televisions), etc.
- (3) Personal protective equipment, janitorial services, disinfectants, etc.
- (4) Mailings and other notices.
- (5) Third party support, software (webex and cell service), computer peripherals (headsets, printers, cables), etc.

Exhibit III: Available subsidies and the potential of cost savings related to COVID-19 pandemic
March 2020 to June 30, 2020

Exhibit III
Page 1 of 1

Description	March 2020	April 2020	May 2020	June 2020	Total
Federal and State Subsidies (1)	\$ -	\$ -	\$ -	\$ -	\$ -
Savings due to "work at home" provisions (2)	32,777	(8,268)	(3,256)	45,680	66,933
Labor cost savings for furloughed employees (3)	-	-	-	-	-
Savings due to closure or reduced activities at utility offices, payment centers, and other facilities (4)	-	-	-	-	-
Savings due to reduced fuel & matenance costs associated with reduced activity of line personnel (5)	-	-	-	-	-
Total excluding Other	\$ 32,777	\$ (8,268)	\$ (3,256)	\$ 45,680	\$ 66,933
Palo Verde Savings (6)	-	756,820	278,080	-	1,034,900
Training & travel related savings (7)	(111,549)	48,159	136,857	(25,680)	47,787
Total Other (8)	(111,549)	804,979	414,937	(25,680)	1,082,687
Total	<u>\$ (78,772)</u>	<u>\$ 796,711</u>	<u>411,681</u>	<u>\$ 20,000</u>	<u>\$ 1,149,620</u>

- (1) EPE is taking advantage of the CARES Act by deferring the payment of payroll taxes, which has not resulted in permanent savings.
- (2) EPE has indentified potential cost savings for office supplies relative to the same periods in 2019.
- (3) EPE has not furloughed any of its employees.
- (4) EPE does not anticipate savings related to reduced activity at utility offices, payment centers and other facilities. Facilities were closed to walk-in customers, but drive through and drop box services continued and EPE did not reduce staff at these facilities.
- (5) EPE has not identified any cost savings.
- (6) Potentail savings related to deferral of spring outage support costs at Palo Verde Generating Station due to the COVID-19 pandemic.
- (7) EPE has indentified potential cost savings for training and travel relative to the same periods in 2019.
- (8) EPE is not currently aware of, nor tracking, any other miscellaneous costs savings beyond those documented in this exhibit.

BEFORE THE NEW MEXICO PUBLIC REGULATION COMMISSION

**IN THE MATTER OF THE ADOPTION OF AN)
IMMEDIATE EMERGENCY RULE PROHIBITING THE)
DISCONTINUATION OF RESIDENTIAL CUSTOMER) CASE NO. 20-00069-UT
PUBLIC UTILITY SERVICE DURING THE TIME)
PERIOD OF THE GOVERNOR'S EXECUTIVE ORDERS)
2020-004 THROUGH -0010)**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that **El Paso Electric Company's Quarterly Report NMPRC**

Case No. 20-00069-UT Compliance Filing was emailed on July 31, 2020, to each of the following:

Stacey Goodwin	stacey.goodwin@pnmresources.com ;
Joan Drake	jdrake@modrall.com ;
Perry Robinson	perry.robinson@urenco.com ;
Deana M. Bennett	dmb@modrall.com ;
John Bogatko	john.bogatko@state.nm.us ;
Dhiraj Solomon	dhiraj.solomon@state.nm.us ;
Mark Tupler	marc.tupler@state.nm.us ;
Milo Chavez	milo.chavez@state.nm.us ;
John Reynolds	john.reynolds@state.nm.us ;
Jason Montoya	jasonn.montoya@state.nm.us ;
Peggy Martinez-Rael	peggy.martinez-rael@state.nm.us ;
Elizabeth Ramirez	elizabeth.ramirez@state.nm.us ;
Gilbert Fuentes	gilbertt.fuentes@state.nm.us ;
Russell Fisk	russell.fisk@state.nm.us ;
Judith Amer	judith.amer@state.nm.us ;
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Greg Ridgley	greg.ridgley@state.nm.us ;

Ryan Jerman	<u>ryan.jerman@pnmresources.com</u>
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DATED this 31st day of July 2020.

