



Filing Receipt

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EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE E-1: MONTHLY BALANCES OF SHORT TERM ASSETS
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH Docket No. 473-21-2606
PUC Docket No. 52195
SCHEDULE E-1
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Line No.	Month	Prepayments Book Balance FERC Acct 165	Materials & Supplies Book Balance FERC Accts 154 and 163	Environmental Allowances Book Balance FERC Acct 158.1	Fuel Stock Book Balance FERC Acct 151
1	December 2019	\$ 10,941,642	\$ 58,915,621	\$ 56,084	\$ 1,900,338
2	January 2020	11,138,235	58,407,540	56,084	1,861,622
3	February	15,991,031	58,366,259	56,084	1,707,098
4	March	15,267,125	58,724,205	56,084	1,649,078
5	April	17,191,734	60,670,004	56,084	1,594,857
6	May	20,551,324	61,217,355	56,084	1,593,240
7	June	23,038,512	61,715,561	56,084	1,613,358
8	July	20,819,112	61,798,974	56,084	1,617,898
9	August	20,030,556	63,173,011	51,916	1,655,261
10	September	23,843,912	63,028,682	38,629	1,779,876
11	October	20,800,020	63,803,355	28,533	1,708,858
12	November	24,084,237	64,700,271	28,533	1,710,261
13	December	18,997,423	65,512,878	28,533	1,731,080
14	Thirteen Month Total	<u>242,694,863</u>	<u>800,033,716</u>	<u>624,816</u>	<u>22,122,825</u>
15	Thirteen Month Average	<u>\$ 18,668,836</u>	<u>\$ 61,541,055</u>	<u>\$ 48,063</u>	<u>\$ 1,701,756</u>
	45 DAY UPDATE				
16	January 2021	\$ 17,613,060	\$ 64,942,762	\$ 28,533	\$ 1,697,421
17	February 2021	16,716,901	65,263,450	138,533	1,807,254
18	March 2021	21,520,182	65,730,128	138,533	1,889,538

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

EL PASO ELECTRIC COMPANY
 2021 TEXAS RATE CASE FILING
 SCHEDULE E-5: PREPAYMENTS, MATERIALS AND SUPPLIES (CHARGED TO O&M)
 SPONSOR: CYNTHIA S. PRIETO
 PREPARER: ALEJANDRA GUEVARA
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
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 SCHEDULE E-5
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Line No.	(a) Month	(b) Per Book
	<u>Prepayments</u>	
1	January	\$ 1,919,273
2	February	1,827,870
3	March	1,910,041
4	April	2,007,510
5	May	2,005,109
6	June	2,042,893
7	July	1,921,404
8	August	2,069,368
9	September	2,261,251
10	October	2,082,150
11	November	2,140,405
12	December	<u>1,632,537</u>
13	Total	\$ <u>23,819,811</u>
	<u>Materials & Supplies</u>	
14	January	\$ 1,119,294
15	February	1,158,778
16	March	885,478
17	April	1,425,622
18	May	744,000
19	June	1,155,943
20	July	1,044,290
21	August	1,097,929
22	September	713,761
23	October	1,566,743
24	November	1,072,172
25	December	<u>1,319,321</u>
26	Total	\$ <u>13,303,331</u>
	<u>45 DAY UPDATE</u>	
	<u>Prepayments</u>	
27	January 2021	\$ 2,150,719
28	February	2,148,129
29	March	2,119,228
	<u>Materials and Supplies</u>	
30	January 2021	\$ 899,830
31	February	1,267,972
32	March	980,678

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

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-1.1: REGULAR AND OVERTIME PAYROLL
SPONSOR: CYNTHIA S. PRIETO
PREPARER: TAMMY HENDERSON
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-1.1
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The information contained in Schedule G-1.1 included in El Paso Electric Company's filing on June 1, 2021, contained information through March 2021, which has not changed through the update period.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-1.2: REGULAR PAYROLL BY CATEGORY
SPONSOR: CYNTHIA S. PRIETO
PREPARER: TAMMY HENDERSON
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-1.2
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The information contained in Schedule G-1.2 included in El Paso Electric Company's filing on June 1, 2021, contained information through March 2021, which has not changed through the update period.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-1.3: PAYROLL CAPITALIZED VS. EXPENSED
SPONSOR: CYNTHIA S. PRIETO
PREPARER: TAMMY HENDERSON
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
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SCHEDULE G-1.3
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The information contained in Schedule G-1.3 included in El Paso Electric Company's filing on June 1, 2021, contained information through March 2021, which has not changed through the update period.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-1.4: PAYROLL BY COMPANY
SPONSOR: CYNTHIA S. PRIETO
PREPARER: TAMMY HENDERSON
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

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This schedule is not applicable to El Paso Electric Company.

While EPE owned a portion of the Palo Verde Generating Station during the Test Year, it was not the operator of this plant and did not disburse payroll to employees who work at this plant.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-1.5: NUMBER OF EMPLOYEES
SPONSOR: CYNTHIA S. PRIETO
PREPARER: TAMMY HENDERSON
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
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SCHEDULE G-1.5
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The information contained in Schedule G-1.5 included in El Paso Electric Company's filing on June 1, 2021, contained information through March 2021, which has not changed through the update period.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-1.6: PAYMENTS OTHER THAN STANDARD PAY
SPONSOR: CYNTHIA S. PRIETO
PREPARER: TAMMY HENDERSON
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-1.6
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The information contained in Schedule G-1.6 included in El Paso Electric Company's filing on June 1, 2021, contained information through March 2021, which has not changed through the update period.

Question 1:

45 Day Update:

LONG-TERM INCENTIVE PLAN

On February 3, 2021, the Company's Long-Term Incentive Plan ("LTIP") was approved by the People and Remuneration Committee of the Board. The LTIP provides for the payment of cash awards to eligible Company employees, including each of its executive officers, and is reviewed and granted annually. Measurement of awards is based on the achievement of performance measures, primarily based on the net asset value of the Company as of the end of each calendar quarter during the performance period and a retention period. The performance period is measured as a period of three years, and the retention period as a period of two years that begins immediately after the performance period. The LTIP amounts vest in equal installments over a three-year period beginning on the first day of the retention period. Any unvested long-term cash awards are forfeited if the participant is no longer employed by the Company.

Question 2:

45 Day Update:

Please see page 4 of 4 of this updated schedule for the additional information to Question No. 2.

Question 3:

45 Day Update:

Please see page 4 of 4 of this updated schedule for the additional information to Question No. 3, as well as the updated WP/G-2.

Question 4:

45 Day Update:

Please see page 4 of 4 of this updated schedule for the additional information to Question No. 4.

Question 5:

45 Day Update:

No Update.

Question 6:

45 Day Update:

Please refer to Schedule G-2.1 UPDATE regarding the Retirement Income Plan and updated G-2.2 UPDATE regarding Other Postemployment Benefits for the additional information to Question No. 6.

Line No.		2020 Jan	2020 Feb	2020 Mar	2020 Apr	2020 May	2020 Jun
QUESTION NO. 2							
1	(a)(d) Health Care Claims Costs	\$ 1,120,409	\$ 670,277	\$ 949,085	\$ 838,534	\$ 2,496,673	\$ 180,916
2	(h) Health Care Claims Costs - COVID-19	-	-	-	-	-	-
3	Total Healthcare Claims Costs	<u>\$ 1,120,409</u>	<u>\$ 670,277</u>	<u>\$ 949,085</u>	<u>\$ 838,534</u>	<u>\$ 2,496,673</u>	<u>\$ 180,916</u>
QUESTION NO. 3							
4	(d) Group Term Life Insurance Costs	\$ 11,867	\$ 12,260	\$ 12,062	\$ 12,182	\$ 12,165	\$ -
5	(d) Stop Loss Insurance Costs	139,903	-	141,398	126,808	125,338	127,788
6	(d) Long-Term Disability, Short-Term Disability & AD & D Costs	19,280	24,340	20,133	26,944	28,210	8,210
7	Total Insurance Premiums	<u>\$ 171,050</u>	<u>\$ 36,600</u>	<u>\$ 173,593</u>	<u>\$ 165,934</u>	<u>\$ 165,713</u>	<u>\$ 135,998</u>
QUESTION NO. 4							
8	(a) 401(k) Savings Plans	\$ 397,364	\$ 370,554	\$ 902,927	\$ 381,244	\$ 347,872	\$ 407,812
9	Active Health Care Administrative Fees	56,818	-	59,209	59,641	62,637	67,129
10	Consulting and Professional Fees	129,594	57,066	16,436	155,597	-	140,614
11	(a) Stock Incentive Plans	140,857	140,857	384,570	260,372	260,373	262,225
12	(a) Retirement Income Plan - Net Periodic Benefit Cost	250,422	250,415	947,236	482,696	482,696	482,696
13	(a) Other Postemployment Benefits - Net Periodic Benefit Cost	(404,326)	(404,315)	(123,171)	(310,607)	(310,607)	(310,607)
14	(g) Non-qualified Retirement Income Plans	179,133	179,123	158,830	172,361	172,361	172,361
15	(f) Palo Verde - EPE Proportionate Share	544,000	456,460	517,445	511,000	470,833	(98,095)
16	(f) Palo Verde Transmission - EPE Proportionate Share	1,748	4,234	3,761	4,762	4,297	3,824
17	(a) Employee Settlements/Severance	-	(162,951)	-	-	-	-
18	(b) Miscellaneous	36,318	241,958	149,992	68,160	37,835	(5,022)
19	(a)(e) Accruals/(Reversals)	(750,000)	(27,000)	393,000 (e)	834,000	(1,490,250)	1,096,667 (e)
20	Total Other Benefit Costs	<u>\$ 581,928</u>	<u>\$ 1,106,401</u>	<u>\$ 3,410,235</u>	<u>\$ 2,619,226</u>	<u>\$ 38,047</u>	<u>\$ 2,219,604</u>
21	Total Pension and Benefits Cost	\$ 1,873,387	\$ 1,813,278	\$ 4,532,913	\$ 3,623,694	\$ 2,700,433	\$ 2,536,518
22	(c) Less Amount Capitalized	590,646	608,410	1,119,676	1,115,702	827,208	772,580
23	Total Pension and Benefits Expense	<u>\$ 1,282,741</u>	<u>\$ 1,204,868</u>	<u>\$ 3,413,237</u>	<u>\$ 2,507,992</u>	<u>\$ 1,873,225</u>	<u>\$ 1,763,938</u>

- (a) See Schedule A-3 Adjustment 4 for requested expense.
- (b) Includes costs for Employee Assistance Program, Tuition Reimbursement Program, Service Awards, Employee Meetings and other miscellaneous employee benefits.
- (c) The Company capitalizes a portion of the activity in FERC account 926 each month. The capitalized amount is based on the actual payroll charged to capital projects during the month. The capitalization is calculated on the total monthly activity and the Company does not record capitalization by benefit type.
- (d) Monthly variances due to the timing on receipt and or payment of invoices.
- (e) Includes PTO accrual.
- (f) As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts not an increase in costs incurred during the test year ended December 31, 2020.
- (g) See Schedule G-2 Attachment A for the 2020 Actuarial Valuation Reports for the SERP and Excess Benefit Plan.
- (h) Includes medical costs related to COVID-19 from March 2020 through November 2020. See Schedule A-3 adjustment 7 for further details.

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

Line No.		2020 Jul	2020 Aug	2020 Sep	2020 Oct	2020 Nov	2020 Dec	Test Year Total
QUESTION NO. 2								
1	(a)(d) Health Care Claims Costs	\$ 1,306,625	\$ 1,210,589	\$ 379,764	\$ 160,302	\$ 2,355,632	\$ 408,457	\$ 12,077,263
2	(h) Health Care Claims Costs - COVID-19	-	-	-	-	-	544,456 (h)	544,456
3	Total Healthcare Claims Costs	\$ 1,306,625	\$ 1,210,589	\$ 379,764	\$ 160,302	\$ 2,355,632	\$ 952,913	\$ 12,621,719
QUESTION NO. 3								
4	(d) Group Term Life Insurance Costs	\$ 24,319	\$ -	\$ 24,839	\$ -	\$ 24,792	\$ 25,227	\$ 159,713
5	(d) Stop Loss Insurance Costs	126,441	126,196	257,905	254,842	127,666	128,769	1,683,054
6	(d) Long-Term Disability, Short-Term Disability & AD & D Costs	90,673	-	89,511	6,538	68,607	66,936	449,382
7	Total Insurance Premiums	\$ 241,433	\$ 126,196	\$ 372,255	\$ 261,380	\$ 221,065	\$ 220,932	\$ 2,292,149
QUESTION NO. 4								
8	(a) 401(k) Savings Plans	\$ 361,387	\$ 401,036	\$ 347,998	\$ 419,832	\$ 536,753	\$ 358,397	\$ 5,233,175
9	Active Health Care Administrative Fees	62,154	63,404	121,094	119,790	60,003	78,135	810,014
10	Consulting and Professional Fees	101,817	70,359	24,217	66,644	95,399	12,453	870,197
11	(a) Stock Incentive Plans	235,170	-	-	-	-	-	1,684,424
12	(a) Retirement Income Plan - Net Periodic Benefit Cost	482,696	(318,037)	382,602	382,602	382,602	382,602	4,591,228
13	(a) Other Postemployment Benefits - Net Periodic Benefit Cost	(310,607)	(391,575)	(320,727)	(320,727)	(320,727)	(320,727)	(3,848,723)
14	(g) Non-qualified Retirement Income Plans	172,361	88,225	161,844	161,844	161,844	161,844	1,942,131
15	(f) Palo Verde - EPE Proportionate Share	521,000	168,529	(85,878)	489,000	163,807	(3,658,101)	-
16	(f) Palo Verde Transmission - EPE Proportionate Share	3,131	4,909	5,751	6,356	4,804	(47,577)	-
17	(a) Employee Settlements/Severance	-	-	-	-	-	-	(162,951)
18	(b) Miscellaneous	288,699	101,681	95,134	245,671	169,378	81,963	1,511,764
19	(a)(e) Accruals/(Reversals)	93,567	(668,984)	1,450,000 (e)	717,963	(1,089,529)	598,877 (e)	1,158,311
20	Total Other Benefit Costs	\$ 2,011,375	\$ (480,453)	\$ 2,182,035	\$ 2,288,975	\$ 164,334	\$ (2,352,135)	\$ 13,789,570
21	Total Pension and Benefits Cost	\$ 3,559,433	\$ 856,332	\$ 2,934,054	\$ 2,710,657	\$ 2,741,031	\$ (1,178,290)	\$ 28,703,438
22	(c) Less Amount Capitalized	1,099,513	487,477	920,074	1,005,068	956,954	867,768	10,371,076
23	Total Pension and Benefits Expense	\$ 2,459,920	\$ 368,855	\$ 2,013,980	\$ 1,705,589	\$ 1,784,077	\$ (2,046,058)	\$ 18,332,362

- (a) See Schedule A-3 Adjustment 4 for requested expense.
- (b) Includes costs for Employee Assistance Program, Tuition Reimbursement Program, Service Awards, Employee Meetings and other miscellaneous employee benefits.
- (c) The Company capitalizes a portion of the activity in FERC account 926 each month. The capitalized amount is based on the actual payroll charged to capital projects during the month. The capitalization is calculated on the total monthly activity and the Company does not record capitalization by benefit type.
- (d) Monthly variances due to the timing on receipt and or payment of invoices.
- (e) Includes PTO accrual.
- (f) As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts not an increase in costs incurred during the test year ended December 31, 2020.
- (g) See Schedule G-2 Attachment A for the 2020 Actuarial Valuation Reports for the SERP and Excess Benefit Plan.
- (h) Includes medical costs related to COVID-19 from March 2020 through November 2020. See Schedule A-3 adjustment 7 for further details.

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

Line No.	2021 Jan	2021 Feb	2021 Mar	45 Day Update Total
QUESTION NO. 2				
1 (a)(d) Health Care Claims Costs	\$ 820,697	\$ 554,054	\$ 485,257	\$ 1,860,008
2 (h) Health Care Claims Costs - COVID-19	-	-	65,716	65,716
3 Total Healthcare Claims Costs	\$ 820,697	\$ 554,054	\$ 550,973	\$ 1,925,724
QUESTION NO. 3				
4 (d) Group Term Life Insurance Costs	\$ 12,724	\$ 10,835	\$ 10,869	\$ 34,428
5 (d) Stop Loss Insurance Costs	128,646	116,532	116,642	361,820
6 (d) Long-Term Disability, Short-Term Disability & AD & D Costs	33,248	32,110	31,653	97,011
7 Total Insurance Premiums	\$ 174,618	\$ 159,477	\$ 159,164	\$ 493,259
QUESTION NO. 4				
8 (a) 401(k) Savings Plans	\$ 428,340	\$ 390,816	\$ 820,183	\$ 1,639,339
9 Active Health Care Administrative Fees	64,809	68,005	77,046	209,860
10 Consulting and Professional Fees	72,450	76,247	73,105	221,802
11 (a)(i) Long-Term Incentive Plan	-	-	192,773	192,773
12 (a) Retirement Income Plan - Net Periodic Benefit Cost	350,161	250,951	300,563	901,675
13 (a) Other Postemployment Benefits - Net Periodic Benefit Cost	(188,096)	(797,672)	(492,882)	(1,478,650)
14 (g) Non-qualified Retirement Income Plans	167,928	163,651	165,793	497,372
15 (f) Palo Verde - EPE Proportionate Share	-	-	-	-
16 (f) Palo Verde Transmission - EPE Proportionate Share	-	-	-	-
17 Employee Settlements/Severance	-	-	-	-
18 (b) Miscellaneous	265,435	155,222	176,644	597,301
19 (e) Accruals/(Reversals)	(524,477)	190,804	402,027	68,354 (e)
20 Total Other Benefit Costs	\$ 636,550	\$ 498,024	\$ 1,715,252	\$ 2,849,826
21 Total Pension and Benefits Cost	\$ 1,631,865	\$ 1,211,555	\$ 2,425,389	\$ 5,268,809
22 (c) Less Amount Capitalized	698,696	648,412	840,471	2,187,579
23 Total Pension and Benefits Expense	\$ 933,169	\$ 563,143	\$ 1,584,918	\$ 3,081,230

- (a) See Schedule A-3 adjustment 4 for requested expense.
- (b) Includes costs for Tuition Reimbursement Program, Service Awards, Employee Meetings and other miscellaneous employee benefits.
- (c) The Company's accounting system is programmed to capitalize a portion of the activity in FERC account 926 each month. The capitalized percentage is based on the actual payroll charged to capital projects during the month. The capitalization is calculated on the total monthly activity and the Company does not have capitalization by benefit type.
- (d) Timing on receipt and or payment of invoices.
- (e) Includes PTO accrual.
- (f) As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded characterized as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts not an increase in costs incurred during the test year ended December 31, 2020
- (g) See schedule WP/G-2.1 UPDATE page 15 for the 2021 Actuarial Valuation Reports for the SERP and Excess Benefit Plan.
- (h) Includes medical costs related to COVID-19 paid in January 2021 through March 2021. See Schedule A-3 adjustment 7 for further details.
- (i) The Company's new LTIP replaced the previous plan in the first quarter of 2021.

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

Requirement No. 2:

Listed below are contributions to the qualified pension plan for the past three years and January through March 2021;

	2021	2020	2019	2018
January	\$ 811,112	\$ 811,112	\$ 811,112	\$ 811,112
February	811,111	811,111	811,111	811,111
March	811,111	811,111	811,111	811,111
April		811,111	811,111	811,111
May		811,111	811,111	811,111
June		811,111	811,111	811,111
July		811,111	811,111	811,111
August		811,111	811,111	811,111
September		811,111	811,111	811,111
October		0	0	0
November		0	0	0
December		0	0	0
	<u>\$ 2,433,334</u>	<u>\$ 7,300,000</u>	<u>\$ 7,300,000</u>	<u>\$ 7,300,000</u>

Refer to WP/G-2.1 UPDATE, for support for funding payments to the pension trust.

Requirement No. 3:

Listed are the three most recent years and January 2021 through March 2021 pension expense per GAAP, actual pension payments funded to the pension trust, and actuarial minimum and maximum calculations.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-2.1: PENSION EXPENSE
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-2.1
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For the Years ending December 31:				
(a) Year	(b) Pension Expense Per GAAP (1)	(c) Actual Pension Pmts to the Fund	(d) Actuarial Minimum (2)	(e) Actuarial Maximum (2)
01/01/2021- 03/31/2021	901,686 (8)	2,433,334 (9)	N/A	N/A
2020 (3)	4,591,228 (7)	7,300,000	6,105,099 (4)	218,628,178
2019 (5)	3,004,987	7,300,000	0	219,061,711
2018 (6)	5,609,056	7,300,000	0	230,971,705

- (1) Refer to Schedule G-2.1 Attachment A pages 7, 81 and 142 for the pension expense per GAAP for the calendar years 2020, 2019, and 2018.
- (2) Refer to Schedule G-2.1 Attachment A pages 8, 27, 76, 80, 135 and 141 for the actuarial minimum and maximum contributions for the calendar years 2020, 2019, and 2018.
- (3) Refer to Schedule G-2.1 Attachment A page 1 to 70 for the actuarial report from Willis Towers Watson for the calendar year ended December 31, 2020.
- (4) The minimum required contribution is \$6,105,099. However, the cash requirement assuming the Company elects to use the available funding balances is \$0.
- (5) Refer to Schedule G-2.1 Attachment A page 71 to 129 for the actuarial report from PricewaterhouseCoopers for the calendar year ended December 31, 2019.
- (6) Refer to Schedule G-2.1 Attachment A page 130 to 189 for the actuarial report from PricewaterhouseCoopers for the calendar year ended December 31, 2018.
- (7) See schedule A-3 adjustment 4 for requested expense.
- (8) Refer to WP/G-2.1 UPDATE page 15 for the estimated pension expense per GAAP for calendar year December 31, 2021.
- (9) Refer to WP/G-2.1 UPDATE pages 1 through 6, for support for funding payments to the pension trust for January through March 2021.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-2.2: POSTRETIREMENT
BENEFITS OTHER THAN PENSION
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-2.2
PAGE 1 OF 1
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Item 3.

45 Day Update:

The costs, both capitalized and expensed, per GAAP and the actual funded amounts for the four most recent calendar years and January through March 2021 are presented below.

	Employer contributions (1)	Benefits paid from corporate assets (2)	Costs Eligible for Capitalization (3)	Net Periodic Benefit Cost (4)	Transition Obligation (5)	Total Cost (6) = (4)+(5)
01/01/2021- 03/31/2021	\$ 112,500	\$ 36,845	\$ 791,369	\$(1,478,647)	\$ 0	\$(1,478,647)
2020	\$ 465,000	\$ 177,869	\$ 2,577,806	\$(3,848,723)	\$ 0	\$(3,848,723)
2019	\$ 450,000	\$ 176,331	\$ 2,423,100	\$(4,851,791)	\$ 0	\$(4,851,791)
2018	\$ 450,000	\$ 141,182	\$ 2,795,327	\$(5,705,203)	\$ 0	\$(5,705,203)
2017	\$ 450,000	\$ 0	\$(4,776,589)	\$(4,776,589)	\$ 0	\$(4,776,589)

- (1) Refer to Schedule G-2.2 Attachment A pages 1 through 31, 32 through 46, 59 through 74, and 78 through 92 for documentation supporting the employer contributions for the calendar years 2020, 2019, 2018, and 2017.
- (2) Refer to Schedule G-2.2 Attachment A pages 20 through 29, 47 through 58, and 75 through 77 for the benefits paid from corporate assets for key employees for the calendar years 2020, 2019, and 2018.
- (3) & (4) Refer to Schedule G-2.2 Attachment A pages 109, 133, and 167 for the actuarial reports that include the costs eligible for capitalization and net periodic benefit costs for the calendar years 2020, 2019, 2018, and 2017. Upon adoption of ASU 2017-07, Compensation- Retirement Benefits, effective January 1, 2018, the Company continued to record all components of net periodic benefit cost as an operating expense in its regulatory-basis financial statements, but has elected to conform to the GAAP capitalization policy, which is that only the service cost component is eligible for capitalization. For further details refer to Schedule G-2 Question 4 for the test year amount expensed. Refer to Schedule A-3 Adjustment 4 for requested expense.

See WP/G-2.2 UPDATE page 1 through 5 for documentation supporting the estimated 2021 funding amounts, page 6 through 10 for the benefits paid from corporate assets for key employees, and WP/G-2.1 UPDATE page 18 for calendar year 2021 estimated costs eligible for capitalization and net periodic benefit cost per GAAP.

Item 4.

45 Day Update:

No Update.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-2.3: ADMINISTRATION FEES
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-2.3
PAGE 1 OF 1
UPDATED 7/16/2021

Item 1.

45 Day Update:

Refer to Schedule G-2 UPDATE, page 4 of 4 Question No. 4 line 9, for the monthly administration fees paid for "Active Health Care" to Blue Cross Blue Shield and Express Scripts for the administration of the Company's medical and dental plan for active employees in January through March 2021. Effective January 1, 2020, Express Scripts replaced Envision RX.

Item 2.

45 Day Update:

Refer to WP/G-2.3 ATTACHMENT A UPDATE, pages 1 to 19, for copies of the administrative fees paid in January through March 2021, and the updated administration contract with Blue Cross Blue Shield, which is being filed as Confidential in this proceeding pursuant to a Protective Order.

45 Day Update:

Refer to WP/G-2.3 ATTACHMENT B UPDATE, pages 1 to 4, for copies of the administrative fees paid in January through March 2021. There are no updates to the administration contract with Express Scripts, which is being filed as Highly Sensitive Protected Materials in this proceeding pursuant to a Protective Order.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-3: BAD DEBT EXPENSE
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MAYTE LUNA
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-3
PAGE 1 OF 2
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Item 1. Company policy regarding the write-off of bad debts.

EPE policy provides that customer accounts are deemed uncollectible 61 days after the due date on final bills rendered to inactive customers (customers who are no longer taking electric service from the system). EPE's Customer Care & Billing ("CC&B") system is programmed to write off these customer account balances to FERC account 144, "Accumulated Provision for Uncollectible Accounts", within 90 to 120 days after the final bill has been rendered and no payment has been received. EPE continues to pursue settlement of these unpaid accounts through various collection methods. If payments are received from inactive customers after the account is written off, the amount of the payment is credited to the accumulated provision for uncollectible accounts.

Item 2. Methodology for computing bad debt expense.

The general ledger account balance for FERC account 144, "Accumulated Provision for Uncollectible Accounts", is monitored each month by EPE's Revenue Collection section and adjusted to reflect the total of the customer account balances, and accounts having other collection related trends. An aging report is prepared using data from CC&B which groups accounts receivable by aging category (0-30 days, 31-60 days, 61-90 days and over 90 days) and by customer type (residential, commercial and industrial and public authority) for both active and inactive accounts. A risk rate for each aging category for active accounts is maintained by the Company on a three-year average basis. This risk rate is applied to the aged accounts receivable balances and then totaled for the balance of the Accumulated Provision for Uncollectible Accounts on a monthly basis. This balance is compared to the prior month balance, as adjusted for amount of actual write-offs and collections, and the difference results in the amount of the bad debt expense for the current month.

Item 3. The monthly amount of revenues, the corresponding uncollectible expense, and the amount of net bad debts actually written off for the three years prior to the test year and the test year.

Please refer to Schedule G-3, page 2.

Item 4. Monthly fluctuations of bad debt expense and net write-offs greater than 3%.

There will be normal monthly variations in bad debt expense and net write-offs that are larger than 3% due to the seasonality of EPE's electric sales, with higher kWh sales and revenues during the summer cooling season. Explanations of unusually large write-offs are footnoted on the attached schedule of bad debt expense.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-3: BAD DEBT EXPENSE
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MAYTE LUNA
FOR THE TEST YEAR ENDED DECEMBER 30, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-3
PAGE 2 OF 2
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Line No.		(a) (b) (c)			(d) (e) (f)			(g) (h) (i)			(j)		
		----- 2017 -----			----- 2018 -----			----- 2019 -----					
	Month	Revenue (A)	Uncollectible Expense	Net Bad Debt Write-Off	Revenue (A)	Uncollectible Expense	Net Bad Debt Write-Off	Revenue (A)	Uncollectible Expense	Net Bad Debt Write-Off			
1	Jan	\$ 55,697,727	\$ 117,000 (E)	\$ 412,888	\$ 56,638,018	\$ 233,000 (E)	\$ 434,340	\$ 49,909,212	\$ 111,000 (E)	\$ 354,341			
2	Feb	52,210,735	122,000 (E)	256,549	52,356,260	86,000 (E)	354,973	47,805,788	65,000 (E)	239,301			
3	Mar	53,559,060	167,869 (E)	177,418	48,686,023	200,859 (E)	247,866	44,972,003	40,851 (E)	179,615			
4	Apr	52,062,696	140,000 (E)	143,781	49,424,819	173,000 (E)	200,541	41,965,443	139,000 (E)	110,228			
5	May	66,187,626	194,000 (E)	224,008	60,254,554	158,000 (E)	290,874	56,852,509	231,851 (E)	282,412			
6	Jun	89,661,284	210,869 (E)	210,839	81,021,820	166,859 (E)	173,247	71,094,469	107,000 (E)	128,832			
7	Jul	102,231,307	358,000 (E)	217,066	93,780,316	287,000 (E)	180,953	85,759,603	197,000 (E)	133,263			
8	Aug	94,775,657	445,869 (E)	136,286	90,939,400	330,859 (E)	126,674	90,464,930	176,000 (E)	84,433			
9	Sep	89,283,484	505,000 (E)	205,556	87,568,760	489,000 (E)	177,167	94,846,728	404,851 (E)	161,033			
10	Oct	74,302,323	299,000 (E)	217,759	68,968,297	289,000 (E)	237,879	71,440,029	287,000 (E)	152,761			
11	Nov	50,035,481	298,000 (E)	370,717	44,633,248	203,000 (E)	338,763	45,031,719	194,000 (E)	266,995			
12	Dec	49,982,027	288,475 (E)	423,923	48,141,012	210,606 (E)	321,268	45,499,654	242,486 (E)	369,155			
13	Total	\$829,989,407	\$3,146,083	\$2,996,790	\$ 782,412,526	\$ 2,827,184	\$ 3,084,544	\$ 745,642,089	\$ 2,196,040	\$ 2,462,369			

TEST YEAR (2020)						
Month	Revenue (A)	Total Uncollectible Expense (B)	Amount Charged to Regulatory Asset (C)	Net Uncollectible Expense (D)	Net Bad Debt Write-Off	
14	Jan	\$ 52,754,506	\$ 163,000 (E)	\$ -	\$ 163,000	\$ 363,764
15	Feb	47,833,940	79,000 (E)	-	79,000	181,849
16	Mar	44,660,552	433,848 (F)	275,000	158,848	252,478
17	Apr	43,085,622	280,000 (F)	152,110	127,890	54,896
18	May	58,775,488	195,000 (F)	(55,000)	250,000	184,537
19	Jun	78,090,405	353,000 (F)	152,800	200,200	105,924
20	Jul	100,019,260	683,000 (F)	272,000	411,000	52,578
21	Aug	98,763,446	1,149,000 (F)	664,800	484,200	37,334
22	Sep	92,191,457	1,204,869 (F)	916,800	288,069	97,982
23	Oct	81,029,111	238,137 (F)	201,710	36,427	170,450
24	Nov	35,324,396	1,029,000 (F)	485,600	543,400	248,460
25	Dec	46,363,475	254,422 (F)	147,200	107,222	282,592
26	Total	\$ 778,891,657	\$ 6,062,276	\$ 3,213,020	\$ 2,849,255	\$ 2,032,845

	45-Day Update (2021)					
	Month	Revenue (A)	Total Uncollectible Expense (B)	Amount Charged to Regulatory Asset (C)	Net Uncollectible Expense (D)	Net Bad Debt Write-Off
27	Jan	\$ 57,637,796	\$ 431,000	(E) \$ -	\$ 431,000	\$ 326,577
28	Feb	49,001,284	471,000	(E) \$ 164,800	306,200	182,122
29	Mar	48,387,978	2,582,000	(F) \$ 2,266,400	315,600	289,718 (G)
30	Total	\$ 155,027,058	\$ 3,484,000	\$ 2,431,200	\$ 1,052,799	\$ 798,417

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

- (A) Revenues reflect actual billed revenues via CC&B and does not include deferred fuel, unbilled revenue, or provision for refunds.
- (B) Uncollectible Expense includes expense recorded to the Regulatory Asset attributable to COVID-19.
- (C) These amounts were attributed to COVID-19 are not included in the Per Book Test Year uncollectible expense, but were instead charged to a regulatory asset. See discussion in testimony of EPE witness Cynthia Prieto regarding proposed tariff on COVID-19 expenses.
- (D) In WP A-3, Adj. No 7, the Per Book Test Year uncollectible expense was further reduced by \$803,227 for amounts related to COVID-19. See WP A-3, Adj. No. 1 for calculation and amount of uncollectible expense in Adjusted Test Year.
- Variances:
- (E) Monthly variations due to the seasonality of EPE's electric sales.
- (F) Variance partially due to increases in the aging of accounts receivable, primarily attributable to COVID-19. See further discussion in the testimony of EPE Witness Cynthia S. Prieto.
- (G) Includes write-offs attributable to COVID-19 for TX customers via Bright Hearts program of \$48,375.

DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-3
PAGE 2 OF 2
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		Actual Taxes Paid in Calendar Year (C)							
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Line No.	Description	2017	2018	2019	2020	Test Year Expense (A,C)	Rate Making Adjustments (B)	As Requested	45 day update Expense for 3 Months Ended March 31, 2021
Non Revenue-related									
Ad Valorem:									
1	Texas	\$ 11,769,450	14,016,008	15,272,227	16,649,274	\$ 17,718,628	\$ 520,778	\$ 18,239,406	\$ 5,015,794
2	New Mexico	4,333,621	4,602,762	3,442,327	3,462,535	3,907,431	114,846	4,022,277	1,059,948
3	Arizona	7,309,047	7,289,870	7,152,266	6,797,212	6,647,928	195,392	6,843,320	1,681,332
Payroll Taxes:									
4	FICA (F)	7,489,910	7,713,556	5,036,123	64,249	6,290,759	(1,320,856)	4,969,903	1,450,908
5	FUTA	51,283	49,974	49,046	51,764	81,174	(579)	80,595	18,722
6	SUTA	84,416	69,316	59,842	45,523	71,387	-	71,387	16,465
7	Palo Verde	2,953,606	3,121,212	3,078,374	3,088,816	2,842,115	192,444	3,034,559	651,541
8	Other Taxes	(18,022)	(19,935)	(26,044)	(18,940)	(18,940)	-	(18,940)	(3,563)
Sales, Use, and Compensating Taxes (D)									
9	Texas	5,804,404	6,777,699	5,932,033	6,805,700	106,665	-	106,665	26,186
10	Other States	754,027	659,954	467,371	442,027	31,195	-	31,195	8,390
11	Subtotal	40,531,742	44,280,416	40,463,564	37,388,159	37,678,343	(297,975)	37,380,368	9,925,723
Revenue-related									
12	Texas State Gross Receipts	11,526,251	10,935,936	9,993,851	9,972,801	10,007,659	698,025	10,705,684	1,928,612
Local Occupation/Street Rental:									
13	Texas	22,580,127	21,608,617	24,398,587	24,904,055	24,995,587	1,743,417	26,739,004	4,679,261
14	New Mexico (E)	4,043,159	3,841,703	3,693,018	3,478,274	88,632	4,562	93,194	20,604
Regulatory Assessment:									
15	Texas	1,082,818	1,080,558	979,345	966,221	988,356	68,937	1,057,293	189,993
16	New Mexico	958,662	964,488	931,797	874,142	888,139	21,444	909,583	232,670
17	Total Taxes Other Than Income Taxes	\$ 80,722,759	\$ 82,711,718	\$ 80,460,162	\$ 77,583,652	\$ 74,646,715	\$ 2,238,410	\$ 76,885,125	\$ 16,976,863

- (A) This column represents total electric Test Year expense per book.
- (B) Represents ratemaking adjustments. See WP/A-3, Adj No. 15 for calculation of property tax adjustments, WP/A-3, Adj No. 6 for PV payroll tax adjustment, WP/A-3, Adj No. 25 for FUTA adjustment, WP/A-3, Adj No. 16 for FICA and Four Corners payroll tax adjustment and WP/A-3, Adj No. 17 for revenue related tax adjustments.
- (C) Columns (b), (c), (d) and (e) represent taxes paid, net of refunds in the applicable year, while Column (f) represents amounts expensed by the Company.
- (D) Sales, Use and Compensating Taxes represent taxes charged to expense.
- (E) Taxes paid are shown net of taxes received from customers.
- (F) FICA for Test Year 2020 has been deferred.

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-9: TAXES OTHER THAN INCOME TAXES
SPONSOR: SEAN M. IHORN
PREPARER: TAMMY HENDERSON
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-9
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(a) Line No. (on page 1 of 3)	(b) Description	(c) Accrued Balance as of 12/31/2020	(d) Explanation of Method Used to Calculate Accrued Balance
	<u>Non Revenue-related</u>		
1	Ad Valorem: Texas	(17,677,992)	Represents twelve months of accrued property taxes for Texas for 2020. Tax payments are made on an annual basis on January 31.
2	New Mexico	(3,328,271)	Represents twelve months of accrued property taxes for New Mexico for 2020 offset by the December 10th payment. Tax payments are made semi-annually on December 10 and May 10.
3	Arizona	(3,280,490)	Represents twelve months of accrued property taxes for Arizona for 2020 offset by the November 1st payment. Tax payments are made semi-annually on November 1 and May 1.
4	Payroll Taxes:	(3,788,292)	Per Coronavirus, Aid, Relief, and Economic Security Act (CARES Act) deferred FICA tax payments for 2020.
5	FICA	-	No payroll taxes are accrued because payroll taxes are paid as incurred.
6	FUTA	-	No payroll taxes are accrued because payroll taxes are paid as incurred.
7	SUTA	-	No Palo Verde payroll taxes are accrued because Palo Verde invoices are paid when received.
8	Palo Verde	-	
9	Other Taxes Sales, Use and Compensating Taxes Texas	(991,120)	Represents one month of taxes accrued for Texas Direct Payment Tax. Payment is due on the 20th day following the close of the month.
10	Other States	(44,442)	Represents one month of taxes accrued for New Mexico Compensating Tax. Payment is due on the 25th day following the close of the month.
11	Revenue Related: Texas State Gross Receipts	(2,252,574)	Represents three months of gross receipts tax accruals based on actual sales and sales estimates where applicable. Quarterly payments are made on the last day of the month following the end of the quarter.

EL PASO ELECTRIC COMPANY
 2021 TEXAS RATE CASE FILING
 SCHEDULE G-9: TAXES OTHER THAN INCOME TAXES
 SPONSOR: CYNTHIA S. PRIETO
 PREPARER: TAMMY HENDERSON
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
 PUC DOCKET NO. 52195
 SCHEDULE G-9
 PAGE 3 OF 3
 UPDATED 7/16/2021

Line No. (on page 1 of 3)	Description	(b) Accrued Balance as of 12/31/2020	(c) Explanation of Method Used to Calculate Accrued Balance
12	Local Occupation/Street Rental: Texas	(5,674,451)	Represents three months of Occupational/Street Rental (OSR) tax accruals based on actual sales and sales estimates where applicable for Texas taxing entities, except Clint and Vinton which represent twelve months of Occupational/Street Rental taxes paid annually on February 15. San Elizario represents six months of Occupational/Street Rental taxes paid semi annually. Payments to all other taxing entities are made quarterly on the 25th day of the month following the end of the quarter except El Paso payments which are made 45 days following the end of the quarter. Tigua fees are prepaid for the current year based on the prior year July thru June.
13	New Mexico	(272,742)	Represents three months of Occupational/Street Rental tax accruals based on actual sales and sales estimates where applicable for New Mexico taxing entities except Dona Ana (prepayment required) and Las Cruces and Anthony which represents one month of Occupational/Street Rental taxes. Payments to Las Cruces and Anthony are made monthly on the 25th day of the following month and payments to other taxing entities (except Dona Ana) are made quarterly on the 25th day of the month following the end of the quarter.
14	Regulatory Assessment: Texas	(581,682)	Represents six months of tax accruals based on actual sales and sales estimates where applicable. Annual payment is made on August 15 for the previous July 2019 through June 2020 period.
17	New Mexico	(904,100)	Represents twelve months of tax accruals based on actual sales and sales estimates where applicable. The New Mexico Public Services Commission fee is due on April 1 for the previous calendar year period.
Total Taxes Other Than Income		<u>\$ (38,796,156)</u>	

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-10: FACTORING EXPENSE
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MAYTE LUNA
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
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This schedule is not applicable as El Paso Electric Company does not factor any of its Accounts Receivables.

45 Day Update: as of 3/30/2021 there are no changes to this schedule.

Group Term Life Insurance

&

Long-Term Disability, Short-Term Disability &

AD&D Invoices

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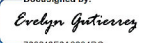
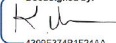
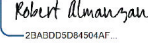
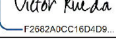
EL PASO ELECTRIC COMPANY
 ACH REQUEST FORM

Vendor #: _____ **Business Contact Information**
Invoice #: _____ **Name:** Laura Mims
Date: 01/11/2021 **Phone No.:** _____
Name: UNUM Life Insurance CO of America **Fax No.:** _____
Address: P.O. Box 406946 Atlanta, GA 30384-6946

Business Purpose: Request Funding for Monthly Life, AD&D, LTD billing for month of December 2020 (0415381-001, 0912188-001, 0415382-001, 0935705-001).
Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7670990000	926-000	250	9990	Basic Life	\$ 12,723.62
AP7690990100	926-000	250	9990	Basic AD&D	\$ 110.46
AP7690990000	926-000	250	9990	LTD	\$ 31,272.97
AP7510420330	242-000	000	0000	Optional Life	\$ 51,802.97
AP7510320100	232-004	000	0000	Optional AD&D	\$ 6,741.79
AP7690990001	926-000	250	9990	STD	\$ 1,864.68
AP7510320280	232-004	000	0000	STD Buy-Up	\$ 7,684.43
					\$
					\$
					\$
					\$
Please authorize issuance of ACH in the amount of:					\$ 112,200.92

Group Term Life Insurance 01
 01
 01
 01
 \$ LTD, STD & AD&D 01 = \$33,248.11

ACH Requested By: _____ Name: <u>Evelyn Gutierrez</u> Signature:  <u>1/11/2021</u> <small>DocuSigned by: 780213E8A2394DC...</small>	Request Approved By: Name: <u>Karin Melson</u> Signature:  <u>1/11/2021</u> <small>DocuSigned by: 4369E374B1F24AA...</small> Name: <u>Robert Almanzan</u> Signature:  <u>1/12/2021</u> <small>DocuSigned by: 2BA0DDC5D84504AF...</small> Name: <u>Victor Rueda</u> Signature:  <u>1/12/2021</u> <small>DocuSigned by: F2862A0CC16D4D9...</small>
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Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$	10,000
Manager/Superintendent	Up to	\$	50,000
Assistant VP/Director	Up to	\$	100,000
VP Non-Financial	Up to	\$	250,000
Senior VP or Controller	Up to	\$	500,000
CFO of both Executive Management – Financial	Up to	\$	1,000,000
CEO or CFO and Senior VP	Up to	\$	1,000,000

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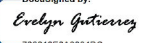

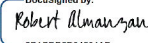

EL PASO ELECTRIC COMPANY
 ACH REQUEST FORM

Vendor #: _____ **Business Contact Information**
Invoice #: _____ **Name:** Laura Mims
Date: 02/23/2021 **Phone No.:** _____
Name: UNUM Life Insurance CO of America **Fax No.:** _____
Address: P.O. Box 406946 Atlanta, GA 30384-6946

Business Purpose: Request Funding for Monthly Life, AD&D, LTD billing for month of January 2021 (0415381-001, 0912188-001, 0415382-001, 0935705-001).
Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7670990000	926-000	250	9990	Basic Life	\$ 10,834.93
AP7690990100	926-000	250	9990	Basic AD&D	\$ 111.52
AP7690990000	926-000	250	9990	LTD	\$ 28,294.25
AP7510420330	242-000	000	0000	Optional Life	\$ 51,642.80
AP7510320100	232-004	000	0000	Optional AD&D	\$ 7,036.52
AP7690990001	926-000	250	9990	STD	\$ 1,863.04
AP7510320280	232-004	000	0000	STD Buy-Up	\$ 9,608.62
					\$
					\$
					\$
					\$
Please authorize issuance of ACH in the amount of:					\$ 109,391.68

Group Term Life Insurance 02
 02
 02
 02
 Σ LTD, STD & AD&D 01 = \$30,268.81
 Σ UNUM 02 = \$1,840.81 (pg. 4)
 Total 02 = \$32,109.62

ACH Requested By: _____ Name: <u>Evelyn Gutierrez</u> Signature:  <u>2/23/2021</u> <small>DocuSigned by: Evelyn Gutierrez 780213E8A2394DC...</small>	Request Approved By: Name: <u>Karin Melson</u> Signature:  <u>2/23/2021</u> <small>DocuSigned by: Karin Melson 4305E374B1F26AA...</small> Name: <u>Robert Almanzan</u> Signature:  <u>2/24/2021</u> <small>DocuSigned by: Robert Almanzan 2BA0DD5D84504AF...</small> Name: <u>Victor Rueda</u> Signature:  <u>2/24/2021</u> <small>DocuSigned by: Victor Rueda F2662A0CC16D4D9...</small>
---	---

Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$	10,000
Manager/Superintendent	Up to	\$	50,000
Assistant VP/Director	Up to	\$	100,000
VP Non-Financial	Up to	\$	250,000
Senior VP or Controller	Up to	\$	500,000
CFO of both Executive Management – Financial	Up to	\$	1,000,000
CEO or CFO and Senior VP	Up to	\$	1,000,000



Payment Summary
Review Period: 02/07/2021 - 02/13/2021

El Paso Electric Company
Policy: 00912188
Pay Group: 001

It is imperative recipients of these reports recognize the sensitive nature of the claim detail they contain and handle them with the same discretion as other confidential human resource documents.

Special Note: The information shown on this report is for claim status purposes only. It should not be used for an analysis of claim experience since the payment information may not reflect a full month's benefit and may not reflect true claim liability due to payment adjustments, offsets, deductions and other factors.

Gross Benefit for Period	Local Withholding	State Withholding	Federal Withholding	Employee SS Tax	Medicare Tax	WC Offset	SS Offset	State Offset	All Other Offsets	Total Deductions	Payment Amount	Employer SS Tax
1084.00	0.00	0.00	-238.47	-67.20	-15.72	0.00	0.00	0.00	0.00	-321.39	762.61	-67.20

Date Run: 02/14/2021
 Data as Of: 02/14/2021

Please fund this amount: \$1,166.92 UNUM 02

Σ UNUM 02 = \$1,840.81



Payment Summary
Review Period: 02/14/2021 - 02/20/2021

El Paso Electric Company
Policy: 00912188
Pay Group: 001

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Special Note: The information shown on this report is for claim status purposes only. It should not be used for an analysis of claim experience since the payment information may not reflect a full month's benefit and may not reflect true claim liability due to payment adjustments, offsets, deductions and other factors.

Gross Benefit for Period	Local Withholding	State Withholding	Federal Withholding	Employee SS Tax	Medicare Tax	WC Offset	SS Offset	State Offset	All Other Offsets	Total Deductions	Payment Amount	Employer SS Tax
626.00	0.00	0.00	-137.72	-39.91	-9.09	0.00	0.00	0.00	0.00	-196.61	440.39	-39.91

Date Run: 02/21/2021
 Data as Of: 02/21/2021

Please fund this amount: \$673.89 UNUM 02

ACH REQUEST FORM

Vendor #:		Business Contact Information
Invoice #:		Name: <u>Laura Mims</u>
Date:	<u>03/22/2021</u>	Phone No.: _____
Name:	<u>UNUM Life Insurance CO of America</u>	Fax No.: _____
Address:	<u>P.O. Box 406946 Atlanta, GA 30384-6946</u>	

Business Purpose: Request Funding for Monthly Life, AD&D, LTD billing for month of February 2021 (0415381-001, 0912188-001, 0415382-001, 0935705-001).

Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7670990000	926-000	250	9990	Basic Life	\$ 10,869.33
AP7690990100	926-000	250	9990	Basic AD&D	\$ 111.31
AP7690990000	926-000	250	9990	LTD	\$ 28,352.74
AP7510420330	242-000	000	0000	Optional Life	\$ 61,303.40
AP7510320100	232-004	000	0000	Optional AD&D	\$ 7,023.15
AP7690990001	926-000	250	9990	STD	\$ 1,858.12
AP7510320280	232-004	000	0000	STD Buy-Up	\$ 9,652.55
					\$
					\$
					\$
					\$
Please authorize issuance of ACH in the amount of:					\$ 109,170.60

Group Term Life Insurance 03

03	
03	
03	
Σ LTD, STD & AD&D 01 = \$30,322.17	
Σ UNUM 03 = \$1,331.16 (pg. 7)	
Total 03 = \$31,653.33	

ACH Requested By:		Request Approved By:	
Name:	Evelyn Gutierrez	Name:	Karin Melson
Signature:	<div><div>DocuSigned by: <i>Evelyn Gutierrez</i> 780213E8A2394DC...</div><div>3/22/2021</div></div>	Signature:	<div><div>DocuSigned by: <i>Karin Melson</i> 4306E374B1F24AA...</div><div>3/22/2021</div></div>
Name:	Robert Almanzan	Name:	Robert Almanzan
Signature:	<div><div>DocuSigned by: <i>Robert Almanzan</i> 2DABDD0D645D4AF...</div><div>3/22/2021</div></div>	Signature:	<div><div>DocuSigned by: <i>Robert Almanzan</i> 2DABDD0D645D4AF...</div><div>3/22/2021</div></div>
Name:	Victor Rueda	Name:	Victor Rueda
Signature:	<div><div>DocuSigned by: <i>Victor Rueda</i> F2862A0CC16D4D96...</div><div>3/23/2021</div></div>	Signature:	<div><div>DocuSigned by: <i>Victor Rueda</i> F2862A0CC16D4D96...</div><div>3/23/2021</div></div>

Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$ 10,000
Manager/Superintendent	Up to	\$ 50,000
Assistant VP/Director	Up to	\$ 100,000
VP Non-Financial	Up to	\$ 250,000
Senior VP or Controller	Up to	\$ 500,000
CFO of both Executive Management – Financial	Up to	\$ 1,000,000
CEO or CFO and Senior VP	Up to	\$ 1,000,000



Payment Summary
Review Period: 02/21/2021 - 02/27/2021

El Paso Electric Company
Policy: 00912188
Pay Group: 001

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Special Note: The information shown on this report is for claim status purposes only. It should not be used for an analysis of claim experience since the payment information may not reflect a full month's benefit and may not reflect true claim liability due to payment adjustments, offsets, deductions and other factors.

Gross Benefit for Period	Local Withholding	State Withholding	Federal Withholding	Employee SS Tax	Medicare Tax	WC Offset	SS Offset	State Offset	All Other Offsets	Total Deductions	Payment Amount	Employer SS Tax
178.96	0.00	0.00	-39.34	-11.09	-2.69	0.00	0.00	0.00	0.00	-53.02	126.84	-11.09

Date Run: 02/28/2021
 Data as Of: 02/28/2021

Please fund this amount: \$192.54 UNUM 03

Σ UNUM 03 = \$1,331.16



Payment Summary
Review Period: 03/07/2021 - 03/13/2021

El Paso Electric Company
Policy: 00912188
Pay Group: 001

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Special Note: The information shown on this report is for claim status purposes only. It should not be used for an analysis of claim experience since the payment information may not reflect a full month's benefit and may not reflect true claim liability due to payment adjustments, offsets, deductions and other factors.