/s/ Trish Griego
Trish Griego
Legal Assistant

October 30, 2020

Ms. Melanie Sandoval
Records Bureau Chief
New Mexico Public Regulation Commission
P.O. Box 1269
Santa Fe, NM 87504-1269

Subject:

**El Paso Electric Company's Quarterly Report
NMPRC Case No. 20-00069-UT – Compliance Filing**

Dear Ms. Sandoval,

El Paso Electric Company ("EPE" or "Company") files this quarterly report pursuant to New Mexico Public Regulation Commission's ("NMPRC") Case No. 20-00069-UT *Order Authorizing Creation of a Regulatory Asset by Public Utilities for Costs Associated with Emergency Conditions* issued on June 24, 2020 ("Order"), which ordered public utilities choosing to create a regulatory asset to quarterly report certain information related to the impacts of the COVID-19 pandemic. Specifically, Section E of the Order states:

"Public utilities choosing to create a regulatory asset shall file quarterly reports with the Commission concerning usage, increased costs and offsetting savings within 30 days of the end of each quarterly period within the deferral period."

EPE has not recorded a regulatory asset nor a regulatory liability for costs incurred and savings as a result of the COVID-19 pandemic at this time; however, it is making this filing in the event that EPE records a regulatory asset in the future.

Exhibit I Customer Usage by Rate Class from July 1, 2020 to September 30, 2020. This exhibit provides New Mexico customer kWhs billed by customer rate class for each month of the reporting period. While EPE continues to believe that the impact of the pandemic has had an overall adverse impact on kWhs sold to its customers, it also has resulted in a change in patterns of usage by customer class. Generally, declines in usage in the public authorities and commercial classes have been partially offset by increases in residential usage. EPE has not been able to specifically quantify the adverse impact of COVID-19 on sales volumes insofar as other factors such as weather and customer growth partially may offset this effect.

Exhibit II Increased Costs from July 1, 2020 through September 30, 2020. EPE continues with modified operations and continues to develop and adjust business processes and workflows to identify costs directly related to the pandemic. While every effort has been made to identify all costs related to the pandemic, as more information becomes available, modifications may be made to these reported costs. The costs presented in Exhibit II are on a total company basis because EPE does not jurisdictionalize all costs in its general ledger.

Exhibit III Savings from July 1, 2020 through September 30, 2020. The only quantifiable potential savings EPE currently identifies are potential savings related to training and travel, and office supplies. EPE quantified a reduction in training and travel costs related to the pandemic by comparing costs for the three months ended September 30, 2020 to the three months ended September 30, 2019. EPE has not

evaluated whether what portion, if any, is a permanent savings or whether such costs have merely been deferred. As additional information develops, EPE will assess whether such savings are permanent.

EPE has considered that there may be potential savings due to work at home provisions through the reduction of office supplies such as copy paper and printer toner; however, these potential savings appear to be more than offset by additional technology costs required to work from remote locations. Accordingly, EPE identifies incremental costs related to technology in Exhibit II. Potential savings related to office supplies reported in Exhibit III is measured by comparing costs incurred this year to the same periods last year.

EPE does not anticipate savings related to reduced activity at utility offices, payment centers and other facilities. EPE facilities were closed to walk-in customers, but drive through and drop box services continued, and EPE did not reduce staff at these facilities.

Finally, EPE has not identified savings due to reduced fuel and maintenance costs associated with reduced activity of line personnel; but rather believes there has been an increase in such costs. EPE has not been able to quantify the net increase in fuel cost due to the increase in maintenance projects and therefore has not included such costs in Exhibit II. EPE has experienced an increase in its maintenance programs rather than a decrease. The work requests completed and underway for the three months ended September 30, 2020 exceed those for the same period last year.

If you have any questions regarding this filing, please feel free to contact me at 915-543-4354.