Gross Benefit for Period	Local Withholding	State Withholding	Federal Withholding	Employee SS Tax	Medicare Tax	WC Offset	SS Offset	State Offset	All Other Offsets	Total Deductions	Payment Amount	Employer SS Tax
706.14	0.00	0.00	-156.13	-43.72	-10.22	0.00	0.00	0.00	0.00	-209.07	496.07	-43.72

Date Run: 03/14/2021
 Data as Of: 03/14/2021

Please fund this amount: \$759.08 UNUM 03



Payment Summary
Review Period: 03/14/2021 - 03/20/2021

El Paso Electric Company
Policy: 00912188
Pay Group: 001

It is imperative recipients of these reports recognize the sensitive nature of the claim detail they contain and handle them with the same discretion as other confidential human resource documents.

Special Note: The information shown on this report is for claim status purposes only. It should not be used for an analysis of claim experience since the payment information may not reflect a full month's benefit and may not reflect true claim liability due to payment adjustments, offsets, deductions and other factors.

Gross Benefit for Period	Local Withholding	State Withholding	Federal Withholding	Employee SS Tax	Medicare Tax	WC Offset	SS Offset	State Offset	All Other Offsets	Total Deductions	Payment Amount	Employer SS Tax
352.67	0.00	0.00	-77.56	-21.86	-5.11	0.00	0.00	0.00	0.00	-104.53	248.04	-21.86

Date Run: 03/21/2021
 Data as Of: 03/21/2021

Please fund this amount: \$379.54 UNUM 03

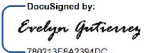
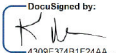
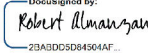

Stop Loss Invoices

DocuSign Envelope ID: D964EAD9-1CF8-4200-B238-8998B7CE0F88

EL PASO ELECTRIC COMPANY
 ACH REQUEST FORM

Vendor #:	_____	Business Contact Information
Invoice #:	_____	Name: _____
Date:	01/07/2021	Phone No.: _____
Name:	Blue Cross Blue Shield	Fax No.: _____
Address:	901 South Central Expressway Richardson, TX 75080	
Business Purpose: December 2020, Group #059262, 269919, 099622 Employee Medical and #213005 Dental Admin Fees & Medical Stop Loss		
Forward ACH To: _____		

Work Order	Account	Expense Type	Cost Center		Amount
AP7660990001	926-000	250	9990	Medical Admin	\$ 56,941.50
AP7680990001	926-000	250	9990	Dental Admin	\$ 3,563.10
AP7660990002	926-000	250	9990	Medial StopLoss	\$ 128,646.00
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Please authorize issuance of ACH in the amount of:					\$ 189,150.60

ACH Requested By: _____ Name: Evelyn Gutierrez Signature:  1/7/2021 <small>780213E6A2384DC...</small>	Request Approved By: Name: Karin Melson Signature:  1/7/2021 <small>4308E374B1F24AA...</small> Name: Robert Almanzan Signature:  1/7/2021 <small>29A3DCD84504AF...</small> Name: Victor Rueda Signature:  1/7/2021 <small>F2862A9CC16D4D9...</small>
--	--

Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$ 10,000
Manager/Superintendent	Up to	\$ 50,000
Assistant VP/Director	Up to	\$ 100,000
VP Non-Financial	Up to	\$ 250,000
Senior VP or Controller	Up to	\$ 500,000
CFO of both Executive Management – Financial	Up to	\$ 1,000,000
CEO or CFO and Senior VP	Up to	\$ 1,000,000

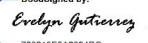
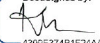

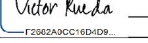
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EL PASO ELECTRIC COMPANY
 ACH REQUEST FORM

Vendor #: _____ **Business Contact Information**
Invoice #: _____ **Name:** _____
Date: 02/18/21 **Phone No.:** _____
Name: Blue Cross Blue Shield **Fax No.:** _____
Address: 901 South Central Expressway
 Richardson, TX 75080

Business Purpose: January 2021, Group #059262, 269919, 099622 Employee Medical and #213005 Dental Administrative Fees & Medical Stop Loss
Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7660990001	926-000	250	9990	Medical Admin	\$ 60,279.00
AP7680990001	926-000	250	9990	Dental Admin	\$ 3,566.31
AP7660990002	926-000	250	9990	Medial StopLoss	\$ 116,532.30
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Please authorize issuance of ACH in the amount of:					\$ 180,377.61

ACH Requested By: _____ Name: Evelyn Gutierrez Signature:  2/18/2021 <small>DocuSigned by: Evelyn Gutierrez 780213E8A2384DC...</small>	Request Approved By: Name: Karin Melson Signature:  2/18/2021 <small>DocuSigned by: Karin Melson 4306E374B1F2AA...</small> Name: Robert Almanzan Signature:  2/19/2021 <small>DocuSigned by: Robert Almanzan 29A3DD5D84504AF...</small> Name: Victor Rueda Signature:  2/19/2021 <small>DocuSigned by: Victor Rueda F2962A9CC16D4D9...</small>
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Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$ 10,000
Manager/Superintendent	Up to	\$ 50,000
Assistant VP/Director	Up to	\$ 100,000
VP Non-Financial	Up to	\$ 250,000
Senior VP or Controller	Up to	\$ 500,000
CFO of both Executive Management – Financial	Up to	\$ 1,000,000
CEO or CFO and Senior VP	Up to	\$ 1,000,000

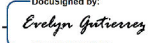


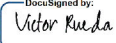
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EL PASO ELECTRIC COMPANY
 ACH REQUEST FORM

Vendor #: _____ **Business Contact Information**
Invoice #: _____ **Name:** _____
Date: 03/22/2021 **Phone No.:** _____
Name: Blue Cross Blue Shield **Fax No.:** _____
Address: 901 South Central Expressway
 Richardson, TX 75080

Business Purpose: February 2021, Group #059262, 269919, 099622 Employee Medical and #213005 Dental Administrative Fees & Medical Stop Loss
Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7660990001	926-000	250	9990	Medical Admin	\$ 60,335.60
AP7680990001	926-000	250	9990	Dental Admin	\$ 3,550.26
AP7660990002	926-000	250	9990	Medial StopLoss	\$ 116,641.72
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Please authorize issuance of ACH in the amount of:					\$ 180,527.58

ACH Requested By: _____ Name: Evelyn Gutierrez Signature:  3/22/2021 <small>DocuSigned by: Evelyn Gutierrez 780213E8A2394DC...</small>	Request Approved By: Name: Karin Melson Signature:  3/22/2021 <small>DocuSigned by: Karin Melson 4306E374B1F24AA...</small> Name: Robert Almanzan Signature:  3/22/2021 <small>DocuSigned by: Robert Almanzan 2BADD05D84594AF...</small> Name: Victor Rueda Signature:  3/23/2021 <small>DocuSigned by: Victor Rueda F2902A9CC16D4D9...</small>
---	---

Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$ 10,000
Manager/Superintendent	Up to	\$ 50,000
Assistant VP/Director	Up to	\$ 100,000
VP Non-Financial	Up to	\$ 250,000
Senior VP or Controller	Up to	\$ 500,000
CFO of both Executive Management – Financial	Up to	\$ 1,000,000
CEO or CFO and Senior VP	Up to	\$ 1,000,000

MEMORANDUM

TO: TREASURY SERVICES
FROM: RICHARD OSTBERG
DATE: January 26, 2021

2021 Wire Transfer – Contribution to RIP

Please use this memorandum as your authority to wire transfer 1 monthly payment of \$811,112 for January 2021 and 8 monthly payments of \$811,111 each (for February thru September 2021) for a total of \$7,300,000. This amount represents additional contributions to the RIP Trust. These individual transactions should take place at the beginning of each respective month until further notice.

Please deposit as follows:

Bank Name: Wells Fargo Bank, N.A.

ABA:

[REDACTED]

BNF: Trust Wire Clearing

BNFA:

[REDACTED]

Amount: 1 transfer in the amount of \$811,112 (for January 2021), and 8 transfers in the amount of \$811,111 each (for February thru September 2021) (for a total of \$7,300,000.00)

Wells Fargo Client Account Name: EPEC RIP TRUST
Attention: Daniel Lytle

[REDACTED]

These monies should be expensed as follows:

W/O AP7610990000 ACCOUNT 228320 EXPENSE TYPE 250 COST CENTER 9990

Prepared by: En Li 1/26/2021

Approved by: _____



Sanchez, Pamela K

From: Davis, Candance
Sent: Friday, January 29, 2021 4:28 PM
To: Ortiz, Myrna A; Sanchez, Pamela K; Sierra, Steven A; Thompson, Lori
Subject: Retirement Income Plan

Follow Up Flag: Follow up
Flag Status: Completed

ACH Transfer Confirmation

Crediting: Trust Wire Clearing
Account: [REDACTED]
Bank: Wells Fargo Bank S.F.
Amount: \$811,112.00
For: EPEC GIC [REDACTED]
Date of Transfer: 1/29/2021



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



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Sanchez, Pamela K




From: Valadez, Ashley
Sent: Tuesday, February 2, 2021 7:24 AM
To: Ortiz, Myrna A; Sierra, Steven A; Sanchez, Pamela K; Thompson, Lori
Subject: Retirement Income Plan

Follow Up Flag: Follow up
Flag Status: Completed

ACH Transfer Confirmation

Crediting: Trust Wire Clearing
Account: [REDACTED]
Bank: Wells Fargo Bank S.F.
Amount: \$811,111.00
For: EPEC GIC [REDACTED]
Date of Transfer: 2/2/2021



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

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Sanchez, Pamela K

From: Valadez, Ashley
Sent: Tuesday, March 2, 2021 8:36 AM
To: Ortiz, Myrna A; Sierra, Steven A; Sanchez, Pamela K; Thompson, Lori
Subject: Retirement Income Plan

ACH Transfer Confirmation

Crediting: Trust Wire Clearing
Account: [REDACTED]
Bank: Wells Fargo Bank S.F.
Amount: \$811,111.00
For: EPEC GIC [REDACTED]
Date of Transfer: 3/2/2021



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

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FD411
 DETAIL STATEMENT OF
 CONTRIBUTIONS AND OTHER RECEIPTS

EL PASO ELECTRIC D/B
 CONSOLIDATED
 BASE CURRENCY: USD

PAGE 37
 DECEMBER 31, 2020
 THROUGH MARCH 31, 2021

DATE	DESCRIPTION	
<u>CONTRIBUTIONS</u>		
<u>EMPLOYER CONTRIBUTION</u>		
01/29/21	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION	811,112.00
02/02/21	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION	811,111.00
	TOTAL EMPLOYER CONTRIBUTION	1,622,223.00
	TOTAL CONTRIBUTIONS	1,622,223.00
<u>OTHER RECEIPTS</u>		
<u>INTERFUND TRANSFER RECEIPTS</u>		
01/04/21	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCT [REDACTED]	631.08
01/13/21	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCT [REDACTED] PER STANDING INSTRUCTIONS	66,586.30
01/25/21	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCT [REDACTED]	16,203.24
01/25/21	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCT [REDACTED]	145,363.14
01/29/21	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCT [REDACTED] FOR INVESTMENT IN RUSSELL	811,112.00
02/02/21	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCT [REDACTED] FOR INVESTMENT IN RUSSELL	811,111.00



FD411
 DETAIL STATEMENT OF
 CONTRIBUTIONS AND OTHER RECEIPTS

EL PASO ELECTRIC D/B
 CONSOLIDATED
 BASE CURRENCY: USD

PAGE 38
 DECEMBER 31, 2020
 THROUGH MARCH 31, 2021

DATE	DESCRIPTION	
03/02/21	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCT [REDACTED] FOR INVESTMENT IN RUSSELL	811,111.00
TOTAL INTERFUND TRANSFER RECEIPTS		<u>2,662,117.76</u>
<u>OTHER RECEIPTS</u>		
03/02/21	ADDITION TO ACCOUNT WIRE RECEIPT [REDACTED]	811,111.00
TOTAL OTHER RECEIPTS		<u>811,111.00</u>
TOTAL OTHER RECEIPTS		<u>3,473,228.76</u>



January 21, 2021

Myrna Ortiz
El Paso Electric Company
P.O. Box 982
El Paso, TX 79960

Subject: Year-End 2020 Financial Statement and Disclosure Information

El Paso Electric Company (the Company) engaged Willis Towers Watson US LLC (Willis Towers Watson) to value the Company's pension plans.

As requested by the Company, this report provides information for year-end financial reporting purposes required by FASB Accounting Standards Codification Topic 715-20-50 (ASC 715) for your fiscal year ending December 31, 2020 for the Plans:

- | | |
|--|--|
| ■ Retirement Income Plan (RIP) | ■ Excess Benefit Plan |
| ■ Postretirement Benefit Programs (OPRB) | ■ Supplemented Retirement and Survivor Income Plan, Executive Retirement Agreements, and Directors' Retirement Plan (SERP) |

The exhibits present year-end financial reporting information in accordance with ASC 715-20-50, including net balance sheet position of the Plans, cash flow, plan asset information, amortization amounts during the fiscal year, participant information, the provisions on which the valuation is based, and the actuarial assumptions and methods used in the calculations. Additional input is required (as described below) by the Company in relation to the asset disclosures specified in ASC 715-20-50-1(d) (public entities) or ASC 715-20-50-5(c) (nonpublic entities).

In addition, this report presents the estimated Net Periodic Benefit Cost/(Income) (Benefit Cost), in accordance with ASC 715, for the fiscal year beginning January 1, 2021. Both year-end financial reporting and estimated benefit cost results are based on a valuation of the Plans as of December 31, 2020.

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Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. As discussed above, certain year-end financial reporting information in accordance with ASC 715-20-50 is not included in this report and must be provided by the Company, as follows:

- Classification of plan assets within the fair value hierarchy, actual asset allocation at December 31, 2020 and December 31, 2019, and the target asset allocation for 2021.
- A description of the Company's investment policy for the assets held by the pension plans.
- A description of the basis used to determine the expected long-term rate of return on plan assets.

2. The expected contributions to the RIP pension plan were set at \$7,300,000, contributed evenly over the first nine months of 2021. The expected contribution to the OPRB plan was set at \$465,000. The expected contributions to the SERP and Excess pension plans were set at \$0.

Note that any significant change in the amounts contributed or expected to be contributed in 2021 may require disclosure in the interim financial statements, but should not affect the expected return on plan assets absent a remeasurement for another purpose.

3. There may be certain events that have occurred since the valuation date that are not reflected in the current valuation. See Subsequent Events in the Basis for Valuation section below for more information.
4. This report is not intended to constitute a certification of the Adjusted Funding Target Attainment Percentage (AFTAP) under IRC §436 for any plan year.
5. This report does not determine funding requirements under IRC §430.
6. This report does not present liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling benefit obligations, as all such measures differ in some way from plan termination obligations. In addition, funded status measures shown in this report do not reflect the current costs of settling obligations by offering immediate lump sum payments to participants and/or purchasing annuity contracts for the remaining participants (e.g., insurer profit, insurer pricing of contingent benefits and/or provision for anti-selection in the choice of a lump sum vs. an annuity).
7. The comparisons of plan obligations as determined for accounting and financial reporting purposes to plan assets presented in this report cannot be relied upon to determine the need for nor the amount of required future plan contributions. Nevertheless, such comparisons may be useful to assess the need for future contributions because they reflect current interest rates at the measurement date in determining benefit obligations. However, asset gains and losses, demographic experience different from assumed, changes in interest rates, future benefit accruals, if any, and other factors will all affect the need for and amount of future contributions. In addition, if a plan is not required by law to be funded, benefit payments may also be paid directly by the plan sponsor as they come due.



Comments on Results

The consolidated plans' actuarial (losses) due to the actuarial transition, fiscal year end 2020 assumption changes, and demographic experience different from assumed, were \$(26,798,903). The consolidated actuarial gains due to investment return different from assumed during the prior year were and \$38,919,641. Significant reasons for these changes include the following:

- EPE changed actuarial providers in fiscal year 2020
- The actual return on the fair value of plan assets since the prior measurement date was greater than assumed, which improved the funded position and reduced the estimated net periodic cost.
- Contributions to the plans during the prior year improved the funded status and therefore reduced the estimated net periodic cost.
- The single equivalent discount rates used to measure (A)PBO decreased significantly compared to the prior year, which increased the estimated net periodic cost and caused the funded position to deteriorate.
- Changes in the provider for the benefits offered to the Medicare-eligible population in the OPRB plan reduced the estimated net periodic cost and improved the funded position.

Basis for valuation

Appendix A summarizes the assumptions, methods and models used in the valuation. Appendix B summarizes our understanding of the principal provisions of the plans being valued. Both of these appendices include a summary of any changes since the prior valuation. Unless otherwise described below under Subsequent Events, assumptions were selected based on information known as of the measurement date.

Subsequent events

None.

Additional information

None.



Actuarial Certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information discussed below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied upon information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by the Company and other persons or organizations designated by the Company. See the Sources of Data and Other Information section of Appendix A for further details. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by the Company, may produce materially different results that could require that a revised report be issued.

Measurement of benefit obligations, plan assets and balance sheet adjustments

Census date/measurement date

The measurement date is December 31, 2020. The benefit obligations were measured as of the Company's December 31, 2020 fiscal year-end and are based on participant data as of the census date, which is displayed by Plan in the Exhibits provided. The benefit obligations were determined by discounting the plan's projected benefit payments, beginning in FY2021, using the spot rates on the December 31, 2020 Willis Towers Watson RATE:Link 40:90 yield curve. The projected benefit payments were developed based on January 1, 2020 census data (January 1, 2021 for the SERP), and reflect the key assumptions and plan provisions at December 31, 2020, benefit payments during 2020, expected 2020 accruals, and any significant changes in plan demographics that occurred during the year.

This is the same data that was used for the calculation of the estimated Net Periodic Benefit Cost/(Income) for the fiscal year ending December 31, 2021.

Plan assets and balance sheet adjustments

Information about the fair value of plan assets for the pension and postretirement benefit plans as of December 31, 2020 was provided by the Company. This information was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined by the Company in consultation with its tax advisors and independent accountants.



Assumptions and methods under U.S. GAAP

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the pension cost and other financial reporting have been selected by the Company. Willis Towers Watson has concurred with these assumptions and methods, except for the expected rate of return on plan assets selected as of January 1, 2021. Evaluation of the expected return assumption was outside the scope of Willis Towers Watson's assignment and would have required substantial additional work that we were not engaged to perform. U.S. GAAP requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by Willis Towers Watson, we consider to be reasonable. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

A summary of the assumptions, methods and sources of data and other information used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the December 31, 2020 measurement date will change the results shown in this report.

Certain models (as described in ASOP No. 56) were used in preparing the information presented herein. Further information on these models can be found in Appendix A.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

See Basis for Valuation above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter dated March 9, 2020 and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of the Company and its independent accountants in connection with our actuarial valuation of the pension plans as described above.

WillisTowersWatson

It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. The Company may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require the Company to provide them this report, in which case the Company will use best efforts to notify Willis Towers Watson in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Willis Towers Watson's prior written consent. Willis Towers Watson accepts no responsibility for any consequences arising from any other party relying on this report or any advice relating to its contents.

Professional qualifications

The undersigned are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Willis Towers Watson US LLC.



Cat Kenagy, FSA, EA
Senior Director, Retirement
20-07490
January 21, 2021



David Anderson, ASA, EA
Director, Retirement
20-07493
January 21, 2021



Elizabeth We borne, FSA, EA
Lead Associate, Retirement
20-08703
January 21, 2021



Barry Lichman, FSA, MAAA
Pricing Specialist
January 21, 2021

Enclosures



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

El Paso Electric Company				
Pension Plan Name	Total Pension	RIP	Excess Benefit Plan	SERP
Disclosure for Fiscal Year Ending 31-Dec-20 under US GAAP	USD	USD	USD	USD
Disclosed Benefit Cost	31-Dec-20	31-Dec-20	31-Dec-20	31-Dec-20
A Disclosed Benefit Cost				
1 Employer service cost	11,902,160	11,628,833	273,327	0
2 Interest cost	12,291,463	11,517,230	370,494	403,739
3 Expected return on plan assets	(22,977,561)	(22,977,561)	0	0
4 Subtotal	1,216,062	168,502	643,821	403,739
5 Net prior service cost/(credit) amortization	(3,506,144)	(3,467,078)	(39,066)	0
6 Net loss/(gain) amortization	8,823,441	7,889,804	295,931	637,706
7 Subtotal	5,317,297	4,422,728	256,865	637,706
8 Net periodic benefit cost/(income)	6,533,359	4,591,228	900,886	1,041,445
9 Curtailment gain or loss	0	0	0	0
10 Settlement gain or loss	0	0	0	0
11 Special/contractual termination benefits	0	0	0	0
12 Disclosed net benefit cost	6,533,359	4,591,228	900,886	1,041,445
B Presentation of Benefit Cost Pursuant to ASC 715-20				
1 Employer service cost	11,902,160	11,628,833	273,327	0
2 Other components of net periodic benefit cost	(5,368,801)	(7,037,005)	627,359	1,041,445
3 Other adjustments to net benefit cost	0	0	0	0
4 Disclosed net benefit cost	6,533,359	4,591,228	900,886	1,041,445
C Assumptions Used to Determine Benefit Cost				
1 Equivalent single discount rate for benefit obligations	N/A	3.39%	3.39%	2.99%
2 Equivalent single discount rate for service cost	N/A	3.60%	3.46%	N/A
3 Equivalent single discount rate for interest cost	N/A	2.99%	3.04%	2.60%
4 Expected long-term rate of return on plan assets	N/A	7.50%	0.00%	N/A
5 Rate of compensation increase	N/A	4.50%	4.50%	N/A
Balance Sheet Asset/(Liability)				
A Development of Balance Sheet Asset/(Liability)				
1 Projected benefit obligation (PBO)	(472,988,752)	(442,014,356)	(14,005,466)	(16,968,930)
2 Fair value of plan assets, excluding receivable contributions	375,327,497	375,327,497	0	0
3 Net balance sheet asset/(liability)	(97,661,255)	(66,686,859)	(14,005,466)	(16,968,930)
B Current and Noncurrent Classification				
1 Noncurrent asset	0	0	0	0
2 Current liability	(2,042,641)	0	(478,582)	(1,564,059)
3 Noncurrent liability	(95,618,614)	(66,686,859)	(13,526,884)	(15,404,871)
4 Net balance sheet asset/(liability)	(97,661,255)	(66,686,859)	(14,005,466)	(16,968,930)
C Reconciliation of Net Balance Sheet Asset/(Liability)				
1 Net balance sheet asset/(liability) at end of prior fiscal year	(98,776,291)	(70,955,368)	(13,001,325)	(14,819,598)
2 Employer service cost	(11,902,160)	(11,628,833)	(273,327)	0
3 Interest cost	(12,291,463)	(11,517,230)	(370,494)	(403,739)
4 Expected return on plan assets	22,977,561	22,977,561	0	0
5 Plan amendments	0	0	0	0
6 Actuarial gain/(loss)	(7,022,854)	(2,862,989)	(967,035)	(3,192,830)
7 Employer contributions	9,353,952	7,300,000	606,715	1,447,237
8 Benefits paid directly by the Company	0	0	0	0
9 Transfer payments	0	0	0	0
10 Acquisitions/divestitures	0	0	0	0
11 Curtailments	0	0	0	0
12 Settlements (if settled using corporate cash)	0	0	0	0
13 Special/contractual termination benefits	0	0	0	0
14 Net balance sheet asset/(liability) at end of current fiscal year	(97,661,255)	(66,686,859)	(14,005,466)	(16,968,930)
D Assumptions and Dates Used for Disclosure				
1 Equivalent single discount rate for benefit obligations	N/A	2.86%	2.85%	2.05%
2 Rate of compensation increase	N/A	4.50%	4.50%	0.00%
3 Census date	N/A	01-Jan-20	01-Jan-20	01-Jan-21



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

El Paso Electric Company				
Pension Plan Name	Total Pension	RIP	Excess Benefit Plan	SERP
Disclosure for Fiscal Year Ending 31-Dec-20 under US GAAP	USD	USD	USD	USD
Accumulated Other Comprehensive (Income)/Loss				
A Accumulated Other Comprehensive (Income)/Loss				
1 Net prior service cost/(credit)	(10,037,471)	(10,008,300)	(29,171)	0
2 Net loss/(gain)	129,975,128	116,595,165	4,759,359	8,620,604
3 Accumulated other comprehensive (income)/loss [Before adjustment for tax effects]	119,937,657	106,586,865	4,730,188	8,620,604
B Development of Accumulated Other Comprehensive (Income)/Loss (AOCI)				
1 AOCI at prior fiscal year end	118,232,100	108,146,602	4,020,018	6,065,480
2 Amounts amortized during the year				
a. Net prior service (cost)/credit	3,508,144	3,467,078	39,066	0
b. Net (loss)/gain	(8,823,441)	(7,889,804)	(295,931)	(637,706)
3 Occurring during the year				
a. Net prior service cost/(credit)	0	0	0	0
b. Net loss/(gain)	7,022,854	2,862,989	967,035	3,192,830
4 AOCI at current fiscal year end	119,937,657	106,586,865	4,730,188	8,620,604
Additional Disclosure Information				
A Accumulated Benefit Obligation (ABO)				
1 ABO at current fiscal year end	(433,080,021)	(403,882,111)	(12,228,980)	(16,968,930)
B Expected Future Benefit Payments				
1 During fiscal year ending December 31, 2021	23,204,035	21,158,753	479,201	1,566,081
2 During fiscal year ending December 31, 2022	25,156,934	23,133,545	519,723	1,503,666
3 During fiscal year ending December 31, 2023	24,755,262	22,805,317	512,272	1,437,673
4 During fiscal year ending December 31, 2024	24,318,106	22,411,447	538,232	1,368,427
5 During fiscal year ending December 31, 2025	24,882,048	23,032,526	561,818	1,297,704
6 During fiscal years ending December 31, 2026 through December 31, 2030	127,477,274	118,725,632	3,248,913	5,502,729
C Expected Contributions during Fiscal Year ending December 31, 2021				
1 Employer	7,300,000	7,300,000	0	0
2 Plan participants	0	0	0	0
Changes in Disclosed Plan Obligations and Assets				
A Change in Projected Benefit Obligation (PBO)				
1 PBO at prior fiscal year end	425,928,607	398,107,684	13,001,325	14,819,598
2 Employer service cost	11,902,160	11,628,833	273,327	0
3 Interest cost	12,291,463	11,517,230	370,494	403,739
4 Actuarial loss/(gain)	43,696,810	39,536,945	967,035	3,192,830
5 Plan participants' contributions	0	0	0	0
6 Benefits paid from plan assets	(18,504,145)	(16,450,193)	(606,715)	(1,447,237)
7 Benefits paid from Company assets	0	0	0	0
8 Transfers from (to) other plans	0	0	0	0
9 Administrative expenses paid	(2,326,143)	(2,326,143)	0	0
10 Plan amendments	0	0	0	0
11 Acquisitions/(divestitures)	0	0	0	0
12 Curtailments	0	0	0	0
13 Settlements	0	0	0	0
14 Special/contractual termination benefits	0	0	0	0
15 PBO at current fiscal year end	472,988,752	442,014,356	14,005,466	16,968,930
B Change in Plan Assets				
1 Fair value of plan assets at prior fiscal year end	327,152,316	327,152,316	0	0
2 Actual return on plan assets	59,651,517	59,651,517	0	0
3 Employer contributions	7,300,000	7,300,000	0	0
4 Plan participants' contributions	0	0	0	0
5 Benefits paid	(16,450,193)	(16,450,193)	0	0
6 Transfer payments	0	0	0	0
7 Administrative expenses paid	(2,326,143)	(2,326,143)	0	0
8 Acquisitions/(divestitures)	0	0	0	0
9 Settlements	0	0	0	0
10 Fair value of plan assets at current fiscal year end	375,327,497	375,327,497	0	0



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

El Paso Electric Company				
Pension Plan Name	Total Pension	RIP	Excess Benefit Plan	SERP
Disclosure for Fiscal Year Ending 31-Dec-20 under US GAAP	USD	USD	USD	USD
Reconciliation of Net Balances				
A Reconciliation of Prior Service Cost/(Credit) Bases				
1 Net amount at prior fiscal year end	(13,543,615)	(13,475,378)	(68,237)	0
2 Amortization amount	3,506,144	3,467,078	39,066	0
3 Plan amendments	0	0	0	0
4 Effect of curtailments	0	0	0	0
5 Other events	0	0	0	0
6 Net amount at current fiscal year end	(10,037,471)	(10,008,300)	(29,171)	0
B Reconciliation of Net Loss/(Gain)				
1 Net amount at prior fiscal year end	131,775,715	121,621,980	4,088,255	6,065,480
2 Amount recognized	(8,823,441)	(7,889,804)	(295,931)	(637,706)
3 Experience loss/(gain)	7,022,854	2,862,989	967,035	3,192,830
4 Effect of curtailments	0	0	0	0
5 Effect of settlements	0	0	0	0
6 Other events	0	0	0	0
7 Net amount at current fiscal year end	129,975,128	116,595,165	4,759,359	8,620,604
Summary and Comparison of Benefit Cost and Cash Flows				
	31-Dec-21	31-Dec-21	31-Dec-21	31-Dec-21
A Total Benefit Cost				
1 Employer service cost	12,442,532	12,158,445	284,087	0
2 Interest cost	9,241,496	8,726,743	289,556	225,197
3 Expected return on plan assets	(23,085,023)	(23,085,023)	0	0
4 Subtotal	(1,400,995)	(2,199,835)	573,643	225,197
5 Net prior service cost/(credit) amortization	(3,466,249)	(3,467,078)	(29,171)	0
6 Net loss/(gain) amortization	10,483,495	9,273,655	433,400	786,440
7 Subtotal	6,997,246	5,806,742	404,229	786,440
8 Net periodic benefit cost/(income)	5,596,251	3,806,742	977,872	1,011,637
9 Curtailment gain or loss	0	0	0	0
10 Settlement gain or loss	0	0	0	0
11 Special/contractual termination benefits	0	0	0	0
12 Total benefit cost	5,596,251	3,806,742	977,872	1,011,637
B Assumptions				
1 Equivalent single discount rate for benefit obligations	N/A	2.66%	2.65%	2.05%
2 Equivalent single discount rate for service cost	N/A	2.96%	2.76%	0.00%
3 Equivalent single discount rate for interest cost	N/A	2.01%	2.11%	1.40%
4 Expected long-term rate of return on plan assets	N/A	7.00%	0.00%	0.00%
5 Rate of compensation increase	N/A	4.50%	4.50%	0.00%
6 Census date	N/A	01-Jan-20	01-Jan-20	01-Jan-21
C Plan Assets at Beginning of Year				
1 Fair value	375,327,497	375,327,497	0	0
2 Market-related value	336,963,184	336,963,184	0	0
D Expected Cash Flows				
1 Employer contributions	7,300,000	7,300,000	0	0
2 Plan participants' contributions	0	0	0	0
3 Benefits paid from Company assets	2,045,282	0	479,201	1,566,081
4 Benefits paid from plan assets	21,158,753	21,158,753	0	0
E Amortization Period	N/A	11.94330	7.74992	8.80386
Participant Information - Census Date				
	01-Jan-20	01-Jan-20	01-Jan-21	
A Participating Employees				
1 Number	1,140	1,126	14	0
2 Average annual compensation/salary	91,003	87,036	410,054	0
3 Average age	46.13	46.02	55.36	0.00
4 Average credited service	14.18	14.20	12.93	0.00
B Participants with Deferred Benefits				
1 Number	343	341	2	0
2 Average annual deferred benefits	14,401	14,045	75,015	0
3 Average age	53.42	53.43	52.00	0.00
C Participants Receiving Benefits				
1 Number	848	803	16	29
2 Average annual benefit payments	17,695	16,191	27,354	54,003
3 Average age	71.68	71.35	66.44	82.79

GAAP Pension Expense:
3,806,742 / 4 = \$901,685.50



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

El Paso Electric Company	
OPRB	
Disclosure for Fiscal Year Ending 31-Dec-20 under US GAAP	
US Dollars	
Disclosed Benefit Cost	
31-Dec-20	
A Disclosed Benefit Cost	
1 Employer service cost	2,577,806
2 Interest cost	1,848,918
3 Expected return on plan assets	(2,454,371)
4 Subtotal	1,972,353
5 Net prior service cost/(credit) amortization	(3,093,254)
6 Net loss/(gain) amortization	(2,727,822)
7 Subtotal	(5,821,076)
8 Net periodic postretirement benefit cost/(income)	(3,848,723)
9 Curtailment gain or loss	0
10 Settlement gain or loss	0
11 Special/contractual termination benefits	0
12 Disclosed net benefit cost	(3,848,723)
B Presentation of Benefit Cost Pursuant to ASC 715-20	
1 Employer service cost	2,577,806
2 Other components of net periodic benefit cost	(6,426,529)
3 Other adjustments to net benefit cost	0
4 Disclosed net benefit cost	(3,848,723)
C Assumptions Used to Determine Benefit Cost	
1 Equivalent single discount rate for benefit obligations	3.54%
2 Equivalent single discount rate for service cost	3.86%
3 Equivalent single discount rate for interest cost	3.09%
4 Expected long-term rate of return on plan assets	6.00%
Balance Sheet Asset/(Liability)	
A Development of Balance Sheet Asset/(Liability)	
1 Accumulated postretirement benefit obligation (APBO)	(50,864,146)
2 Fair value of plan assets assets, excluding receivable contributions	45,596,843
3 Net balance sheet asset/(liability)	(5,267,303)
B Current and Noncurrent Classification	
1 Noncurrent asset	0
2 Current liability	0
3 Noncurrent liability	(5,267,303)
4 Net balance sheet asset/(liability)	(5,267,303)
C Reconciliation of Net Balance Sheet Asset/(Liability)	
1 Net balance sheet asset/(liability) at end of prior fiscal year	(23,081,411)
2 Employer service cost	(2,577,806)
3 Interest cost	(1,848,918)
4 Expected return on plan assets	2,454,371
5 Plan amendments	0
6 Actuarial gain/(loss)	19,143,592
7 Employer contributions	465,000
8 Benefits paid directly by the Company, net of retiree contributions	177,869
9 Medicare Part D subsidy on benefits paid during the year	0
10 Acquisitions/divestitures	0
11 Curtailments	0
12 Settlements (if settled using corporate cash)	0
13 Special/contractual termination benefits	0
14 Net balance sheet asset/(liability) at end of current fiscal year	(5,267,303)
D Assumptions and Dates Used for Disclosure	
1 Equivalent single discount rate for benefit obligations	2.78%
2 Rate of compensation increase	N/A
3 Current health care cost trend rate	6.50%
4 Ultimate health care cost trend rate	4.50%
5 Year of ultimate trend rate	5
6 Census date	01-Jan-20



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

El Paso Electric Company	
OPRB	
Disclosure for Fiscal Year Ending 31-Dec-20 under US GAAP	
US Dollars	
Accumulated Other Comprehensive (Income)/Loss	
A Accumulated Other Comprehensive (Income)/Loss	
1 Net prior service cost/(credit)	(20,378,896)
2 Net loss/(gain)	(54,555,209)
3 Accumulated other comprehensive (income)/loss [Before adjustment for tax effects]	(74,934,105)
B Development of Accumulated Other Comprehensive (Income)/Loss (AOCI)	
1 AOCI at prior fiscal year end	(61,611,589)
2 Amounts amortized during the year	
a. Net prior service (cost)/credit	3,093,254
b. Net (loss)/gain	2,727,822
3 Occurring during the year	
a. Net prior service cost/(credit)	0
b. Net loss/(gain)	(19,143,592)
4 AOCI at current fiscal year end	(74,934,105)
Additional Disclosure Information	
A Accumulated Postretirement Benefit Obligation (APBO)	
1 Fully eligible actives	12,384,853
2 Other actives	19,310,223
3 Retirees, dependents and surviving spouses	19,169,070
4 Accumulated postretirement benefit obligation	50,864,146
B Expected Future Benefit Payments, Net of Retiree Contributions, and Medicare Part D Subsidies	
<u>Benefit payments</u>	
1 During fiscal year ending December 31, 2021	2,002,141
2 During fiscal year ending December 31, 2022	2,127,966
3 During fiscal year ending December 31, 2023	2,191,535
4 During fiscal year ending December 31, 2024	2,279,178
5 During fiscal year ending December 31, 2025	2,416,488
6 During fiscal years ending December 31, 2026 through December 31, 2030	13,296,716
<u>Medicare Part D Subsidies</u>	
1 During fiscal year ending December 31, 2021	N/A
2 During fiscal year ending December 31, 2022	N/A
3 During fiscal year ending December 31, 2023	N/A
4 During fiscal year ending December 31, 2024	N/A
5 During fiscal year ending December 31, 2025	N/A
6 During fiscal years ending December 31, 2026 through December 31, 2030	N/A
C Expected Contributions during Fiscal Year ending December 31, 2021	
1 Employer	465,000
2 Plan participants	0
Changes in Disclosed Plan Obligations and Assets	
A Change in Accumulated Postretirement Benefit Obligation (APBO)	
1 APBO at prior fiscal year end	64,892,338
2 Employer service cost	2,577,808
3 Interest cost	1,848,918
4 Actuarial loss/(gain)	(16,897,907)
5 Plan participants' contributions	1,362,391
6 Benefits paid from plan assets, net of retiree contributions	(2,580,268)
7 Benefits paid from Company assets, net of retiree contributions	(177,869)
8 Medicare Part D subsidy	0
9 Administrative expenses paid	(161,263)
10 Plan amendments	0
11 Acquisitions/(divestitures)	0
12 Curtailments	0
13 Settlements	0
14 Special/contractual termination benefits	0
15 APBO at current fiscal year end	50,864,146
B Change in Plan Assets	
1 Fair value of plan assets at prior fiscal year end	41,810,927
2 Actual return on plan assets	4,700,056
3 Employer contributions	465,000
4 Plan participants' contributions	1,362,391
5 Benefits paid, net of retiree contributions	(2,580,268)
6 Administrative expenses paid	(161,263)
7 Acquisitions/(divestitures)	0
8 Settlements	0
9 Fair value of plan assets at current fiscal year end	45,596,843



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

El Paso Electric Company
OPRB
Disclosure for Fiscal Year Ending 31-Dec-20 under US GAAP **US Dollars**

Reconciliation of Net Balances

A Reconciliation of Prior Service Cost/(Credit) Bases	
1 Net amount at prior fiscal year end	(23,472,150)
2 Amortization amount	3,093,254
3 Plan amendments	0
4 Effect of curtailments	0
5 Other events	0
6 Net amount at current fiscal year end	(20,378,896)
B Reconciliation of Net Loss/(Gain)	
1 Net amount at prior fiscal year end	(38,130,439)
2 Amount recognized	2,727,822
3 Experience loss/(gain)	(19,143,592)
4 Effect of curtailments	0
5 Effect of settlements	0
6 Other events	0
7 Net amount at current fiscal year end	(54,555,209)

Summary and Comparison of Benefit Cost and Cash Flows **31-Dec-21**

A Total Benefit Cost	
1 Employer service cost	3,165,476
2 Interest cost	1,020,994
3 Expected return on plan assets	(3,281,473)
4 Subtotal	904,997
5 Net prior service cost/(credit) amortization	(3,093,254)
6 Net loss/(gain) amortization	(3,726,331)
7 Subtotal	(6,819,585)
8 Net periodic postretirement benefit cost/(income)	(5,914,588)
9 Curtailment gain or loss	0
10 Settlement gain or loss	0
11 Special/contractual termination benefits	0
12 Total benefit cost	(5,914,588)
B Assumptions	
1 Equivalent single discount rate for benefit obligations	2.70%
2 Equivalent single discount rate for service cost	3.04%
3 Equivalent single discount rate for interest cost	2.05%
4 Expected long-term rate of return on plan assets	7.35%
5 Rate of compensation increase	N/A
6 Current health care cost trend rate	6.50%
7 Ultimate health care cost trend rate	4.50%
8 Year of ultimate trend rate	5
9 Census date	01-Jan-20
C Fair Value of Assets at Beginning of Year	
	45,598,843
D Expected Cash Flows Net of Medicare Part D Subsidy	
1 Employer contributions	465,000
2 Plan participants' contributions	0
3 Benefits paid from Company assets	0
4 Benefits paid from plan assets	2,002,141
E Amortization Period	
1 For gain/loss amortization, if applicable	13.27547

Costs eligible for capitalization:
 $3,165,476 / 4 = \$791,369$

GAAP Net Periodic Benefit Cost:
 $(5,914,588) / 4 = (\$1,478,647)$

Participant Information - Census Date **01-Jan-20**

A Participating Employees	
1 Number	1,126
2 Average annual compensation/salary	N/A
3 Average age	46.02
4 Average credited service	14.20
B Retirees, Surviving Spouses and Surviving Dependents	
1 Medical Plan	
Retirees	388
Dependents of Retirees	216
Surviving Spouses	41
2 Life Plan	534

Retirement Income Plan

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Retirement Income Plan – ASC 960 (plan accounting) information

All monetary amounts shown in US Dollars

	Present Value
A Present Value of Accumulated Benefits	
1 Vested accumulated benefits	
a Active employees	101,290,335
b Participants with deferred benefits	13,013,361
c Participants receiving benefits	126,208,512
d Total vested accumulated benefits	240,512,208
2 Non-vested accumulated benefits	6,832,621
3 Total accumulated benefits	247,344,829
4 Market value of assets ¹	334,452,316
B Reconciliation of Present Value of Accumulated Benefits	
1 Present value of accumulated benefits as of January 1, 2019	229,648,649
2 Changes during the year due to:	
a Benefits accumulated	6,400,100
b Actuarial (gains)/losses	9,915,298
c Decrease in the discount period	15,964,983
d Actual benefits paid	(15,955,118)
e Assumption changes	1,370,917
f Plan amendments	0
g Net increase/(decrease)	17,696,180
3 Present value of accumulated benefits as of January 1, 2020	247,344,829

Actuarial Assumptions and Methods

The assumptions used to develop the present value of accumulated benefits, including any changes since the prior year, are described in Appendix A, except for the following:

- A discount rate of 7.00% was used. For the prior valuation, a discount rate of 7.00% was used.
- Cash balances are converted to annuities and annuities are converted to lump sums using the “applicable interest rates” under Code Section 417(e)(3)(C) determined as of August 2020 and the “applicable mortality table” under Code Section 417(e)(3)(B).

The discount rate used is the same as the expected rate of return on plan assets for the plan year (net of expenses) under ASC 715-30-35 and, as required by that standard and further discussed in the report providing net periodic cost under ASC 715-30-35 for the 2020 fiscal year dated September 2020, was selected by the plan sponsor without using the work of Willis Towers Watson. Evaluation of this assumption was outside the scope of Willis Towers Watson’s assignment and would have required substantial additional work that we were not engaged to perform. We understand that the

¹ Assets include accrued contributions for the 2019 plan year of \$ 7,300,000 not yet deposited at January 1, 2020.

expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions.

Plan Provisions

Plan provisions reflected in these calculations, including changes during the prior year, are described in Appendix B.

Accumulated and Vested Benefits

Accumulated benefits include benefits earned under the plan's benefit formula based on service rendered and compensation earned before the measurement date.

Benefits included in vested benefits are the same as described above for accrued benefits, except the following benefits are excluded:

- For participants who are not disabled on the measurement date, disability benefits in excess of the value of standard termination benefits (retirement benefits for those eligible).
- For participants who have not yet satisfied the eligibility requirements for these benefits, early retirement benefits and supplements in excess of standard termination benefits.
- Death benefits in excess of the plan's QPSA.
- All benefits for participants who are not yet vested in their accrued benefits or eligible for other benefits.

Retirement Income Plan

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Appendix A: Statement of actuarial assumptions, methods and data sources – Retirement Income Plan

Plan Sponsor

El Paso Electric Company

Statement of Assumptions

The assumptions disclosed in this Appendix are for the fiscal year ending December 31, 2020 financial reporting and the estimated fiscal year 2021 benefit cost.

Assumptions and methods for pension cost purposes

Actuarial Assumptions and Methods — Pension Cost

Economic Assumptions

Pre-tax rate of return on assets for 2021 fiscal year 7.00%

Discount rate:

- Equivalent single discount rate for benefit obligations 2.66%
- Equivalent single discount rate for service cost 2.96%
- Equivalent single discount rate for interest cost 2.01%

Annual rates of increase:

- Inflation 2.40%
- Compensation: 4.50%
- Statutory limits on compensation and benefits 2.40%
- Cash balance interest credit rate 3.80%

Annuity conversion

Cash balances are converted to annuities using “annuity substitution” with valuation interest rates and the “applicable mortality table” under Code Section 417(e)(B)

As required by the U.S. GAAP accounting standard, the yield curve reflecting returns on high quality corporate bonds (AA and AAA) is used to determine the obligations and service cost, and thus the net periodic benefit cost for the plan. Because these assumptions are required by the U.S. GAAP accounting standard, and reflect current market conditions (specifically, the market conditions as of the measurement date) they may from time to time be inconsistent with other economic assumptions used in the valuation, which may reflect both current economic conditions and assumed future conditions.

The return on assets shown above is gross of investment expenses. Administrative expenses are accounted for as an addition to Service Cost, as described below.

Demographic Assumptions

Inclusion date The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees It was assumed there will be no new or rehired employees.

Mortality:

■ Healthy mortality rates Base Mortality Table (Male Table used for males; Female Table used for Females)

1. Base table: Pri-2012
2. Base mortality table year: 2012
3. Table type: White Collar for non-union participants, Blue-Collar for union participants, and Total Dataset for participants with an unknown union status
4. Healthy or Disabled: Healthy
5. Table weighting: Benefit
6. Blending of annuitants and non-annuitants: Separate rates for annuitants and non-annuitants (based on Employees table)
7. Blending of retirees and contingent annuitants: Combined non-disabled annuitant mortality.

Mortality Improvement Scale (Male Table used for males; Female Table used for Females)

1. Base scale: MP-2020
2. Projection Type: Generational

■ Disabled life mortality rates Base Mortality Table

1. Base table: Pri-2012 Disabled Retiree
2. Base mortality table year: 2012
3. Table type: No Collar
4. Healthy or Disabled: Disabled
5. Blending of annuitants and non-annuitants: Single blended table of rates for annuitants and non-annuitants

Mortality Improvement Scale

1. Base scale: MP-2020
2. Projection Type: Generational

Reirement Income Plan

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Termination

Rates varying by age and gender

Representative Termination Rates

Percentage leaving during the year		
Attained Age	Males	Females
20	5.00%	6.00%
25	5.00%	6.00%
30	5.00%	6.00%
35	4.00%	6.00%
40	3.00%	6.00%
45	2.00%	4.00%
50	1.00%	2.00%

Disability

The rates at which participants become disabled by age and gender are shown below:

Percentage becoming disabled during the year	
Age	Males and Females
20	0.14%
25	0.15%
30	0.16%
35	0.19%
40	0.30%
45	0.45%
50	0.69%

Retirement

Rates varying by age

Percentage assumed to retire during the year				
Active Participants				
Final Average Pay				
Age	Reduced Early Retirement	Unreduced Retirement	Cash Balance	Terminated Vested Participants
55	3%	5%	10%	3%
56 - 59	3%	5%	10%	3%
60	3%	10%	10%	15%
61	3%	10%	10%	5%
62	20%	20%	20%	5%
63	10%	10%	10%	5%
64	10%	10%	10%	20%
65-69	25%	25%	25%	40%
70+	100%	100%	100%	100%

Benefit commencement date:

- Preretirement death benefit The later of the death of the active participant or the date the participant would have attained age 55
- Deferred vested benefit The later of age 55 or termination of employment
- Disability benefit Upon disablement

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Retirement Income Plan

■ Retirement benefit Upon termination of employment

Form of payment:

■ Final Average Pay Participants 100% are assumed to elect a Single Life Annuity

■ Cash Balance Participants 90% of participants are assumed to elect a lump sum form of payment and 10% are assumed to elect a Single Life Annuity. Lump sums were valued using the substitution of annuity form under IRS Regulation §1.430(d)-1(f)(4) without application of generational mortality.

Lump Sum & Annuity Conversion

Cash balances are converted to annuities using "annuity substitution" with valuation interest rates and the "applicable mortality table" under Code Section 417(e)(B). Cash balance participants' frozen FAP benefits are converted to lump sum using "annuity substitution" with valuation interest rates and the "applicable mortality table" under Code Section 417(e)(B).

Percent married 75% of participants eligible for pre-retirement death benefits are assumed to have an eligible spouse.

Spouse age Wife three years younger than husband.

Covered pay Assumed plan compensation for the year beginning on the valuation date was determined as an employee's annualized rate of basic compensation, excluding overtime, bonuses, expense allowances, profit sharing, and any other extra compensation in any form.

Additional Assumptions

Administrative expenses Service cost includes a load for administrative expenses expected to be paid from the trust during the current year; equal to 40 basis points of the market value of assets

Cash flow:

■ Decrement timing The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.

■ Timing of benefit payments Benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year.

■ Amount and timing of contributions Contributions are assumed to be made on the schedule specified by the Company.

Funding policy El Paso Electric Company's funding policy is to contribute an amount equal to the minimum required contribution with consideration for amounts included in customer rates. El Paso Electric Company

Retirement Income Plan

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considers each year whether to contribute additional amounts (e.g., to reach certain funded status thresholds to avoid benefit restrictions, at-risk status, ERISA §4010 filings or other requirements).

Methods – Pension Cost and Funded Position

Census date January 1, 2020

Measurement date December 31, 2020

Service cost and projected benefit obligation The Unit Credit Cost Method is used to determine the Projected Benefit Obligation (PBO) and related current service cost. Under this method, the accrued benefit is calculated based upon service as of the measurement date. The PBO is the present value of this benefit and the service cost is the present value of the increase in the benefit due to service in the upcoming year. In normal circumstances the "accrued benefit" is based upon the Plan's accrual formula. However, if service in later years leads to a materially higher level of benefit than in earlier years, the "accrued benefit" is calculated by attributing benefits on a straight-line basis over the relevant period.

The benefits described above are used to determine both ABO and PBO except that final average pay is assumed to remain constant in the future when calculating ABO.

PBO and service cost are measured by separately discounting the projected benefit payments underlying these measures, determined using the methodology described above, using the spot rates on the December 31, 2020 Willis Towers Watson RATE:Link 40:90 yield curve. Interest cost was measured by summing the individual interest costs associated with each future benefit payment underlying the PBO and service cost. These individual interest costs are developed by multiplying the present value of each benefit payment, discounted using the applicable spot rate on the yield curve relating to the future benefit payment, by that spot rate. Equivalent single discount rates that would reproducing the resulting benefit obligation, service cost and interest cost have been determined and disclosed.

Market-related value of assets The market-related value of assets is determined by adjusting the market value of assets to reflect the investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last 2 years at the rate of 33% per year. Expected investment return is a component of NPBC.

Amortization of unamortized amounts:

- Recognition of past service cost/(credit) Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Benefit Cost/(Income) in the year first recognized and every year thereafter until it is fully amortized. The annual amortization payment is determined in the first year as the increase in PBO due to the plan

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Retirement Income Plan

	change divided by the average remaining service period of active participants expected to receive benefits under the plan.
	However, when a plan change reduces the PBO, existing positive prior service costs are reduced or eliminated starting with the earliest established before a new prior service credit base is established.
■ Recognition of gains or losses	<p>Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of Net Periodic Benefit Cost/(Income) for a year.</p> <p>If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the PBO and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of active plan participants.</p> <p>Under this methodology, the gain/loss amounts recognized in AOCI are not expected to be fully recognized in benefit cost until the plan is terminated (or an earlier event, like a settlement, triggers recognition) because the average expected remaining service of active participants expected to benefit under the plan over which the amounts are amortized is redetermined each year and amounts that fall within the corridor described above are not amortized.</p>
Benefits not valued	All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with the plan sponsor and, based on that review, is not aware of any significant benefits required to be valued that were not.