Sincerely,

/s/ Curtis Hutcheson

Curtis Hutcheson
Supervisor-Regulatory Case Management

Exhibit I
Exhibit II
Exhibit III
cc: Service list Case No. 20-00069-UT

Exhibit I: Usage by New Mexico Rate Class
July 1, 2020 to September 30, 2020

Exhibit I
Page 1 of 1

New Mexico Rate Class:	July 2020 Usage (kWh)	August 2020 Usage (kWh)	September 2020 Usage (kWh)	Total Usage (kWh) by Rate Class for reporting period
NMRT01 Residential Service Rate	94,595,486	92,588,504	85,677,261	272,861,251
NMRT03 Small Commercial Service Rate	17,437,676	16,951,468	17,081,838	51,470,982
NMRT04 General Service Rate	29,165,668	28,467,923	28,926,684	86,560,275
NMRT05 Irrigation Service Rate	4,988,593	4,466,947	7,029,694	16,485,234
NMRT07 City and County Service Rate	5,058,100	5,746,092	5,569,097	16,373,289
NMRT08 Water, Sewage, Storm Sewage Pumping or Sewage Disposal Rate	4,639,145	3,933,316	4,087,261	12,659,722
NMRT09 Large Power Service Rate	12,097,168	12,207,740	12,783,679	37,088,587
NMRT10 Military Research and Development Rate	12,678,086	12,055,978	12,372,076	37,106,140
NMRT11 Street Lighting Service Rate	150,513	150,571	150,837	451,921
NMRT12 Private Area Lighting Service Rate	429,910	429,905	432,376	1,292,191
NMRT16 NM Purchased Power Net Metering	6,609,896	7,102,672	7,150,584	20,863,152
NMRT19 Seasonal Agriculture Processing Service Rate	819,632	1,262,905	491,451	2,573,988
NMRT25 Outdoor Recreational Lighting Service Rate	25,167	25,493	26,957	77,617
NMRT26 State University Service Rate	3,110,740	3,056,719	2,929,658	9,097,117
NMRT29 Noticed Interruptible Service for Large Power	669,743	702,168	717,908	2,089,819
NMRT32 Voluntary Renewable Energy	60,960	63,027	52,150	176,137
Total	192,536,483	189,211,428	185,479,511	567,227,422

Exhibit II: Costs related to COVID-19 pandemic
July 1, 2020 to September 30, 2020

Exhibit II
Page 1 of 1

Description	July 2020	August 2020	September 2020	Total
Palo Verde Costs (1)	\$ 77,420	\$ 153,260	\$ 128,316	\$ 358,996
Operational Support (2)	70,473	62,420	65,543	198,436
Safety (3)	141,784	133,468	144,199	419,451
Information Technology (4)	1,058	452	-	1,510
Bad debt expense	340,000	831,000	1,146,000	2,317,000
Total non-labor impacts	\$ 630,734	\$ 1,180,601	\$ 1,484,058	\$ 3,295,393
Labor	240,170	181,917	114,729	536,815
Labor related allocations	207,739	62,653	103,950	374,341
Total labor impacts	447,908	244,570	218,679	911,157
Total	\$ 1,078,643	\$ 1,425,170	\$ 1,702,737	\$ 4,206,550

- (1) O&M charges from APS identified as COVID-19 related.
(2) Security, medical consulting, food and accommodations (i.e. beds, freezers, washers, dryers, televisions), etc.
(3) Personal protective equipment, janitorial services, disinfectants, etc.
(4) Third party support, software (webex and cell service), computer peripherals (headsets, printers, cables), etc.

Exhibit III: Available subsidies and the potential of cost savings related to COVID-19 pandemic
July 1, 2020 to September 30, 2020

Exhibit III
Page 1 of 1

Description	Jul-20	Aug-20	Sep-20	Total
Federal and State Subsidies (1)	\$ -	\$ -	\$ -	\$ -
Savings due to "work at home" provisions	31,803	32,321	20,339	84,464
Labor cost savings for furloughed employees (2)	-	-	-	-
Savings due to closure or reduced activities at utility offices, payment centers, and other facilities (3)	-	-	-	-
Savings due to reduced fuel & maintenance costs associated with reduced activity of line personnel (4)	-	-	-	-
Total excluding Other	\$ 31,803	\$ 32,321	\$ 20,339	\$ 84,464
Training & travel related savings	73,272	147,649	104,479	325,400
Total Other (5)	73,272	147,649	104,479	325,400
Total	\$ 105,075	179,970	\$ 124,818	\$ 409,863

(1) EPE is not aware of any available federal or state subsidies at this time.

(2) EPE has not furloughed any of its employees.

(3) EPE does not anticipate savings related to reduced activity at utility offices, payment centers and other facilities. Facilities were closed to walk-in customers, but drive through and drop box services continued and EPE did not reduce staff at these facilities.

(4) EPE has not identified savings due to reduced fuel and maintenance costs associated with reduced activity of line personnel; but rather believes there has been an increase in such costs.

(5) EPE is not currently aware of, nor tracking, any other miscellaneous costs savings beyond those documented in this exhibit.