Sources of Data and Other Information

The plan sponsor furnished participant data as of January 1, 2020. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available. Since hours of service were not provided by the plan sponsor, it was assumed that all employees who were both active at 01/01/2019 and 01/01/2020 earned 1,000 hours during the 2019 plan year.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with the Company's tax advisors and auditors.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate(s)	As required by U.S. GAAP the discount rate methodology was chosen by the plan sponsor based on market information on the measurement date.
Expected return on plan assets	We understand that the expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset

Retirement Income Plan

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	returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions.
Cash balance interest crediting rate	Based on 20-year expectation of long-term government bonds, since the plan credits interest to cash balance accounts using the 30-year Treasury rate, but with a minimum interest credit rate of 3.80%.
Annuity conversion rate	Cash balances are converted to annuities using "annuity substitution".
Rates of increase in compensation	Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience.
Administrative expenses	Administrative expenses are estimated based on an assumption of past expenses paid from the trust assets as a percentage of held assets.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.
Disabled Mortality	Assumptions used for accounting purposes were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.
Termination	Termination rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Disability	Disability rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Retirement	Retirement rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Benefit commencement date for deferred benefits:	
■ Preretirement death benefit	Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
■ Deferred vested benefit	Based on plan sponsor's historical experience and expectations for the future with periodic adjustment based on observed gains and losses.

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Retirement Income Plan

Form of payment	The percentage of retiring participants assumed to take lump sums or an annuity is based on historical experience and best expectations for the future with consideration of whether any conditions have changed that would be expected to produce different results in the future.
Percent married	The assumed percentage married is based on historical experience of marital statuses, with consideration of changes expected to occur in marriage patterns of retirement age individuals in the future.
Spouse age	The assumed age difference for spouses is based on plan sponsor expectations.

Source of Prescribed Methods (Required for ASOP compliance, otherwise optional)

Accounting methods	The methods used for accounting purposes as described in Appendix A, including the method of determining the market-related value of plan assets, are "prescribed methods set by another party", as defined in the actuarial standards of practice (ASOPs). As required by U.S. GAAP, these methods were selected by the plan sponsor.
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Changes in Assumptions, Methods and Estimation Techniques

Change in assumptions since prior valuation	<p>The single equivalent PBO discount rate decreased from 3.39% as of January 1, 2020 to 2.66% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.</p> <p>The single equivalent service cost discount rate decreased from 3.60% as of January 1, 2020 to 2.96% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.</p> <p>The single equivalent interest cost discount rate decreased from 2.99% as of January 1, 2020 to 2.01% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.</p> <p>The mortality improvement scale assumption was updated from Scale MP-2019 to Scale MP-2020.</p> <p>The "applicable mortality table" under Code Section 417(e)(B) used for lump sum conversions was updated to reflect an additional year of data.</p> <p>The administrative expense load on service cost was decreased from 50 basis points to 40 basis points on the market value of assets in order to better reflect recent experience.</p>
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Change in methods since prior valuation	None.
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Change in estimation techniques since prior valuation	None.
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Model Descriptions and Disclosures in accordance with ASOP No. 56

Quantify	Quantify is the Willis Towers Watson centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.
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Retirement Income Plan

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Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.

Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.

Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.

Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

Quantify FR

Quantify Financial Reporting (FR) is intended to calculate funding results, accounting results and produce the associated client reports under selected accounting standards. The calculations and reports are based on various user specified inputs including liability results and asset values.

Quantify FR develops valuation results for various accounting and funding purposes using standard actuarial techniques.

Calculation of disclosure liabilities and results are based on roll forward liabilities.

Liability roll-forwards are used in accounting scenarios where the date as of which liabilities are valued does not coincide with the fiscal year measurement date. The roll-forwards consist of adjusting liabilities for the passage of time.

The estimate of the following year's expense is calculated based on the obligations and assets used for disclosure and incorporates service cost that may be based on a projection in the associated Quantify liability run, depending on the relationship of the liability valuation date to the fiscal year.

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Reirement Income Plan

RateCalc/RATE:Link/US Treasury

The Roll Forward accounting calculations assume that applicable rules will not change during the roll-forward period. Actuaries make adjustments to the data, plan provisions and assumptions reflected in the calculation of the liabilities that are rolled forward so that the results reflect conditions at the measurement date, and/or make similar adjustments to the results of the roll forward, including reflecting any changes in applicable accounting standards.

RateCalc is used as one component in developing the single equivalent discount rate that reflects the characteristics of the client's employee benefit plan. It references a yield curve (often a RATE:Link curve) and expected plan benefit payments. The projected benefit payments from the client's plan are matched to the spot rates along the yield curve to determine their present values. A single equivalent discount rate is then solved for, which produces the same total present value as the spot rates.

RATE:Link is a methodology to develop spot rates to be used for liability and cost measurements related to employee benefit plans. The same core methodology is used to develop all RATE:Link curves. The RATE:Link process develops term structures of interest rates from corporate bond data for each covered geography (e.g., the U.S. for this valuation).

The construction of RATE:Link yield curves relies on bond data collected as of the measurement date.

Information regarding quoted bond prices, yields and other bond related data is from Bloomberg Finance L.P.

US Treasury: A yield curve consistent with published US Treasury rates has been used for measurements related to employee benefit plans.

Published Demographic Tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise

Retirement Income Plan

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Appendix B: Summary of principal plan provisions – Retirement Income Plan

Plan Provisions

The most recent amendment reflected in the following plan provisions was adopted on April 1, 2014.

Covered employees	All employees
Participation date	<p>Prior to April 1, 2014, each employee who has completed a year of Eligibility Service shall become a Member in the plan. An employee receives a year of Eligibility Service if he completes 1,000 or more Hours of Service within a 12-month period commencing with his date of employment or any anniversary date.</p> <p>Effective April 1, 2014, an employee hired or re-hired on or after April 1, 2014 shall become a Cash Balance Member on his employment commencement date or re-employment commencement date. An employee who is hired or re-hired after December 31, 2013 and before April 1, 2014 shall become a Cash Balance Member on April 1, 2014.</p>

Definitions

Vesting service	One year for each 1,000-hour calendar year of employment with El Paso Electric Company
Benefit service:	
■ Final Average Pay	One year for each 1,000-hour calendar year of employment.
■ Cash Balance	<p>Prior to January 1, 2014, a Member receives credit for one full year for each Plan Year in which he completes 1,000 or more hours of service. A Cash Balance Member (other than a Cash Balance Member who is hired or re-hired after December 31, 2013 and before April 1, 2014) who completes at least one Hour of Service during the period beginning January 1, 2014 and ending March 31, 2014 shall receive credit for 0.25 year of Benefit Accrual Service for the 2014 Plan Year. After March 31, 2014, no additional Benefit Service shall be earned by a Cash Balance Member.</p>
Pensionable pay	An employee's annualized rate of basic compensation, excluding overtime, bonuses, expense allowances, profit sharing, and any other extra compensation in any form.
Average earnings:	
■ Final Average Pay	The monthly average of a participant's pensionable pay computed by summing his pensionable pay as of any date and for each of the days beginning the four years preceding such date and dividing by sixty.

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Retirement Income Plan

■ Cash Balance

For a Cash Balance Member who is employed by the employer as of April 1, 2014 and becomes a Cash Balance Member as of April 1, 2014, the monthly average of a Member's pensionable pay computed by summing his pensionable pay as of March 31, 2014 and as of March 31 of the preceding four calendar years and dividing by sixty.

Normal retirement date (NRD)

First day of the month coinciding with or next following the attainment of age 65 with five years of benefit service

Accrued benefit:

■ Final Average Pay

The monthly accrued benefit payable as a single life annuity upon Normal Retirement is the greater of (a), (b), (c) or (d) below, less any frozen benefit provided under group annuity contracts deemed purchased prior to August 1, 1989 as illustrated in Appendix A of the plan document:

(a) 1-1/4% of Average Monthly Earnings multiplied by years of benefit service.

(b) \$25.00 multiplied by years of projected benefit service at normal retirement date, not to exceed 10.

This amount multiplied by the ratio of years of benefit service earned to date, divided by years of projected benefit service at normal retirement date. This benefit shall be no greater than \$250 per month.

(c) Amount of benefit payable in accordance with the Plan in effect on June 30, 1982 with Earnings frozen at the rate on June 30, 1982.

(d) Amount of accrued benefit earned as of October 17, 1990 under the prior benefit formula.

■ Cash Balance

The Accrued Benefit for a Cash Balance Member is

(a) plus (b), as follows:

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

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

Retirement Income Plan

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■ Pay Credits

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

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

■ Interest Credits

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

Monthly preretirement death benefit:

- **Before Normal Retirement Age** Payable upon the death of a participant employed by the company who had completed 5 years of Vesting Service. If the participant dies before attaining age 50 with 10 years of service, the amount payable to the spouse, to whom the participant was legally married during the one year period immediately preceding his death, is 50% of the amount the participant would have been entitled to had the participant separated from service on the date of his death, survived to the earliest retirement age, retired with an immediate qualified joint and survivor annuity and died the day after the earliest retirement age. If the participant dies after attaining age 50 with 10 years of service, the amount payable to the eligible spouse is 50% of the participant's Accrued Benefit, commencing immediately.
- **After Normal Retirement Age** If the participant dies after his Normal Retirement Age but before benefit payments commence, survivorship benefits will be paid in accordance with the form in which the participant's benefits would be paid if he had retired on the first day of the month following his date of death.

Eligibility for Benefits

Normal retirement	Retirement on NRD
Early retirement:	
■ Final Average Pay	After attainment of age 55 and completion of 5 years of Vesting Service, the participant may elect to commence his Accrued Benefit on a reduced basis prior to age 65. If the participant retires with at least 20 years of Vesting Service, he may receive his Accrued benefit as early as age 62 without any reduction. If the sum of the participant's age and years of Vesting Service equals or exceeds 85, he may receive his Accrued Benefit without any reduction.
■ Cash Balance	Early retirement under the plan is age 55 and completion of 3 years of Vesting Service.
Postponed retirement	Retirement after NRD
Deferred vested termination	Termination for reasons other than death or retirement after completing five years of vesting service for a Final Average Pay participant or three years of vesting service for a Cash Balance Member.
Disability	Permanent and total disability prior to NRD, and participant is receiving a Social Security disability benefit.
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse.

Benefits Paid Upon the Following Events

Normal retirement	The monthly pension benefit determined as of NRD.
Early retirement:	
■ Final Average Pay	The monthly pension benefit determined as of NRD reduced 6.667% for each of the first five years and 3.333% for each of the next five years that payment precedes the participant's NRD.
■ Cash Balance	The frozen accrued benefit excluding his Cash Balance Benefits determined as of NRD actuarially reduced to the commencement date. The Cash Balance Benefit determined as of the commencement date will be actuarially reduced to be equivalent to the member's Cash Balance Account.
Postponed retirement	The monthly pension benefit determined as of the actual retirement date.
Deferred vested termination:	
■ Final Average Pay	The participant may elect to commence as early as their Early Retirement with the monthly pension benefit determined as of NRD reduced 6.667% for each of the first five years and 3.333% for each of the next five years that payment precedes the participant's NRD.
■ Cash Balance	The frozen accrued benefit excluding Cash Balance Benefits will be payable as of NRD or may elect to commence at any time after termination with actuarial reductions. 100% of the Cash Balance

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account is payable on the first day of any month following termination.

Disablement:

- **Final Average Pay** Payable to a participant beginning at NRD after becoming totally and permanently disabled while employed by the company. The annuity payable is based on Average Monthly Earnings at date of Disability and Benefit Service, including all credit for all years while disabled, at NRD. The qualified joint and spouse survivor death benefit will apply.
- **Cash Balance** Payable to a participant immediately after becoming totally and permanently disabled while employed by the company. The benefit payable is the Frozen Final Average Pay Accrued Benefit as of March 31, 2014 and the Cash Balance Account based on Earnings and Vesting Service through date of Disability.

Preretirement death

If participant has attained age 50 and earned at least 10 years of vesting service, then the monthly preretirement death benefit payable on behalf of an active employee is unreduced for form of payment and early retirement.

In all other cases, the monthly preretirement death benefit payable is reduced 6.667% for each of the first five years and 3.333% for each of the next five years that payment precedes the participant's NRD.

Other Plan Provisions

Forms of payment

Preretirement death benefits are payable only as described above. Monthly pension benefits are paid as described above as a life annuity, if the participant has no spouse as of the date payments begin, or if the participant so elects. Otherwise, benefits are paid in the form of a 50% joint and survivor annuity option or, if the participant elects and the spouse consents, another actuarially equivalent optional form offered by the plan. Optional forms are a 25%, 75% and 100% joint and survivor annuity, a ten-year certain and life annuity, (for married participants) a life annuity, or (for Cash Balance Members) a lump sum distribution.

Actuarial equivalence for annuity forms uses the 1971 Group Annuity Mortality Table for males, set back three years, and an interest rate of 6% compounded annually. Actuarial equivalence for lump sum purposes is the "applicable mortality table" under Code Section 417(e)(3)(B) and the "applicable interest rate" under Code Section 417(e)(3)(C) determined as of the fifth month immediately preceding the first day of the Plan Year in which the distribution is being made.

Pension Increases

None

Plan participants' contributions

None

Automatic Cash Out

Upon termination of service, if the lump sum value of the accrued benefit is less than \$1,000, the lump sum amount is paid as soon as practical after termination.

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Maximum limits on benefits and pay All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes take effect.

Future Plan Changes

No future plan changes were recognized in determining pension cost or funding requirements. Willis Towers Watson is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Excess Benefit Plan

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Appendix A: Statement of actuarial assumptions, methods and data sources – Excess Benefit Plan

Plan Sponsor

El Paso Electric Company

Statement of Assumptions

The assumptions disclosed in this Appendix are for the fiscal year ending December 31, 2020 financial reporting and the estimated fiscal year 2021 benefit cost.

Assumptions and methods for pension cost purposes

Actuarial Assumptions and Methods — Pension Cost

Economic Assumptions

Equivalent single discount rate for benefit obligations	2.65%
Equivalent single discount rate for service cost	2.76%
Equivalent single discount rate for interest cost	2.11%

Annual rates of increase:

■ Consumer Price Index (CPI)	2.40%
■ Compensation:	4.50%
■ Cash balance interest credit rate	3.80%

Lump sum conversion for annuity substitution

Valuation interest rates and the
"applicable mortality table" under Code
Section 417(e)(B)

As required by the U.S. GAAP accounting standard, the yield curve reflecting returns on high quality corporate bonds (AA and AAA) is used to determine the obligations and service cost, and thus the net periodic benefit cost for the plan. Because these assumptions are required by the U.S. GAAP accounting standard, and reflect current market conditions (specifically, the market conditions as of the measurement date) they may from time to time be inconsistent with other economic assumptions used in the valuation, which may reflect both current economic conditions and assumed future conditions.

Demographic and Other Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee becomes a participant.
New or rehired employees	It was assumed there will be no new or rehired employees.
Benefit commencement dates:	
■ Preretirement death benefit	The later of the death of the active participant or the date the participant would have attained age 55.
■ Deferred vested benefit	The later of age 55 or termination of employment
■ Disability benefit	Upon disablement
■ Retirement benefit	Upon termination of employment
Form of payment:	
■ Individuals who became Participants before April 1, 2014	100% Single Life Annuity
■ Individuals who became Participants on or after April 1, 2014	100% Lump Sum
Percent married	75% of participants eligible for pre-retirement death benefits are assumed to have an eligible spouse.
Spouse age	Wife three years younger than husband.
Covered pay	Assumed plan compensation for the year beginning on the valuation date was determined as basic compensation and bonus paid to the Company's "short term bonus plan" earned during the prior year provided by the employer

Demographic Assumptions

Mortality:	
■ Healthy mortality rates	Base Mortality Table (Male Table used for males; Female Table used for Females)
	<ol style="list-style-type: none"> 1. Base table: Pri-2012 2. Base mortality table year: 2012 3. Table type: White Collar 4. Healthy or Disabled: Healthy 5. Table weighting: Benefit 6. Blending of annuitants and non-annuitants: Separate rates for annuitants and non-annuitants (based on Employees table) 7. Blending of retirees and contingent annuitants: Combined non-disabled annuitant mortality

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Mortality Improvement Scale (Male Table used for males; Female Table used for Females)

1. Base scale: MP-2020
2. Projection Type: Generational

■ Disabled life mortality rates

1. Base table: Pri-2012 Disabled Retiree
2. Base mortality table year: 2012
3. Table type: No Collar
4. Healthy or Disabled: Disabled
5. Blending of annuitants and non-annuitants: Single blended table of rates for annuitants and non-annuitants

Mortality Improvement Scale

1. Base scale: MP-2020
2. Projection Type: Generational

Disability rates

The rates at which participants are assumed to become disabled by age are shown below:

Percentage assumed to become disabled during the year		
Attained Age	Males and Females	
20	0.14%	
25	0.15%	
30	0.16%	
35	0.19%	
40	0.30%	
45	0.45%	
50	0.69%	

Termination (not due to disability or retirement) rates

The rates at which participants are assumed to terminate employment by age and gender are shown below:

Representative Termination Rates

Percentage assumed to leave during the year		
Attained Age	Males	Females
20	5.00%	6.00%
25	5.00%	6.00%
30	5.00%	6.00%
35	4.00%	6.00%
40	3.00%	6.00%
45	2.00%	4.00%
50	1.00%	2.00%

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Retirement

Rates at which participants are assumed to retire by age are shown below.

Percentage assumed to retire during the year				
Active Participants				
Final Average Pay				
Age	Reduced Early Retirement	Unreduced Retirement	Cash Balance	Terminated Vested Participants
55	3%	5%	10%	3%
56 - 59	3%	5%	10%	3%
60	3%	10%	10%	15%
61	3%	10%	10%	5%
62	20%	20%	20%	5%
63	10%	10%	10%	5%
64	10%	10%	10%	20%
65-69	25%	25%	25%	40%
70+	100%	100%	100%	100%

Additional Assumptions

Administrative expenses \$0; the plan sponsor pays administrative expenses directly.

Cash flow:

- **Decrement timing** The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.
- **Timing of benefit payments** Benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year.
- **Amount and timing of contributions** Contributions are assumed to be made throughout the year and, on average, at mid-year.
- Funding policy** This is an unfunded plan so the funding policy is to pay benefits directly from employer assets as they come due.

Methods – Pension Cost and Funded Position

Census date	January 1, 2020
Measurement date	December 31, 2020
Service cost and projected benefit obligation	The Unit Credit Cost Method is used to determine the Projected Benefit Obligation (PBO) related current service cost. Under this method, the accrued benefit is calculated based upon service as of

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the measurement date. The PBO is the present value of this benefit and the service cost is the present value of the increase in the benefit due to service in the upcoming year. In normal circumstances the "accrued benefit" is based upon the Plan's accrual formula. However, if service in later years leads to a materially higher level of benefit than in earlier years, the "accrued benefit" is calculated by attributing benefits on a straight-line basis over the relevant period.

The benefits described above are used to determine both ABO and PBO except that final average pay is assumed to remain constant in the future when calculating ABO.

PBO and service cost are measured by separately discounting the projected benefit payments underlying these measures, determined using the methodology described above, using the spot rates on the December 31, 2020 Willis Towers Watson RATE:Link 40:90 yield curve. Interest cost was measured by summing the individual interest costs associated with each future benefit payment underlying the PBO and service cost. These individual interest costs are developed by multiplying the present value of each benefit payment, discounted using the applicable spot rate on the yield curve relating to the future benefit payment, by that spot rate. Equivalent single discount rates that would reproducing the resulting benefit obligation, service cost and interest cost have been determined and disclosed.

Market-related value of assets Since this is an unfunded plan, the asset method is not applicable.

Amortization of unamortized amounts:

- **Recognition of past service cost/(credit)** Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Benefit Cost/(Income) in the year first recognized and every year thereafter until it is fully amortized. The annual amortization payment is determined in the first year as the increase in PBO due to the plan change divided by the average remaining service period of active participants expected to receive benefits under the plan.

However, when a plan change reduces the PBO, existing positive prior service costs are reduced or eliminated starting with the earliest established before a new prior service credit base is established.
- **Recognition of gains or losses** Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of Net Periodic Benefit Cost/(Income) for a year.

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Excess Benefit Plan

If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the PBO and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of active plan participants.

Under this methodology, the gain/loss amounts recognized in AOCI are not expected to be fully recognized in benefit cost until the plan is terminated (or an earlier event, like a settlement, triggers recognition) because the average expected remaining service of active participants expected to benefit under the plan over which the amounts are amortized is redetermined each year and amounts that fall within the corridor described above are not amortized.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with the plan sponsor and, based on that review, is not aware of any significant benefits required to be valued that were not.

Sources of Data and Other Information

The plan sponsor furnished participant data as of January 1, 2020. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available. Since hours of service were not provided by the plan sponsor, it was assumed that all employees who were both active at 01/01/2019 and 01/01/2020 earned 1,000 hours during the 2019 plan year.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with the Company's tax advisors and auditors. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate(s)	As required by U.S. GAAP the discount rate methodology was chosen by the plan sponsor based on market information on the measurement date.
Cash balance interest crediting rate	Based on 20-year expectation of long-term government bonds, since the plan credits interest to cash balance accounts using the 30-year Treasury rate, but with a minimum interest credit rate of 3.8%.
Lump sum conversion rate	Lump sum benefits are valued using "annuity substitution".
Rates of increase in compensation	Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience.

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Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.
Disabled Mortality	Assumptions used for accounting purposes were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.
Termination	Termination rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Disability	Disability rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Retirement	Retirement rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Benefit commencement date for deferred benefits:	
■ Preretirement death benefit	Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
■ Deferred vested benefit	Deferred vested participants are assumed to begin benefits based on rates applied to a number of commencement ages based on an analysis of actual commencement patterns.
Form of payment	The percentage of retiring participants assumed to take lump sums or an annuity is based on expectations given plan provisions. The form of payment is restricted to an annuity for members who entered prior to April 1, 2014 and restricted to a lump sum for those who entered after April 1, 2014.
Percent married	The assumed percentage married is based on historical experience of marital statuses, with annual consideration of changes expected to occur in marriage patterns of retirement age individuals in the future.

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Source of Prescribed Methods

Accounting methods The methods used for accounting purposes as described in Appendix A are "prescribed methods set by another party", as defined in the actuarial standards of practice (ASOPs). As required by U.S. GAAP, these methods were selected by the plan sponsor.

Changes in Assumptions, Methods and Estimation Techniques

Change in assumptions since prior valuation The single equivalent PBO discount rate decreased 3.39% as of January 1, 2020 to 2.65% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.

The single equivalent service cost discount rate decreased from 3.46% as of January 1, 2020 to 2.76% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.

The single equivalent interest cost discount rate decreased from 3.04% as of January 1, 2020 to 2.11% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.

The mortality improvement scale assumption was updated from Scale MP-2019 to Scale MP-2020.

The "applicable mortality table" under Code Section 417(e)(B) used for lump sum conversions was updated to reflect an additional year of data.

Change in methods since prior valuation None

Change in estimation techniques since prior valuation None

Model Descriptions and Disclosures in accordance with ASOP No. 56

Quantify Quantify is the Willis Towers Watson centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.

Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.

Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.

Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.

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Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

Quantify FR

Quantify Financial Reporting (FR) is intended to calculate funding results, accounting results and produce the associated client reports under selected accounting standards. The calculations and reports are based on various user specified inputs including liability results and asset values.

Quantify FR develops valuation results for various accounting and funding purposes using standard actuarial techniques.

Calculation of disclosure liabilities and results are based on roll forward liabilities.

Liability roll-forwards are used in accounting scenarios where the date as of which liabilities are valued does not coincide with the fiscal year measurement date. The roll-forwards consist of adjusting liabilities for the passage of time.

The estimate of the following year's expense is calculated based on the obligations and assets used for disclosure and incorporates service cost that may be based on a projection in the associated Quantify liability run, depending on the relationship of the liability valuation date to the fiscal year.

The Roll Forward accounting calculations assume that applicable rules will not change during the roll-forward period. Actuaries make adjustments to the data, plan provisions and assumptions reflected in the calculation of the liabilities that are rolled forward so that the results reflect conditions at the measurement date, and/or make similar adjustments to the results of the roll forward, including reflecting any changes in applicable accounting standards.

RateCalc/RATE:Link/US Treasury

RateCalc is used as one component in developing the single equivalent discount rate that reflects the characteristics of the client's employee benefit plan. It references a yield curve (often a RATE:Link curve) and expected plan benefit payments. The projected benefit payments from the client's plan are matched to

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Excess Benefit Plan

the spot rates along the yield curve to determine their present values. A single equivalent discount rate is then solved for, which produces the same total present value as the spot rates.

RATE:Link is a methodology to develop spot rates to be used for liability and cost measurements related to employee benefit plans. The same core methodology is used to develop all RATE:Link curves. The RATE:Link process develops term structures of interest rates from corporate bond data for each covered geography (e.g., the U.S. for this valuation).

The construction of RATE:Link yield curves relies on bond data collected as of the measurement date.

Information regarding quoted bond prices, yields and other bond related data is from Bloomberg Finance L.P.

US Treasury: A yield curve consistent with published US Treasury rates has been used for measurements related to employee benefit plans.

Published Demographic Tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise

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Appendix B: Summary of principal plan provisions – Excess Benefit Plan

Plan Provisions

Effective January 1, 2004. The most recent amendment reflected in the following plan provisions was adopted on April 1, 2014.

Covered employees	<p>Prior to April 1, 2014, participation was restricted to certain participants of the Retirement Income Plan, as selected by the Company. Generally, the officers of the Company were selected to participate.</p> <p>Beginning April 1, 2014, any employee who holds the office of Vice President or above.</p>
Participation date	Date of becoming a covered employee.

Definitions

Vesting service	One year for each 1,000-hour calendar year of employment.
Pension service	One year for each 1,000-hour calendar year of employment.
Pensionable pay	A participant's basic compensation received from the Company, including regular wages and bonuses paid pursuant to the Company's "short term bonus plan", but excluding overtime pay, expense allowances, profit sharing, bonuses from other sources, and any other extra compensation in any form.
Average monthly earnings:	
■ Final Average Pay	The monthly average of a participant's Considered Earnings computed by summing his Considered Earnings as of any date and for each of the days beginning the four years preceding such date and dividing by sixty.
■ Cash Balance	For a Cash Balance Member who is employed by the employer as of April 1, 2014 and becomes a Cash Balance Member as of April 1, 2014, the monthly average of a Member's Considered Earnings computed by summing his Considered Earnings as of March 31, 2014 and as of March 31 of the preceding four calendar years and dividing by sixty.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 with five years of pension service.

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Accrued benefit:

- Final Average Pay The monthly accrued benefit payable as a single life annuity upon Normal Retirement is the difference between (a) and (b) below:
 - a) The monthly amount to which the participant would be entitled under the Retirement Income Plan based on the participant's Average Monthly Earnings as defined in this plan and benefit accrual service as determined under the Retirement Income Plan, without giving effect to any limitations on benefits imposed by any provisions of the Internal Revenue Code.
 - b) The monthly amount of the Retirement Income Plan benefit payable to the participant from the Retirement Income Plan.
- Cash Balance
 - a) The cash balance account to which the participant would be entitled under the Retirement Income Plan if pay credits were calculated based on considered earnings as defined in this plan, years of vesting service as determined under the Retirement Income Plan, and interest credits calculated in the manner provided under the Retirement Income Plan, without giving effect to any limitations on benefits imposed by any provisions of the Internal Revenue Code.
 - b) The cash balance account to which the participant is entitled under the Retirement Income Plan.

Monthly preretirement death benefit If the participant has attained age 50 and completed at least 10 years of vesting service, 50% of the monthly pension benefit as of the date of death with no reductions for early commencement or optional forms of payment.

In all other cases, 50% of the monthly pension benefit as of the date of death, reduced for the 50% joint and survivor election and reduced for payment as early as the participant's 55th birthday.

Eligibility for Benefits

Normal retirement	Retirement on NRD
Early retirement	Retirement before NRD and on or after both attaining age 55 and is fully vested in a benefit under the Qualified Plan
Postponed retirement	Retirement after NRD
Deferred vested termination	Termination for reasons other than death or retirement and participant is fully vested in a benefit under the Qualified Plan
Disability	Permanent and total disability prior to NRD, and participant is receiving a Social Security disability benefit
Preretirement death benefit	Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse

Benefits Paid Upon the Following Events

Normal retirement	The monthly pension benefit determined as of NRD
Early retirement	The monthly pension benefit determined as of NRD reduced under the reduction schedule provisions of the qualified plan

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Postponed retirement	The monthly pension benefit determined as of the actual retirement date
Deferred vested termination	Accrued Normal Retirement Benefit with actuarial reductions
Preretirement death	<p>If participant has attained age 50 and earned at least 10 years of vesting service, then the monthly preretirement death benefit payable on behalf of an active employee is unreduced for form of payment and early retirement.</p> <p>In all other cases, the monthly preretirement death benefit payable is reduced 6.667% for each of the first five years and 3.333% for each of the next five years that payment precedes the participant's NRD.</p>

Other Plan Provisions

Forms of payment	<p>Preretirement death benefits are payable only as described above. Monthly pension benefits are paid as described above as an annuity, if the individual became a participant prior to April 1, 2014. Optional forms of annuities are joint and survivor annuity with selected percentages up to 100%, a ten-year certain and life annuity, or a single life annuity. Otherwise, benefits are paid in the form of a lump sum. Actuarial equivalence for annuity forms uses the 1971 Group Annuity Mortality Table for males, set back three years, and an interest rate of 6% compounded annually. Actuarial equivalence for lump sum purposes is the "applicable mortality table" under Code Section 417(e)(3)(B) and the "applicable interest rate" under Code Section 417(e)(3)(C) determined as of the fifth month immediately preceding the first day of the Plan Year in which the distribution is being made.</p>
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Pension Increases None

Plan participants' contributions None

Maximum limits on benefits and pay None

Future Plan Changes

No future plan changes were recognized in determining pension cost or funding requirements. Willis Towers Watson is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

El Paso Electric Company Supplemented Retirement and Survivor Income Plan, Executive Retirement Agreements, and Directors' Retirement Plan

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Appendix A: Statement of actuarial assumptions, methods and data sources – SERP Plan

Plan Sponsor

El Paso Electric Company

Statement of Assumptions

The assumptions disclosed in this Appendix are for the fiscal year ending December 31, 2020 financial reporting and the estimated fiscal year 2021 benefit cost.

Assumptions and methods for pension cost purposes

Actuarial Assumptions and Methods — Pension Cost

Economic Assumptions

Discount rate

Equivalent single discount rate for benefit obligations	2.05%
Equivalent single discount rate for service cost	N/A
Equivalent single discount rate for interest cost	1.40%

As required by the U.S. GAAP accounting standard, the yield curve reflecting returns on high quality corporate bonds (AA and AAA) is used to determine the obligations and service cost, and thus the net periodic benefit cost for the plan. Because these assumptions are required by the U.S. GAAP accounting standard, and reflect current market conditions (specifically, the market conditions as of the measurement date) they may from time to time be inconsistent with other economic assumptions used in the valuation, which may reflect both current economic conditions and assumed future conditions.

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Demographic Assumptions

Mortality:

- Healthy mortality rates
 - Base Mortality Table (Male Table used for males; Female Table used for Females)
 1. Base table: Pri-2012
 2. Base mortality table year: 2012
 3. Table type: White Collar
 4. Healthy or Disabled: Healthy
 5. Table weighting: Benefit
 6. Blending of annuitants and non-annuitants: Separate rates used for annuitants and non-annuitants
 7. Blending of retirees and contingent annuitants: Combined non-disabled annuitant mortality
 - Mortality Improvement Scale (Male Table used for males; Female Table used for Females)
 1. Base scale: MP-2020
 - Projection Type: Generational
- Disabled life mortality rates
 - None
- Healthy non-active service mortality rates
 - None
- Disability rates
 - None
- Termination (not due to disability or retirement) rates
 - None
- Retirement
 - None

Additional Assumptions

- Administrative expenses
 - \$0; the plan sponsor pays administrative expenses directly
- Death Benefits
 - Death benefits are valued in accordance with the optional death benefit chosen by each participant with the election form on file with the company. If there is no election form on file, the participant is assumed to have elected the lump sum option and the benefit will be paid at the end of the participant's life expectancy as computed on the valuation date.
- Cash flow:
 - Decrement timing
 - The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For

El Paso Electric Company Supplemented Retirement and Survivor Income Plan, Executive Retirement Agreements, and Directors' Retirement Plan

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	retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year.
■ Timing of benefit payments	Benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year.
■ Amount and timing of contributions	Contributions are assumed to be made throughout the year and, on average, at mid-year.
Funding policy	This is an unfunded plan so the funding policy is to pay benefits directly from employer assets as they come due.

Methods – Pension Cost and Funded Position

Census date	January 1, 2021
Measurement date	December 31, 2020
Projected benefit obligation	<p>The Unit Credit Cost Method is used to determine the Projected Benefit Obligation (PBO). Under this method, the accrued benefit is calculated based upon service as of the measurement date. The PBO is the present value of this benefit.</p> <p>The benefits described above are used to determine both ABO and PBO.</p> <p>PBO is measured by discounting the underlying projected benefit payments, determined using the methodology described above, using the spot rates on the December 31, 2020 Willis Towers Watson RATE:Link 40:90 yield curve. Interest cost was measured by summing the individual interest costs associated with each future benefit payment underlying the PBO. This individual interest cost is developed by multiplying the present value of each benefit payment, discounted using the applicable spot rate on the yield curve relating to the future benefit payment, by that spot rate. Equivalent single discount rates that would produce the resulting benefit obligation and interest cost have been determined and disclosed.</p>
Market-related value of assets	Since this is an unfunded plan, the asset method is not applicable.
Amortization of unamortized amounts:	
■ Recognition of past service cost/(credit)	Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Benefit Cost/(Income) in the year first recognized and every year thereafter until it is fully amortized. The annual amortization payment is determined in the first year as the increase in PBO due to the plan change divided by the average remaining life expectancy of inactive participants, or the average remaining period over which benefits will be paid if shorter.

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However, when a plan change reduces the PBO, existing positive prior service costs are reduced or eliminated starting with the earliest established before a new prior service credit base is established.

■ **Recognition of gains or losses**

Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of Net Periodic Benefit Cost/(Income) for a year.

If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the PBO and the market-related value of plan assets, the amortization is that excess divided by the average remaining lifetime of inactive plan participants, or the period for which benefits will be paid if shorter.

Under this methodology, the gain/loss amounts recognized in AOCI are not expected to be fully recognized in benefit cost until the plan is terminated (or an earlier event, like a settlement, triggers recognition) because the average expected remaining lifetime of inactive participants over which the amounts are amortized is redetermined each year and amounts that fall within the corridor described above are not amortized.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with the plan sponsor and, based on that review, is not aware of any significant benefits required to be valued that were not.

Sources of Data and Other Information

The plan sponsor furnished participant data as of 1/1/2021. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with El Paso Electric Company's tax advisors and auditors. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate(s)

As required by U.S. GAAP the discount rate methodology was chosen by the plan sponsor based on market information on the measurement date.

El Paso Electric Company Supplemented Retirement and Survivor Income Plan, Executive Retirement Agreements, and Directors' Retirement Plan

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Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.
Death Benefit	The lump sum option is the automatic payment form for a post-retirement death benefit.

Source of Prescribed Methods (Required for ASOP compliance, otherwise optional)

Accounting methods	The methods used for accounting purposes as described in Appendix A, are "prescribed methods set by another party", as defined in the actuarial standards of practice (ASOPs). As required by U.S. GAAP, these methods were selected by the plan sponsor.
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Changes in Assumptions, Methods and Estimation Techniques

Change in assumptions since prior valuation	<p>The single equivalent PBO discount rate decreased from 2.99% as of January 1, 2020 to 2.05% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.</p> <p>The single equivalent interest cost discount rate decreased from 2.60% as of January 1, 2020 to 1.40% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.</p> <p>The mortality improvement scale was updated from Scale MP-2019 to Scale MP-2020.</p>
Change in methods since prior valuation	None
Change in estimation techniques since prior valuation	None

Model Descriptions and Disclosures in accordance with ASOP No. 56

Quantify	<p>Quantify is the Willis Towers Watson centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.</p> <p>Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.</p> <p>Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.</p> <p>Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.</p>
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Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

Quantify FR

Quantify Financial Reporting (FR) is intended to calculate funding results, accounting results and produce the associated client reports under selected accounting standards. The calculations and reports are based on various user specified inputs including liability results and asset values.

Quantify FR develops valuation results for various accounting and funding purposes using standard actuarial techniques.

Calculation of disclosure liabilities and results are based on roll forward liabilities.

Liability roll-forwards are used in accounting scenarios where the date as of which liabilities are valued does not coincide with the fiscal year measurement date. The roll-forwards consist of adjusting liabilities for the passage of time.

The estimate of the following year's expense is calculated based on the obligations and assets used for disclosure and incorporates service cost that may be based on a projection in the associated Quantify liability run, depending on the relationship of the liability valuation date to the fiscal year.

The Roll Forward accounting calculations assume that applicable rules will not change during the roll-forward period. Actuaries make adjustments to the data, plan provisions and assumptions reflected in the calculation of the liabilities that are rolled forward so that the results reflect conditions at the measurement date, and/or make similar adjustments to the results of the roll forward, including reflecting any changes in applicable accounting standards.

El Paso Electric Company Supplemented Retirement and Survivor Income Plan, Executive Retirement Agreements, and Directors' Retirement Plan

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RateCalc/RATE:Link/US Treasury

RateCalc is used as one component in developing the single equivalent discount rate that reflects the characteristics of the client's employee benefit plan. It references a yield curve (often a RATE:Link curve) and expected plan benefit payments. The projected benefit payments from the client's plan are matched to the spot rates along the yield curve to determine their present values. A single equivalent discount rate is then solved for, which produces the same total present value as the spot rates.

RATE:Link is a methodology to develop spot rates to be used for liability and cost measurements related to employee benefit plans. The same core methodology is used to develop all RATE:Link curves. The RATE:Link process develops term structures of interest rates from corporate bond data for each covered geography (e.g., the U.S. for this valuation).

The construction of RATE:Link yield curves relies on bond data collected as of the measurement date.

Information regarding quoted bond prices, yields and other bond related data is from Bloomberg Finance L.P.

US Treasury: A yield curve consistent with published US Treasury rates has been used for measurements related to employee benefit plans.

Published Demographic Tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise

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Appendix B: Summary of principal plan provisions – SERP Plan

Plan Provisions for the Supplemental Retirement and Survivor Income Plan

Effective Date July 1, 1984. Amended and restated July 26, 1988. Discontinued for active employees effective February 1996.

Covered employees and participation date Participation is restricted to participants who commenced receipt of benefits by the date of discontinuance. The benefits for all participants have been calculated and initiated by the Company.

Benefits Paid Upon the Following Events

Death after Retirement The participant may select from the following two optional forms of death benefit:

1. A lump sum settlement paid to the beneficiary based on the following schedule:

Year of Retirement	% of Final Average Salary
1	300%
2	285%
3	270%
4	255%
5	240%
6	225%
7	210%
8	195%
9	180%
10	165%
11 and over	150%

2. Installment payments equal to 35% of the participant's final salary, payable to a surviving spouse for the remainder of his/her lifetime, or to a spouse or non-spouse beneficiary for a limited period of time.

El Paso Electric Company Supplemented Retirement and Survivor Income Plan, Executive Retirement Agreements, and Directors' Retirement Plan

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Plan Provisions for Other Plan Agreements

1993 Retirement Agreements

The benefit amounts were determined based on individual retirement agreements with the Company. The annual benefit amounts of the following former executives were calculated and initiated by the Company. According to the retirement agreements, the benefits were reduced when the executive reached age 55 by the amount that the executive could have received as an early retirement pension under the Company's Retirement Income Plan. The annual ongoing benefits are as follows:

	Benefit on or After Age 55	1 st of the Month Following Age 55 Date
L. Dow.	\$40,099.20	03/01/1994
W. Joh.	\$82,332.84	08/01/1996
F. Mat.	\$61,952.16	03/01/2000
W. Roy.	\$74,520.36	12/01/1999
I. Tro.	\$67,052.76	10/01/2001

The post-retirement death benefit options for these participants are the same as those provided by the Supplemental Retirement and Survivor Income Plan. All have elected the survivor annuity option.

1996 Retirement Agreements

The benefit amounts were determined based on individual retirement agreements with the Company. The annual benefit amounts of the following former executives were calculated and initiated by the Company. Depending on the individual retirement agreement, the benefit may have been reduced when the executive reached age 55 by the amount that the executive could receive as an early retirement pension under the Company's Retirement Income Plan. The annual ongoing benefits are as follows:

	Benefit on or After Age 55	1 st of the Month Following Age 55 Date
J. Dro.	\$51,916.80	07/01/1993
R. Gon.	\$36,451.20	09/01/2000
R. Hac.	\$33,498.36	08/01/1992
C. Hos.	\$151,200.00	05/01/1992
D. Jac.	\$21,703.44	03/01/1996
R. Key.	\$33,770.04	05/01/1999
J. Ski.	\$39,024.72	03/01/1984
H. Vog.	\$35,182.92	11/01/1996
J. Wac.	\$41,750.88	05/01/2000
D. Wig.	\$232,400.04	05/01/2002

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The post-retirement death benefit options for these participants are the same as those provided by the Supplemental Retirement and Survivor Income Plan, with the following exceptions:

Upon the death of Mr. C. Hos. prior to the end of his life expectancy (24 years as of March 1996), his monthly benefit will continue to his beneficiary until the earlier of the death of his beneficiary or March 1, 2020. If Mr. Hos. survives beyond March 1, 2020, his benefit will cease upon his death.

Upon the death of Mr. D. Wig. prior to May 1, 2031, his monthly benefit will continue to his beneficiary until the earlier of the death of his beneficiary or May 1, 2031.

Directors' Retirement Plan

The benefit amounts were determined based on the terms of the Directors' Retirement Plan. The annual benefit amounts for the following former Directors were calculated and initiated by the Company. The annual ongoing benefits are as follows:

	Annual Benefit
W. Bin.	\$28,000.00
T. Smi.	\$28,000.00

The above benefits are payable as single life annuities with no death benefits owed to beneficiaries upon the death of participants.

Future Plan Changes

Willis Towers Watson is not aware of any future plan changes that are required to be reflected.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year.

Postretirement Benefit Programs for Employees of El Paso Electric Company

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Appendix A: Statement of actuarial assumptions, methods and data sources – OPRB Plan

Plan Sponsor

El Paso Electric Company

Statement of Assumptions

The assumptions disclosed in this Appendix are for the fiscal year ending December 31, 2020 financial reporting and the estimated fiscal year 2021 benefit cost.

Assumptions and methods for other postretirement benefit cost purposes

Actuarial Assumptions and Methods — Other Postretirement Benefit Cost

Economic Assumptions

Discount Rate

Equivalent single discount rate for benefit obligations	2.76%
Equivalent single discount rate for service cost	3.04%
Equivalent single discount rate for interest cost	2.05%

Annual rates of increase

■ Consumer Price Index (CPI)	2.40%
■ Return on plan assets	7.35% weighted after-tax return.

As required by the U.S. GAAP accounting standard, the yield curve reflecting returns on high quality corporate bonds (AA and AAA) is used to determine the obligations and service cost, and thus the net periodic benefit cost for the plan. Because these assumptions are required by the U.S. GAAP accounting standard, and reflect current market conditions (specifically, the market conditions as of the measurement date) they may from time to time be inconsistent with other economic assumptions used in the valuation, which may reflect both current economic conditions and assumed future conditions.

The return on assets shown above is gross of investment expenses and administrative expenses assumed to be paid from the trust.

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Postretirement Benefit Programs for Employees of El Paso Electric Company

Demographic and Other Assumptions

Inclusion date	The valuation date coincident with or next following the date on which the employee is hired.
New or rehired employees	It was assumed there will be no new or rehired employees.
Benefit commencement dates:	
■ Disability benefit	Upon disablement if participant is at least age 41, with age and service greater than 65
■ Retirement benefit	Upon termination of participant on or after eligibility

Participation Assumptions for Plan

	Current Retirees	Future Retirees
Participation	Based on valuation census data	85% of future retirees are assumed to elect medical coverage at retirement. Current retired plan participants are assumed to continue coverage.
Medical Plan Participation	Based on valuation census data	64% of future retirees are assumed to elect the \$1,000 Plan and 36% of future retirees are assumed to elect the \$2,250 Plan
Percentage married	Based on valuation census data	70% of males; 40% of females
Spouse age	Based on valuation census data	Wife 3 years younger than husband
Non-spouse dependent coverage	Not included in this valuation	Not included in this valuation

Demographic Assumptions

Mortality:

- Healthy mortality rates
 - Base Mortality Table (Male Table used for males; Female Table used for Females)
 1. Base table: Pri-2012
 2. Base mortality table year: 2012
 3. Table type: White Collar for non-union participants, Blue-Collar for union participants, and Total Dataset for participants with an unknown union status
 4. Healthy or Disabled: Healthy
 5. Table weighting: Benefit
 6. Blending of annuitants and non-annuitants: Separate rates for annuitants and non-annuitants
 7. Blending of retirees and contingent annuitants: Combined non-disabled annuitant mortality.

Postretirement Benefit Programs for Employees of El Paso Electric Company

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Mortality Improvement Scale (Male Table used for males; Female Table used for Females)

1. Base scale: MP-2020
2. Projection Type: Generational

■ Disabled life mortality rates

Base Mortality Table (Male Table used for males; Female Table used for Females)

1. Base table: Pri-2012
2. Base mortality table year: 2012
3. Table type: No Collar
4. Healthy or Disabled: Disabled
5. Blending of annuitants and non-annuitants: Single blended table of rates for annuitants and non-annuitants

Mortality Improvement Scale

1. Base scale: MP-2020
2. Projection Type: Generational

Disability rates

The rates at which participants are assumed to become disabled by age are shown below:

Percentage assumed to become disabled during the year

Attained Age	
45	0.45%
55	1.19%
65+	1.93%

Termination (not due to disability or retirement) rates

The rates at which participants are assumed to terminate employment by age and gender are shown below:

Percentage assumed to leave during the year

Attained Age	Males	Females
25	5.0%	6.0%
30	5.0%	6.0%
35	4.0%	6.0%
40	3.0%	6.0%
45	2.0%	4.0%
50	1.0%	2.0%
55+	0.0%	0.0%

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Postretirement Benefit Programs for Employees of El Paso Electric Company

Retirement

Rates at which participants are assumed to retire by age and eligibility for an unreduced early retirement are shown below.

Percentage assumed to retire during the year			
Age	Final Average Pay		Cash Balance
	Reduced Early Retirement	Unreduced Retirement	
55	3.0%	5.0%	10.0%
56-59	3.0%	5.0%	10.0%
60	3.0%	10.0%	10.0%
61	3.0%	10.0%	10.0%
62	20.0%	20.0%	20.0%
63	10.0%	10.0%	10.0%
64	10.0%	10.0%	10.0%
65-69	25.0%	25.0%	25.0%
70	100.0%	100.0%	100.0%

Trend Rates

Health care cost trend rate

Plan trend rates are the annual rates of increase expected for benefits payable from the plan (both medical and prescription); these rates include Health Care Cost Trend plus any leveraging effect of plan design. Assumed plan trend rates are shown below:

Year	
2021	6.50%
2022	6.25%
2023	5.75%
2024	5.25%
2025	4.75%
2026+	4.50%

Participant contribution trend rates

Same as applicable medical plan trend rate

Administrative expenses trend rates

4.50%

Per Capita Claims Cost

Pre-65 Average Annual Per Capita Claims Cost		
Age	\$1,000 Deductible	\$2,250 Deductible
50-54	\$7,583	\$6,841
55-59	\$9,105	\$8,215
60-64	\$11,268	\$10,166

Postretirement Benefit Programs for Employees of El Paso Electric Company

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Post-65 Average Annual Per Capita Claims Cost

Age	
65-69	\$564
70-74	\$624
75-79	\$672
80-84	\$692
85-89	\$691
90-94	\$647
95+	\$606

Additional Assumptions

Administrative expenses

Pre-65 per-adult administrative fee of \$1,568.73 annually based upon 2021 fees charged for medical administration (BCBSTX), pharmacy administration (Express Scripts), and stop loss premiums.

No administrative fees for the post-65 plan as administrative costs are built into the fully-insured premiums.

Assumed expenses of 0.4% of plan assets are added to the Service Cost component of expense.

Cash flow:

■ Decrement timing

The assumptions used are collectively called rounded middle of year (rounded MOY) decrement timing. Most events are assumed to occur at the middle of year during which the eligibility condition will be met or the start/end date will occur. For death and disability decrements, the rate applied is based on the participant's rounded age (nearest integer age) at the beginning of the year, to align with the methodology generally used to create those rate tables. For retirement and withdrawal decrements: the age is generally the participant's rounded age at the middle of the year. Retiree medical claims costs are based on the nearest age at the beginning of the year, to align with how claims costs tables are typically developed.

■ Timing of benefit payments

Benefit payments are assumed to be made uniformly throughout the year and, on average, at mid-year.

■ Amount and timing of contributions

Contributions are assumed to be made throughout the year and, on average, at mid-year.

Methods – Other Postretirement Benefit Cost and Funded Position

Census date

January 1, 2020

Measurement date

December 31, 2020

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Postretirement Benefit Programs for Employees of El Paso Electric Company

Service cost and accumulated postretirement benefit obligation

Costs are determined using the Projected Unit Credit Cost Method. The annual service cost is equal to the present value of the portion of the projected benefit attributable to service during the upcoming year, and the Accumulated Postretirement Benefit Obligation (APBO) is equal to the present value of the portion of the projected benefit attributable to service before the measurement date. Service from hire date through the expected full eligibility date is counted in allocating costs.

APBO and service cost are measured by separately discounting the projected benefit payments underlying these measures, determined using the methodology described above, using the spot rates on the December 31, 2020 Willis Towers Watson RATE:Link 40:90 yield curve. Interest cost was measured by summing the individual interest costs associated with each future benefit payment underlying the APBO and service cost. These individual interest costs are developed by multiplying the present value of each benefit payment, discounted using the applicable spot rate on the yield curve relating to the future benefit payment, by that spot rate. Equivalent single discount rates that would produce the resulting benefit obligation, service cost and interest cost have been determined and disclosed.

Market-related value of assets

The fair value of assets is used to determine the expected investment return during the year.

Amortization of unamortized amounts:

■ **Recognition of past service cost/(credit)**

Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Postretirement Benefit Cost/(Income) in the year first recognized and every year thereafter until it is fully amortized. The annual amortization payment is determined in the first year as the increase in APBO due to the plan change divided by the average remaining service period to full eligibility for active participants expected to receive benefits under the plan.

However, when a plan change reduces the APBO, existing positive prior service costs are reduced or eliminated starting with the earliest established before a new prior service credit base is established.

■ **Recognition of gains or losses**

Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of Net Periodic Postretirement Benefit Cost/(Income) for a year.

Postretirement Benefit Programs for Employees of El Paso Electric Company

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If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the APBO and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of active plan participants.

Under this methodology, the gain/loss amounts recognized in AOCI are not expected to be fully recognized in benefit cost until the plan is terminated (or an earlier event, like a settlement, triggers recognition) because the average expected remaining service of active participants expected to benefit under the plan over which the amounts are amortized is redetermined each year and amounts that fall within the corridor described above are not amortized.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with the plan sponsor and, based on that review, is not aware of any significant benefits required to be valued that were not.

Sources of Data and Other Information

The plan sponsor furnished participant data as of 1/1/2020 and claims data as of 11/1/2020. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for deferred taxes. Any deferred tax effects in AOCI should be determined in consultation with El Paso Electric Company's tax advisors and auditors.

We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate(s)

As required by U.S. GAAP the discount rate methodology was chosen by the plan sponsor based on market information on the measurement date.

Expected return on plan assets

We understand that the expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions.

Administrative expenses

Administrative fees for the pre-65 plan are based upon 2021 medical (BCBSTX) and pharmacy (Express Scripts) fees charged to El Paso Electric as well as stop loss premiums. No administrative fees for the post-65 plan as administrative costs are built into the fully-insured premiums.

Administrative expenses are estimated based on an assumption of past expenses paid from the trust assets as a percentage of held assets.

Claims cost trend rates

Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience, informed by an analysis of recent plan experience, leading to select and ultimate assumed trend rates and reflecting the expected near-term effect of recently enacted plan changes.

Participant contribution trend rates

Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience.

Per capita claims costs

Per capita claims costs were chosen by the plan sponsor to be the best estimate of the plan's per capita claims costs including expenses in the plan year beginning on the measurement date (with any expected changes in future years reflected in the trend rate assumption).

Pre-65 medical and prescription drug per capita claim costs were developed based on historical claims, enrollment, and prescription drug rebate information for 2017-2019 as provided by BCBSTX and EnvisionRx for the El Paso Electric active and pre-65 retiree populations. Raw per capitas for each population were developed and adjusted for completion (i.e. conversion from a paid to incurred basis), and trend. Adjustments were made for historical stop loss reimbursements and plan design changes. Prescription drug costs were adjusted to reflect improved rebate terms under Express Scripts effective in 2020. Due to the small size of the pre-65 retiree population, the results were adjusted for credibility using demographically and plan-design adjusted active costs. Average per capitas were distributed by age using Willis Towers Watson's AgeDist model (2015 version).

Post-65 medical and prescription drug per capita claim costs were developed based upon the 2021 fully-insured premium charged by Humana. Average per capitas were distributed by age using Willis Towers Watson's AgeDist model (2015 version).

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.
Disabled Mortality	Assumptions used for accounting purposes were selected by the plan sponsor and, as required by U.S. GAAP represent a best estimate of future experience.
Termination	Termination rates were based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Disability	Disability rates were based on historical experience with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Retirement	Retirement rates were based on an experience study conducted from 2014 to 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.
Participation:	
■ Participants	Assumed participation rates reflect historical experience as well as expectations for the future with periodic consideration of whether any conditions have changed that would be expected to produce different results in the future.
■ Covered spouses	Assumed coverage rates for spouses reflect historical experience as well as anticipated future experience.
Benefit commencement date:	Retirees are assumed to begin benefits immediately on eligible retirement because the plan does not permit a delay without forfeiting the right to participate.
Medical Plan Election	Assumed medical plan election rates for future retirees for the pre-65 retiree plan reflect current retiree enrollment.
Marital Assumptions	The assumed age and percentage married is based on an experience study conducted in 2017, with annual consideration of whether any conditions have changed that would be expected to produce different results in the future.

Source of Prescribed Methods (Required for ASOP compliance, otherwise optional)

Accounting methods

The methods used for accounting purposes as described in Appendix A, including the method of determining the market-related value of plan assets, are "prescribed methods set by another party", as defined in the actuarial standards of practice (ASOPs). As required by U.S. GAAP, these methods were selected by the plan sponsor.

Changes in Assumptions, Methods and Estimation Techniques

Change in assumptions since prior valuation

The single equivalent APBO discount rate decreased from 3.54% as of January 1, 2020 to 2.76% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.

The single equivalent service cost discount rate decreased from 3.86% as of January 1, 2020 to 3.04% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.

The single equivalent interest cost discount rate decreased from 3.09% as of January 1, 2020 to 2.05% as of December 31, 2020 to reflect the change in yields on high-quality corporate bonds.

The mortality improvement scale assumption was updated from Scale MP-2019 to Scale MP-2020.

Assumed expenses that are added to the Service Cost component of expense was updated from 0.5% to 0.4% of plan assets.

The per capita costs were updated for 2021 using the methodology described above. The claims cost trend rates were updated to better reflect recent experience and future expectations.

Retiree contribution amounts for 2021 were updated to reflect actual rates provided by El Paso Electric.

Medical plan participation for future retirees was updated based on the most recent data.

Change in methods since prior valuation

None.

Change in estimation techniques since prior valuation

None.

Model Descriptions and Disclosures in accordance with ASOP No. 56

Quantify

Quantify is the Willis Towers Watson centrally developed, tested and maintained Global actuarial valuation system. It is used to perform valuations of clients' benefit plans.

Quantify provides the ability to process data, calculate benefits and value benefit liabilities, develop results using applicable standards, and generate client reports.

Quantify parameters provide significant flexibility to model populations and plan designs. Various demographic, economic and benefit related assumptions exist for users to model multiple demographic and economic situations.

Plan liabilities are calculated based on standard actuarial techniques, developing actuarially reasonable results using the population and parameters entered. The calculation and presentation of liabilities in Quantify relies on the assumptions used and the reasonability of the assumptions selected.

Quantify incorporates standard liability methodologies that are intended to reasonably reflect a variety of economic or demographic conditions. The model itself does not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence.

Quantify is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuaries signing this report have relied on the actuaries who develop, test and maintain this system, and have also performed a limited review of results to ensure that system parameters have been set appropriately and plan provisions coded correctly.

Quantify FR

Quantify Financial Reporting (FR) is intended to calculate funding results, accounting results and produce the associated client reports under selected accounting standards. The calculations and reports are based on various user specified inputs including liability results and asset values.

Quantify FR develops valuation results for various accounting and funding purposes using standard actuarial techniques.

Calculation of disclosure liabilities and results are based on roll forward liabilities.

Liability roll-forwards are used in accounting scenarios where the date as of which liabilities are valued does not coincide with the fiscal year measurement date. The roll-forwards consist of adjusting liabilities for the passage of time.

The estimate of the following year's expense is calculated based on the obligations and assets used for disclosure and incorporates service cost that may be based on a projection in the associated Quantify liability run, depending on the relationship of the liability valuation date to the fiscal year.

The Roll Forward accounting calculations assume that applicable rules will not change during the roll-forward period. Actuaries make adjustments to the data, plan provisions and

assumptions reflected in the calculation of the liabilities that are rolled forward so that the results reflect conditions at the measurement date, and/or make similar adjustments to the results of the roll forward, including reflecting any changes in applicable accounting standards.

RateCalc/RATE:Link/US Treasury

RateCalc is used as one component in developing the single equivalent discount rate that reflects the characteristics of the client's employee benefit plan. It references a yield curve (often a RATE:Link curve) and expected plan benefit payments. The projected benefit payments from the client's plan are matched to the spot rates along the yield curve to determine their present values. A single equivalent discount rate is then solved for, which produces the same total present value as the spot rates.

RATE:Link is a methodology to develop spot rates to be used for liability and cost measurements related to employee benefit plans. The same core methodology is used to develop all RATE:Link curves. The RATE:Link process develops term structures of interest rates from corporate bond data for each covered geography (e.g., the U.S. for this valuation).

The construction of RATE:Link yield curves relies on bond data collected as of the measurement date.

Information regarding quoted bond prices, yields and other bond related data is from Bloomberg Finance L.P.

US Treasury: A yield curve consistent with published US Treasury rates has been used for measurements related to employee benefit plans.

Published Demographic Tables

Certain demographic tables described above are standard published tables or are based on standard published tables from models developed by organizations with the requisite expertise

AgeDist

AgeDist is a spreadsheet tool that applies relative cost factors by age to average per capita costs (pre and post 65) and census weights to produce age-graded plan costs for pre- and post-65 populations. The average per capita costs and census weights are provided as inputs to the tool which is then combined with a morbidity curve to produce a set of weighted average age-related costs that equal the average. The age-graded costs are used in the actuarial valuation.

The morbidity curve was developed from a broad set of claims data aggregated by age and blended and may not reflect your specific morbidity. The model does not evaluate the average per capita costs or census weights for reasonableness or consistency.

HealthMAPS

HealthMAPS includes rating manuals and software for medical, dental, Medicare Supplement, prescription drugs, state mandated benefits, specific stop loss and aggregate stop loss. The rating manuals and software enable the user to produce premium rates by type of coverage for specific benefit configurations. HealthMAPS is most commonly used as a tool for estimating the cost of medical and dental benefits or for estimating the effect of a change in plan provisions for use in other models and projections, most notably the Pricing and Underwriting Tool (PUT). HealthMAPS relies on underlying claims continuance tables developed from historic IBM MarketScan database data. This data includes national claims averages rather than client-specific information.

Pricing and Underwriting Tool (PUT)

The Pricing and Underwriting Tool (PUT) develops projected premium equivalent rates, employee contributions, and COBRA rates for self-insured employer health plans (medical, prescription drugs, dental, and vision). The tool develops rates by plan or in aggregate leveraging historic claims, enrollment, and plan design and administrative fee data for an employer. The model allows flexibility to incorporate plan design changes, seasonality, and multiple methods of estimating incurred claims amounts from paid claims data.

The models used for this analysis are designed specifically for these purposes and we know of no material limitations that would prevent the model from being suitable for these intended purposes.

We are not aware of any material inconsistencies among assumptions used in this work. The models themselves do not evaluate any assumptions entered for reasonableness, consistency or probability of occurrence. The calculations and presentation of results relies on the assumptions used and the reasonability of the assumptions selected. The output of the models used in this analysis is considered reasonable based on the aggregation of assumptions used. However, a different set of results could also be considered reasonable based on a range of possible values used for each assumption.

The individuals signing or delivering this report have relied on other Willis Towers Watson employees and actuaries who develop, test and maintain each of the proprietary models used for this analysis and have also performed a limited review of assumptions and results to ensure that the models have been set up appropriately and coded correctly. We have not relied on any external experts to develop, review, or validate the models used in this analysis.

Appendix B: Summary of principal other postretirement benefit plan provisions – OPRB Plan

Substantive Plan Provisions

Covered employees	All employees
Participation date	Date of becoming a covered employee
Definitions	
Eligibility service	Years and months of service as a covered participant
Spouse	A spouse who was married to the participant both on the participant's retirement date and on the measurement date
Surviving spouse	A spouse who was married to the participant both on the participant's retirement date and on the date of his or her death
Dependent	A child or other legal dependent of the retiree, who was such before attaining the age of 18. Eligible dependents shall remain eligible dependents until they reach age 26.

Medical Benefits

Eligibility	Age 55 with 5 years of service, or disabled with at least age 41 and 65 years of age and service combined.
Dependent eligibility	Spouse, and children under age 26
Survivor eligibility	Eligibility continues beyond death of retiree as long as Surviving Spouse remains unmarried.
Retiree contributions	The tables below shows monthly retiree contributions for 2021:

Pre-65 monthly retiree contributions for 2021

	\$1,000 Deductible Plan	\$2,250 Deductible Plan
Retiree Only	\$324.13	\$280.03
Retiree + Spouse	\$586.42	\$506.64
Retiree + Child(ren)	\$487.80	\$421.43
Retiree + Family	\$777.56	\$671.85

Post-65 monthly retiree contributions for 2021

	1,000 Deductible Plan
Individual	\$25.47
Individual + One	\$50.94
Individual + Two	\$76.41
Individual + Three	\$101.88

Postretirement Benefit Programs for Employees of El Paso Electric Company

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Under age 65 benefits	See Pre-65 Plan Provisions table section of this appendix.
Age 65 and older benefits	Medical and Pharmacy Benefits: Fully-insured Humana Medicare Advantage with Prescription Drug (MAPD) Plan. The 2021 monthly premium rate is \$51.98

Life Insurance Benefits

Eligibility	Age 55 with 5 years of service, or disabled with at least age 41 and 65 years of age and service combined
Benefits	Retirements prior to 1/1/2006: One times salary at retirement with coverage reduction according to age as follows: <ul style="list-style-type: none"> ▪ Age 65 but less than age 70: 65% ▪ Age 70 but less than age 75: 50% ▪ Age 75 or older: 30% Retirements 1/1/2006 and after: \$10,000

Future Plan Changes

No future plan changes were recognized in determining postretirement welfare cost.

Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since the prior year

Postretirement Medical Plan Provisions as of January 1, 2021 (Retirees – Pre Age 65)

Carrier	Pre-65 Retiree BCBSTX – Medical			
Benefit Plan	\$1,000 Deductible		\$2,250 Deductible	
	In-Network	Non-Network (1)	In-Network	Non-Network (1)
Lifetime Maximum	N/A		N/A	
Coinsurance	80%	60%	80%	60%
Individual Calendar Year Deductible (Individual / Family) (2)	\$1,000 / \$3,000	\$3,000 / \$9,000	\$2,250 / \$6,750	\$6,750 / \$20,250
Out of Pocket Maximum (Individual / Family) (2)	\$4,500 / \$9,000	\$13,500 / \$27,000	\$6,850 / \$13,700	\$20,550 / \$41,100
Hospital Inpatient	80%, no ded	60% after \$500 per admission ded	80%, no ded	60% after \$500 per admission ded
Emergency Room Facility (3) Accidental Injury & Emergency Care	100% after \$225 Copay		100% after \$300 Copay	
Emergency Room Physician Charges Accidental Injury & Emergency Care	80% after ded		80% after ded	
Emergency Room Facility (3) Non-Emergency Care	80% after \$375 Copay	60% after \$375 Copay	80% after \$450 Copay	60% after \$450 Copay
Emergency Room Physician Charges Non-Emergency Care	80% after ded	60% after ded	80% after ded	60% after ded
Urgent Care Center visit, including lab services (does not include X-Rays, surgical services and Certain Diagnostic Procedures)	\$50 copay	70% after ded	\$75 copay	70% after ded
X-Rays, Surgical Services and Certain Diagnostic Procedures; such as Bone Scan, Cardiac Stress Test, CT-Scan, Ultrasound, MRI, Myelogram, PET Scan, surgical procedures and all other services and supplies	80% after ded	60% after ded	80% after ded	60% after ded
Preventative Services	100% (\$0 copay)	70% after ded	100% (\$0 copay)	70% after ded
Physician Office Visit Copay including lab services (excludes X-rays, Surgery and Certain Diagnostic Procedures; such as Bone Scan, Cardiac Stress Test, CT-Scan, Ultrasound, MRI, Myelogram, PET Scan, surgical procedures and all other services and supplies) (4)	\$25 PCP / \$40 Spec	70% after ded	\$30 PCP / \$50 Spec	70% after ded
X-Rays, Surgical Services and Certain Diagnostic Procedures; such as Bone Scan, Cardiac Stress Test, CT-Scan, Ultrasound, MRI, Myelogram, PET Scan, surgical procedures and all other services and supplies	80% after ded	60% after ded	80% after ded	60% after ded
Outpatient Lab	100% (\$0 copay)	70% after ded	100% (\$0 copay)	70% after ded

Carrier	Pre-65 Retiree BCBSTX – Medical			
	Benefit Plan	\$1,000 Deductible		\$2,250 Deductible
		In-Network	Non-Network (1)	Non-Network (1)
(1) All out-of-network benefits listed are based on the carrier's allowable charges. Charges exceeding this amount will be the member's responsibility.				
(2) Out of Network Deductible and Out of Pocket Maximum will NOT apply toward Network Deductible & Out of Pocket Maximum				
(3) Copay waived if admitted to a network hospital				
(4) X-Rays, Surgical Services and Advanced Imaging PET, MRI, CAT, SPECT subject to deductible and coinsurance				
Carrier	Pre-65 Retiree Express Scripts - Pharmacy			
		In-Network	Non-Network	Non-Network
Prescription Benefit – up to 30-day supply (1)		\$20 / \$50 / \$70	N/A	\$25 / \$55 / \$75
Mail Order Prescriptions – up to 90-day supply (1)		\$45 / \$120 / \$170	N/A	\$50 / \$125 / \$175
Specialty Medications – up to 30-day supply (1)		\$65 / \$90 / \$140	N/A	\$65 / \$90 / \$140
(1) (Generic / Preferred Brand Name / Non-Preferred Brand Name)				

MEMORANDUM

TO: TREASURY SERVICES
FROM: RICHARD OSTBERG
DATE: January 26, 2021

2021 Wire Transfer – Contribution to 401(h) Retiree Health Care Subaccount

Please use this memorandum as your authority to wire transfer 12 monthly payments of \$37,500 each (for January thru December 2021) for a total of \$450,000. This amount represents additional contributions to the 401(h) Retiree Health Care Subaccount. These individual transactions should take place at the beginning of each respective month until further notice.

Please deposit as follows:

Bank Name: Wells Fargo Bank, N.A.

ABA: [REDACTED]

BNF: Trust Wire Clearing

BNFA: [REDACTED]

Amount: 12 transfers in the amount of \$37,500 each (for January thru December 2021) (for a total of \$450,000.00)

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

These monies should be expensed as follows:

W/O AP7740990000 ACCOUNT 228310 EXPENSE TYPE 250 COST CENTER 9990

Prepared by: En Li 1/26/2021

Approved by: Cynthia Prieto R. Ortiz

Sanchez, Pamela K

From: Davis, Candance
Sent: Friday, January 29, 2021 4:28 PM
To: Melson, Karin; Sierra, Steven A; Ortiz, Myrna A; Sanchez, Pamela K; Thompson, Lori
Subject: VEBA Trust

Follow Up Flag: Follow up
Flag Status: Completed

ACH Transfer Confirmation

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

Amount: **\$37,500.00**
For: Retiree's Medical Deductions to the VEBA Trust [REDACTED]
Date of Transfer: **1/29/2021**



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



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Sanchez, Pamela K

From: Valadez, Ashley
Sent: Tuesday, February 2, 2021 7:23 AM
To: Melson, Karin; Ortiz, Myrna A; Sanchez, Pamela K; Sierra, Steven A; Thompson, Lori; Evelyn.Lagpao@unionbank.com
Subject: VEBA Trust

Follow Up Flag: Follow up
Flag Status: Completed

ACH Transfer Confirmation

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

Amount: **\$37,500.00**
For: Retiree's Medical Deductions to the VEBA Trust [REDACTED]
Date of Transfer: **2/2/2021**



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

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Sanchez, Pamela K

From: Valadez, Ashley
Sent: Tuesday, March 2, 2021 8:38 AM
To: Melson, Karin; Ortiz, Myrna A; Sanchez, Pamela K; Sierra, Steven A; Thompson, Lori; Gutierrez, Evelyn
Subject: VEBA Trust

ACH Transfer Confirmation

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

Amount: **\$37,500.00**
For: Retiree's Medical Deductions to the VEBA Trust [REDACTED]
Date of Transfer: **3/2/2021**



Ashley Valadez | [El Paso Electric Company](#)

Financial Analyst - Cash Management
P.O. Box 982 | El Paso, Texas 79960
T: (915) 485-6764

Ashley.Valadez@epelectric.com



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FD411
 DETAIL STATEMENT OF
 CONTRIBUTIONS AND OTHER RECEIPTS

EPEC 401(H) RETIREE HEALTH
 CARE ACCOUNT

PAGE 15
 DECEMBER 31, 2020
 THROUGH MARCH 31, 2021

DATE	DESCRIPTION	
<u>CONTRIBUTIONS</u>		
<u>EMPLOYEE CONTRIBUTION</u>		
01/04/21	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION HOSPITAL INSURANCE JAN 2021	487.80
02/01/21	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION HOSPITAL INSURANCE 2/1/21	487.80
03/01/21	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION HOSPITAL INSURANCE 3/1/21	487.80
03/23/21	ADDITION TO ACCOUNT EMPLOYEE CONTRIBUTION ARM PAYMENTS FOR FEBRUARY 2021	1,759.26
TOTAL EMPLOYEE CONTRIBUTION		3,222.66
<u>EMPLOYER CONTRIBUTION</u>		
01/29/21	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION	37,500.00
02/02/21	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION	37,500.00
03/02/21	ADDITION TO ACCOUNT EMPLOYER CONTRIBUTION	37,500.00
TOTAL EMPLOYER CONTRIBUTION		112,500.00
TOTAL CONTRIBUTIONS		115,722.66



FD411
 DETAIL STATEMENT OF
 CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

PAGE 39
 DECEMBER 31, 2020
 THROUGH MARCH 31, 2021

DATE	DESCRIPTION	
03/24/21	ADDITION TO ACCOUNT TRANSFER FROM ANOTHER ACCOUNT PAID FROM ACCT [REDACTED] RX ADMIN FEES 2/22/21 - 3/21/21	364.54
TOTAL INTERFUND TRANSFER RECEIPTS		330,313.84
<u>TRANSFER FROM CHECKING ACCOUNT</u>		
01/14/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	4,766.58
01/19/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	154.10
01/19/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	57.30
01/25/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED] PER STANDING INSTRUCTIONS	351.91



FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

PAGE 40
DECEMBER 31, 2020
THROUGH MARCH 31, 2021

DATE	DESCRIPTION	
01/29/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	2,027.22
02/22/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	75.20
02/22/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	1,582.39
02/23/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	232.33
02/23/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	1,328.16

WELLS
FARGO

FD411
DETAIL STATEMENT OF
CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED

BASE CURRENCY: USD

PAGE 41
9
DECEMBER 31, 2020
THROUGH MARCH 31, 2021

DATE	DESCRIPTION	
02/24/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED] [REDACTED]	2,391.08
03/01/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED] [REDACTED]	1,146.98
03/11/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED] [REDACTED]	6,197.60
	PER STANDING INSTRUCTIONS	
03/18/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED] [REDACTED]	603.80
03/18/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED] [REDACTED]	103.79
	PER STANDING INSTRUCTIONS	

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-2.2
ATTACHMENT A UPDATE
Page 8 of 10
UPDATED 07/16/2021



FD411
 DETAIL STATEMENT OF
 CONTRIBUTIONS AND OTHER RECEIPTS

EPEC VEBA TRUST - CONSOLIDATED
 BASE CURRENCY: USD

PAGE 42
 DECEMBER 31, 2020
 THROUGH MARCH 31, 2021

DATE	DESCRIPTION	
03/24/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	61.12
03/24/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	162.95
03/24/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	2,287.12
03/24/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	1,328.16
03/24/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM EPECDDA EL PASO ELECTRIC DDA [REDACTED]	469.81
TOTAL TRANSFER FROM CHECKING ACCOUNT		25,327.60
TOTAL OTHER RECEIPTS		355,641.44



FD411
 DETAIL STATEMENT OF
 CONTRIBUTIONS AND OTHER RECEIPTS

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

PAGE 19
 THROUGH DECEMBER 31, 2020
 MARCH 31, 2021

DATE	DESCRIPTION	
<u>OTHER RECEIPTS</u>		
<u>TRANSFER FROM CHECKING ACCOUNT</u>		
01/13/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM ELPASOELECEC WELLS FARGO BANK THE ELECTRIC COMPANY EPE [REDACTED]	3,590.37
01/25/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM ELPASOELECEC WELLS FARGO BANK THE ELECTRIC COMPANY EPE [REDACTED] PER STANDING INSTRUCTIONS [REDACTED]	500.00
02/25/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM ELPASOELECEC WELLS FARGO BANK THE ELECTRIC COMPANY EPE [REDACTED]	3,713.37
03/24/21	ADDITION TO ACCOUNT ACH RECEIPT FROM CHECKING PAID FROM ELPASOELECEC WELLS FARGO BANK THE ELECTRIC COMPANY EPE [REDACTED]	3,713.37
TOTAL TRANSFER FROM CHECKING ACCOUNT		11,517.11
TOTAL OTHER RECEIPTS		11,517.11

\$11,517.11
 \$25,327.60 Pg. 9
 \$36,844.71

DocuSign Envelope ID: D964EAD9-1CF8-4200-B238-8998B7CE0F88

EL PASO ELECTRIC COMPANY
 ACH REQUEST FORM

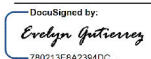
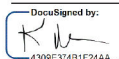


Vendor #:	_____	Business Contact Information
Invoice #:	_____	Name: _____
Date:	01/07/2021	Phone No.: _____
Name:	Blue Cross Blue Shield	Fax No.: _____
Address:	901 South Central Expressway Richardson, TX 75080	

Business Purpose: December 2020, Group #059262, 269919, 099622 Employee Medical and #213005 Dental Admin Fees & Medical Stop Loss

Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7660990001	926-000	250	9990	Medical Admin	\$ 56,941.50
AP7680990001	926-000	250	9990	Dental Admin	\$ 3,563.10
AP7660990002	926-000	250	9990	Medial StopLoss	\$ 128,646.00
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Please authorize issuance of ACH in the amount of:					\$ 189,150.60

1A
 Sum of 1A
 56,941.50
 3,563.10
 60,504.60

ACH Requested By:	_____	Request Approved By:	_____
Name:	Evelyn Gutierrez	Name:	Karin Melson
Signature:	 1/7/2021	Signature:	 1/7/2021
		Name:	Robert Almanzan
		Signature:	 1/7/2021
		Name:	Victor Rueda
		Signature:	 1/7/2021

Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$ 10,000
Manager/Superintendent	Up to	\$ 50,000
Assistant VP/Director	Up to	\$ 100,000
VP Non-Financial	Up to	\$ 250,000
Senior VP or Controller	Up to	\$ 500,000
CFO of both Executive Management – Financial	Up to	\$ 1,000,000
CEO or CFO and Senior VP	Up to	\$ 1,000,000

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EL PASO ELECTRIC COMPANY
ACH REQUEST FORM

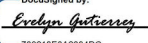


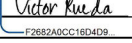
Vendor #: _____ **Business Contact Information**
Invoice #: _____ **Name:** _____
Date: 02/18/21 **Phone No.:** _____
Name: Blue Cross Blue Shield **Fax No.:** _____
Address: 901 South Central Expressway
Richardson, TX 75080

Business Purpose: January 2021, Group #059262, 269919, 099622 Employee Medical and #213005 Dental Administrative Fees & Medical Stop Loss

Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7660990001	926-000	250	9990	Medical Admin	\$ 60,279.00
AP7660990001	926-000	250	9990	Dental Admin	\$ 3,566.31
AP7660990002	926-000	250	9990	Medial StopLoss	\$ 116,532.30
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Please authorize Issuance of ACH In the amount of:					\$ 180,377.61

2A
 Sum of 2A
 60,279.00
 3,566.31
 63,845.31

ACH Requested By: Name: <u>Evelyn Gutierrez</u> Signature: <u></u> <u>2/18/2021</u> <small>DocuSigned by: Evelyn Gutierrez 780213E8A2394DC...</small>		Request Approved By: Name: <u>Karin Melson</u> Signature: <u></u> <u>2/18/2021</u> <small>DocuSigned by: Karin Melson 4309E374B1F24AA...</small> Name: <u>Robert Almanzan</u> Signature: <u></u> <u>2/19/2021</u> <small>DocuSigned by: Robert Almanzan 2B8BDD5D84504AF...</small> Name: <u>Victor Rueda</u> Signature: <u></u> <u>2/19/2021</u> <small>DocuSigned by: Victor Rueda F2682A0CC16D4D9...</small>	
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Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$ 10,000
Manager/Superintendent	Up to	\$ 50,000
Assistant VP/Director	Up to	\$ 100,000
VP Non-Financial	Up to	\$ 250,000
Senior VP or Controller	Up to	\$ 500,000
CFO of both Executive Management – Financial	Up to	\$ 1,000,000
CEO or CFO and Senior VP	Up to	\$ 1,000,000

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EL PASO ELECTRIC COMPANY
ACH REQUEST FORM

Vendor #: _____ **Business Contact Information**
Invoice #: _____ **Name:** _____
Date: 03/22/2021 **Phone No.:** _____
Name: Blue Cross Blue Shield **Fax No.:** _____
Address: 901 South Central Expressway
Richardson, TX 75080

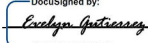

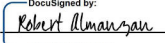
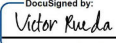
Business Purpose: February 2021, Group #059262, 269919, 099622 Employee Medical and #213005 Dental Administrative Fees & Medical Stop Loss

Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7660990001	926-000	250	9990	Medical Admin	\$ 60,335.60
AP7660990001	926-000	250	9990	Dental Admin	\$ 3,550.26
AP7660990002	926-000	250	9990	Medial StopLoss	\$ 116,641.72
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Please authorize Issuance of ACH In the amount of:					\$ 180,527.58

3A

Sum of 3A
60,335.60
3,550.26
63,885.86

ACH Requested By: Name: <u>Evelyn Gutierrez</u> Signature: <u></u> <u>3/22/2021</u> <small>DocuSigned by: Evelyn Gutierrez 780213E8A2394DC...</small>		Request Approved By: Name: <u>Karin Melson</u> Signature: <u></u> <u>3/22/2021</u> <small>DocuSigned by: Karin Melson 4309E374B1F24AA...</small> Name: <u>Robert Almanzan</u> Signature: <u></u> <u>3/22/2021</u> <small>DocuSigned by: Robert Almanzan 2BADD5D84504AF...</small> Name: <u>Victor Rueda</u> Signature: <u></u> <u>3/23/2021</u> <small>DocuSigned by: Victor Rueda F2682A0CC16D4D9...</small>	
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Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$ 10,000
Manager/Superintendent	Up to	\$ 50,000
Assistant VP/Director	Up to	\$ 100,000
VP Non-Financial	Up to	\$ 250,000
Senior VP or Controller	Up to	\$ 500,000
CFO of both Executive Management – Financial	Up to	\$ 1,000,000
CEO or CFO and Senior VP	Up to	\$ 1,000,000

EL PASO ELECTRIC COMPANY
 2021 RATE CASE FILING
 WORKPAPER TO SCHEDULE G-2.3
 ADMINISTRATION FEES
 SPONSOR: CYNTHIA S. PRIETO
 PREPARER: MYRNA A. ORTIZ
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
 PUC DOCKET NO. 52195
 WP/G-2.3
 ATTACHMENT B UPDATE
 Page 1 of 4
 UPDATED 07/16/2021

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EL PASO ELECTRIC COMPANY

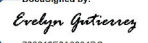
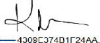

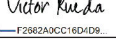
ACH REQUEST FORM

Vendor #: _____ **Business Contact Information**
Invoice #: 25565661A **Name:** Tara Mitchell
Date: 12/28/20 **Phone No.:** 314-475-7196
Name: Express Scripts, Inc. **Fax No.:** _____
Address: 21653 Network Place
 Chicago, IL 60673-1216

Business Purpose: Request of Funding for Express Scripts RX Admin Fees for period 11/23/20-12/27/20

Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7660990000	232-001	000	0000	Medical Claims	\$
AP7660990001	232-001	000	0000	Med Admin Fees	\$ 4,304.26
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Please authorize issuance of ACH in the amount of:					\$ 4,304.26

ACH Requested By: _____ Name: Evelyn Gutierrez Signature:  12/29/2020 <small>780213E8A2394DC...</small>	Request Approved By: Name: Karin Melson Signature:  1/4/2021 <small>4308C374D1F24AA...</small> Name: Robert Almanzan Signature:  1/4/2021 <small>20A9DC5D84504AF...</small> Name: Victor Rueda Signature:  1/5/2021 <small>F2682A9CC16D1D9...</small>
--	---

Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$	10,000
Manager/Superintendent	Up to	\$	50,000
Assistant VP/Director	Up to	\$	100,000
VP Non-Financial	Up to	\$	250,000
Senior VP or Controller	Up to	\$	500,000
CFO of both Executive Management – Financial	Up to	\$	1,000,000
CEO or CFO and Senior VP	Up to	\$	1,000,000

EL PASO ELECTRIC COMPANY
2021 RATE CASE FILING
WORKPAPER TO SCHEDULE G-2.3
ADMINISTRATION FEES
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
WP/G-2.3
ATTACHMENT B UPDATE
Page 2 of 4
UPDATED 07/16/2021

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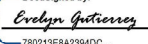

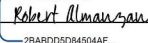
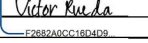
EL PASO ELECTRIC COMPANY
ACH REQUEST FORM

Vendor #: _____ **Business Contact Information**
Invoice #: 25673121A **Name:** Tara Mitchell
Date: 01/27/2021 **Phone No.:** 314-475-7196
Name: Express Scripts, Inc. **Fax No.:** _____
Address: 21653 Network Place
Chicago, IL 60673-1216

Business Purpose: Request of Funding for Express Scripts RX Admin Fees for period 12/28/20-01/24/21

Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7660990000	232-001	000	0000	Medical Claims	\$
AP7660990001	232-001	000	0000	Med Admin Fees	\$ 4,159.22
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Please authorize issuance of ACH in the amount of:					\$ 4,159.22

ACH Requested By: Name: <u>Evelyn Gutierrez</u> Signature: <u></u> <u>1/29/2021</u> <small>DocuSigned by: Evelyn Gutierrez 780213E8A2394DC...</small>	Request Approved By: Name: <u>Karin Melson</u> Signature: <u></u> <u>1/29/2021</u> <small>DocuSigned by: Karin Melson 4300E374B1F24AA...</small> Name: <u>Robert Almanzan</u> Signature: <u></u> <u>1/29/2021</u> <small>DocuSigned by: Robert Almanzan 2B8BD05D84504AF...</small> Name: <u>Victor Rueda</u> Signature: <u></u> <u>1/29/2021</u> <small>DocuSigned by: Victor Rueda F26B2A0CC16D4D9...</small>
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Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$	10,000
Manager/Superintendent	Up to	\$	50,000
Assistant VP/Director	Up to	\$	100,000
VP Non-Financial	Up to	\$	250,000
Senior VP or Controller	Up to	\$	500,000
CFO of both Executive Management – Financial	Up to	\$	1,000,000
CEO or CFO and Senior VP	Up to	\$	1,000,000

EL PASO ELECTRIC COMPANY
 2021 RATE CASE FILING
 WORKPAPER TO SCHEDULE G-2.3
 ADMINISTRATION FEES
 SPONSOR: CYNTHIA S. PRIETO
 PREPARER: MYRNA A. ORTIZ
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
 PUC DOCKET NO. 52195
 WP/G-2.3
 ATTACHMENT B UPDATE
 Page 3 of 4
 UPDATED 07/16/2021

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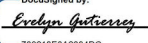


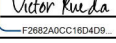
EL PASO ELECTRIC COMPANY
ACH REQUEST FORM

Vendor #:	_____	Business Contact Information
Invoice #:	<u>25778731A</u>	Name: <u>Tara Mitchell</u>
Date:	<u>02/25/2021</u>	Phone No.: <u>314-475-7196</u>
Name:	<u>Express Scripts, Inc.</u>	Fax No.: _____
Address:	<u>21653 Network Place</u>	
	<u>Chicago, IL 60673-1216</u>	

Business Purpose: Request of Funding for Express Scripts RX Admin Fees for period 01/25/2021-02/21/2021

Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7660990000	232-001	000	0000	Medical Claims	\$
AP7660990001	232-001	000	0000	Med Admin Fees	\$ 6,272.62
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Please authorize Issuance of ACH in the amount of:					\$ 6,272.62

ACH Requested By: Name: <u>Evelyn Gutierrez</u> Signature:  <u>2/25/2021</u> <small>780213E8A2394DC...</small>	Request Approved By: Name: <u>Karin Melson</u> Signature:  <u>2/26/2021</u> <small>4308E374B1F24AA...</small> Name: <u>Robert Almanzan</u> Signature:  <u>3/1/2021</u> <small>20A0DD5D84504AF...</small> Name: <u>Victor Rueda</u> Signature:  <u>3/1/2021</u> <small>F2882A0CC18D4D9...</small>
---	--

Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$	10,000
Manager/Superintendent	Up to	\$	50,000
Assistant VP/Director	Up to	\$	100,000
VP Non-Financial	Up to	\$	250,000
Senior VP or Controller	Up to	\$	500,000
CFO of both Executive Management – Financial	Up to	\$	1,000,000
CEO or CFO and Senior VP	Up to	\$	1,000,000

EL PASO ELECTRIC COMPANY
2021 RATE CASE FILING
WORKPAPER TO SCHEDULE G-2.3
ADMINISTRATION FEES
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MYRNA A. ORTIZ
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
WP/G-2.3
ATTACHMENT B UPDATE
Page 4 of 4
UPDATED 07/16/2021

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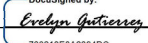

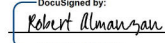

EL PASO ELECTRIC COMPANY
ACH REQUEST FORM

Vendor #: _____ **Business Contact Information**
Invoice #: 25891661A **Name:** Tara Mitchell
Date: 03/22/2021 **Phone No.:** 314-475-7196
Name: Express Scripts, Inc. **Fax No.:** _____
Address: 21653 Network Place
Chicago, IL 60673-1216

Business Purpose: Request of Funding for Express Scripts RX Admin Fees for period 02/22/21-03/21/21

Forward ACH To: _____

Work Order	Account	Expense Type	Cost Center		Amount
AP7660990000	232-001	000	0000	Medical Claims	\$
AP7660990001	232-001	000	0000	Med Admin Fees	\$ 6,887.20
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Please authorize Issuance of ACH In the amount of:					\$ 6,887.20

ACH Requested By: Name: <u>Evelyn Gutierrez</u> Signature: <u></u> <u>3/22/2021</u> <small>DocuSigned by: Evelyn Gutierrez 780213E8A2394DC...</small>		Request Approved By: Name: <u>Karin Melson</u> Signature: <u></u> <u>3/22/2021</u> <small>DocuSigned by: Karin Melson 4309E374B1F24AA...</small> Name: <u>Robert Almanzan</u> Signature: <u></u> <u>3/22/2021</u> <small>DocuSigned by: Robert Almanzan 2BABDD5D84504AF...</small> Name: <u>Victor Rueda</u> Signature: <u></u> <u>3/23/2021</u> <small>DocuSigned by: Victor Rueda F2682A0CC18D4D9...</small>	
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Authorized approvers must verify that this request complies with EPE's Purchasing and Contract Policy and that appropriate supporting documentation is attached.

Approval is required based on dollar limits described below:

Supervisor	Up to	\$	10,000
Manager/Superintendent	Up to	\$	50,000
Assistant VP/Director	Up to	\$	100,000
VP Non-Financial	Up to	\$	250,000
Senior VP or Controller	Up to	\$	500,000
CFO of both Executive Management – Financial	Up to	\$	1,000,000
CEO or CFO and Senior VP	Up to	\$	1,000,000

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-9 WORKPAPER: TAXES OTHER THAN INCOME TAXES
SPONSOR: SEAN M. IHORN
PREPARER: TAMMY HENDERSON
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
WP/G-9
PAGE 1 OF 1
UPDATED 7/16/2021

All explanations and calculations are included in Schedule G-9. Adjustments are referenced in Schedule G-9.

EL PASO ELECTRIC COMPANY
 2021 TEXAS RATE CASE FILING
 SCHEDULE E-1: MONTHLY BALANCES OF SHORT TERM ASSETS
 SPONSOR: CYNTHIA S. PRIETO
 PREPARER: MYRNA A. ORTIZ
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH Docket No. 473-21-2606
 PUC Docket No. 52195
 SCHEDULE E-1
 PAGE 1 OF 1
 UPDATED: 7/16/2021

Line No.	Month	Prepayments Book Balance FERC Acct 165	Materials & Supplies Book Balance FERC Accts 154 and 163	Environmental Allowances Book Balance FERC Acct 158.1	Fuel Stock Book Balance FERC Acct 151
1	December 2019	\$ 10,941,642	\$ 58,915,621	\$ 56,084	\$ 1,900,338
2	January 2020	11,138,235	58,407,540	56,084	1,861,622
3	February	15,991,031	58,366,259	56,084	1,707,098
4	March	15,267,125	58,724,205	56,084	1,649,078
5	April	17,191,734	60,670,004	56,084	1,594,857
6	May	20,551,324	61,217,355	56,084	1,593,240
7	June	23,038,512	61,715,561	56,084	1,613,358
8	July	20,819,112	61,798,974	56,084	1,617,898
9	August	20,030,556	63,173,011	51,916	1,655,261
10	September	23,843,912	63,028,682	38,629	1,779,876
11	October	20,800,020	63,803,355	28,533	1,708,858
12	November	24,084,237	64,700,271	28,533	1,710,261
13	December	18,997,423	65,512,878	28,533	1,731,080
14	Thirteen Month Total	<u>242,694,863</u>	<u>800,033,716</u>	<u>624,816</u>	<u>22,122,825</u>
15	Thirteen Month Average	<u>\$ 18,668,836</u>	<u>\$ 61,541,055</u>	<u>\$ 48,063</u>	<u>\$ 1,701,756</u>
	45 DAY UPDATE				
16	January 2021	\$ 17,613,060	\$ 64,942,762	\$ 28,533	\$ 1,697,421
17	February 2021	16,716,901	65,263,450	138,533	1,807,254
18	March 2021	21,520,182	65,730,128	138,533	1,889,538

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

EL PASO ELECTRIC COMPANY
 2021 TEXAS RATE CASE FILING
 SCHEDULE E-5: PREPAYMENTS, MATERIALS AND SUPPLIES (CHARGED TO O&M)
 SPONSOR: CYNTHIA S. PRIETO
 PREPARER: ALEJANDRA GUEVARA
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
 PUC DOCKET NO. 52195
 SCHEDULE E-5
 PAGE 1 OF 1
 UPDATED 07/16/2021

Line No.	(a) Month	(b) Per Book
	<u>Prepayments</u>	
1	January	\$ 1,919,273
2	February	1,827,870
3	March	1,910,041
4	April	2,007,510
5	May	2,005,109
6	June	2,042,893
7	July	1,921,404
8	August	2,069,368
9	September	2,261,251
10	October	2,082,150
11	November	2,140,405
12	December	<u>1,632,537</u>
13	Total	\$ <u>23,819,811</u>
	<u>Materials & Supplies</u>	
14	January	\$ 1,119,294
15	February	1,158,778
16	March	885,478
17	April	1,425,622
18	May	744,000
19	June	1,155,943
20	July	1,044,290
21	August	1,097,929
22	September	713,761
23	October	1,566,743
24	November	1,072,172
25	December	<u>1,319,321</u>
26	Total	\$ <u>13,303,331</u>
	<u>45 DAY UPDATE</u>	
	<u>Prepayments</u>	
27	January 2021	\$ 2,150,719
28	February	2,148,129
29	March	2,119,228
	<u>Materials and Supplies</u>	
30	January 2021	\$ 899,830
31	February	1,267,972
32	March	980,678

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

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-1.4: PAYROLL BY COMPANY
SPONSOR: CYNTHIA S. PRIETO
PREPARER: TAMMY HENDERSON
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-1.4
PAGE 1 OF 1
UPDATED 7/16/2021

This schedule is not applicable to El Paso Electric Company.

While EPE owned a portion of the Palo Verde Generating Station during the Test Year, it was not the operator of this plant and did not disburse payroll to employees who work at this plant.

Line No.		2020 Jan	2020 Feb	2020 Mar	2020 Apr	2020 May	2020 Jun
QUESTION NO. 2							
1	(a)(d) Health Care Claims Costs	\$ 1,120,409	\$ 670,277	\$ 949,085	\$ 838,534	\$ 2,496,673	\$ 180,916
2	(h) Health Care Claims Costs - COVID-19	-	-	-	-	-	-
3	Total Healthcare Claims Costs	\$ 1,120,409	\$ 670,277	\$ 949,085	\$ 838,534	\$ 2,496,673	\$ 180,916
QUESTION NO. 3							
4	(d) Group Term Life Insurance Costs	\$ 11,867	\$ 12,260	\$ 12,062	\$ 12,182	\$ 12,165	\$ -
5	(d) Stop Loss Insurance Costs	139,903	-	141,398	126,808	125,338	127,788
6	(d) Long-Term Disability, Short-Term Disability & AD & D Costs	19,280	24,340	20,133	26,944	28,210	8,210
7	Total Insurance Premiums	\$ 171,050	\$ 36,600	\$ 173,593	\$ 165,934	\$ 165,713	\$ 135,998
QUESTION NO. 4							
8	(a) 401(k) Savings Plans	\$ 397,364	\$ 370,554	\$ 902,927	\$ 381,244	\$ 347,872	\$ 407,812
9	Active Health Care Administrative Fees	56,818	-	59,209	59,641	62,637	67,129
10	Consulting and Professional Fees	129,594	57,066	16,436	155,597	-	140,614
11	(a) Stock Incentive Plans	140,857	140,857	384,570	260,372	260,373	262,225
12	(a) Retirement Income Plan - Net Periodic Benefit Cost	250,422	250,415	947,236	482,696	482,696	482,696
13	(a) Other Postemployment Benefits - Net Periodic Benefit Cost	(404,326)	(404,315)	(123,171)	(310,607)	(310,607)	(310,607)
14	(g) Non-qualified Retirement Income Plans	179,133	179,123	158,830	172,361	172,361	172,361
15	(f) Palo Verde - EPE Proportionate Share	544,000	456,460	517,445	511,000	470,833	(98,095)
16	(f) Palo Verde Transmission - EPE Proportionate Share	1,748	4,234	3,761	4,762	4,297	3,824
17	(a) Employee Settlements/Severance	-	(162,951)	-	-	-	-
18	(b) Miscellaneous	36,318	241,958	149,992	68,160	37,835	(5,022)
19	(a)(e) Accruals/(Reversals)	(750,000)	(27,000)	393,000 (e)	834,000	(1,490,250)	1,096,667 (e)
20	Total Other Benefit Costs	\$ 581,928	\$ 1,106,401	\$ 3,410,235	\$ 2,619,226	\$ 38,047	\$ 2,219,604
21	Total Pension and Benefits Cost	\$ 1,873,387	\$ 1,813,278	\$ 4,532,913	\$ 3,623,694	\$ 2,700,433	\$ 2,536,518
22	(c) Less Amount Capitalized	590,646	608,410	1,119,676	1,115,702	827,208	772,580
23	Total Pension and Benefits Expense	\$ 1,282,741	\$ 1,204,868	\$ 3,413,237	\$ 2,507,992	\$ 1,873,225	\$ 1,763,938

- (a) See Schedule A-3 Adjustment 4 for requested expense.
- (b) Includes costs for Employee Assistance Program, Tuition Reimbursement Program, Service Awards, Employee Meetings and other miscellaneous employee benefits.
- (c) The Company capitalizes a portion of the activity in FERC account 926 each month. The capitalized amount is based on the actual payroll charged to capital projects during the month. The capitalization is calculated on the total monthly activity and the Company does not record capitalization by benefit type.
- (d) Monthly variances due to the timing on receipt and or payment of invoices.
- (e) Includes PTO accrual.
- (f) As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts not an increase in costs incurred during the test year ended December 31, 2020.
- (g) See Schedule G-2 Attachment A for the 2020 Actuarial Valuation Reports for the SERP and Excess Benefit Plan.
- (h) Includes medical costs related to COVID-19 from March 2020 through November 2020. See Schedule A-3 adjustment 7 for further details.

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

Line No.		2020 Jul	2020 Aug	2020 Sep	2020 Oct	2020 Nov	2020 Dec	Test Year Total
QUESTION NO. 2								
1	(a)(d) Health Care Claims Costs	\$ 1,306,625	\$ 1,210,589	\$ 379,764	\$ 160,302	\$ 2,355,632	\$ 408,457	\$ 12,077,263
2	(h) Health Care Claims Costs - COVID-19	-	-	-	-	-	544,456 (h)	544,456
3	Total Healthcare Claims Costs	\$ 1,306,625	\$ 1,210,589	\$ 379,764	\$ 160,302	\$ 2,355,632	\$ 952,913	\$ 12,621,719
QUESTION NO. 3								
4	(d) Group Term Life Insurance Costs	\$ 24,319	\$ -	\$ 24,839	\$ -	\$ 24,792	\$ 25,227	\$ 159,713
5	(d) Stop Loss Insurance Costs	126,441	126,196	257,905	254,842	127,666	128,769	1,683,054
6	(d) Long-Term Disability, Short-Term Disability & AD & D Costs	90,673	-	89,511	6,538	68,607	66,936	449,382
7	Total Insurance Premiums	\$ 241,433	\$ 126,196	\$ 372,255	\$ 261,380	\$ 221,065	\$ 220,932	\$ 2,292,149
QUESTION NO. 4								
8	(a) 401(k) Savings Plans	\$ 361,387	\$ 401,036	\$ 347,998	\$ 419,832	\$ 536,753	\$ 358,397	\$ 5,233,175
9	Active Health Care Administrative Fees	62,154	63,404	121,094	119,790	60,003	78,135	810,014
10	Consulting and Professional Fees	101,817	70,359	24,217	66,644	95,399	12,453	870,197
11	(a) Stock Incentive Plans	235,170	-	-	-	-	-	1,684,424
12	(a) Retirement Income Plan - Net Periodic Benefit Cost	482,696	(318,037)	382,602	382,602	382,602	382,602	4,591,228
13	(a) Other Postemployment Benefits - Net Periodic Benefit Cost	(310,607)	(391,575)	(320,727)	(320,727)	(320,727)	(320,727)	(3,848,723)
14	(g) Non-qualified Retirement Income Plans	172,361	88,225	161,844	161,844	161,844	161,844	1,942,131
15	(f) Palo Verde - EPE Proportionate Share	521,000	168,529	(85,878)	489,000	163,807	(3,658,101)	-
16	(f) Palo Verde Transmission - EPE Proportionate Share	3,131	4,909	5,751	6,356	4,804	(47,577)	-
17	(a) Employee Settlements/Severance	-	-	-	-	-	-	(162,951)
18	(b) Miscellaneous	288,699	101,681	95,134	245,671	169,378	81,963	1,511,764
19	(a)(e) Accruals/(Reversals)	93,567	(668,984)	1,450,000 (e)	717,963	(1,089,529)	598,877 (e)	1,158,311
20	Total Other Benefit Costs	\$ 2,011,375	\$ (480,453)	\$ 2,182,035	\$ 2,288,975	\$ 164,334	\$ (2,352,135)	\$ 13,789,570
21	Total Pension and Benefits Cost	\$ 3,559,433	\$ 856,332	\$ 2,934,054	\$ 2,710,657	\$ 2,741,031	\$ (1,178,290)	\$ 28,703,438
22	(c) Less Amount Capitalized	1,099,513	487,477	920,074	1,005,068	956,954	867,768	10,371,076
23	Total Pension and Benefits Expense	\$ 2,459,920	\$ 368,855	\$ 2,013,980	\$ 1,705,589	\$ 1,784,077	\$ (2,046,058)	\$ 18,332,362

- (a) See Schedule A-3 Adjustment 4 for requested expense.
- (b) Includes costs for Employee Assistance Program, Tuition Reimbursement Program, Service Awards, Employee Meetings and other miscellaneous employee benefits.
- (c) The Company capitalizes a portion of the activity in FERC account 926 each month. The capitalized amount is based on the actual payroll charged to capital projects during the month. The capitalization is calculated on the total monthly activity and the Company does not record capitalization by benefit type.
- (d) Monthly variances due to the timing on receipt and or payment of invoices.
- (e) Includes PTO accrual.
- (f) As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts not an increase in costs incurred during the test year ended December 31, 2020.
- (g) See Schedule G-2 Attachment A for the 2020 Actuarial Valuation Reports for the SERP and Excess Benefit Plan.
- (h) Includes medical costs related to COVID-19 from March 2020 through November 2020. See Schedule A-3 adjustment 7 for further details.

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

Line No.		2021 Jan	2021 Feb	2021 Mar	45 Day Update Total
QUESTION NO. 2					
1	(a)(d) Health Care Claims Costs	\$ 820,697	\$ 554,054	\$ 485,257	\$ 1,860,008
2	(h) Health Care Claims Costs - COVID-19	-	-	65,716	65,716
3	Total Healthcare Claims Costs	\$ 820,697	\$ 554,054	\$ 550,973	\$ 1,925,724
QUESTION NO. 3					
4	(d) Group Term Life Insurance Costs	\$ 12,724	\$ 10,835	\$ 10,869	\$ 34,428
5	(d) Stop Loss Insurance Costs	128,646	116,532	116,642	361,820
6	(d) Long-Term Disability, Short-Term Disability & AD & D Costs	33,248	32,110	31,653	97,011
7	Total Insurance Premiums	\$ 174,618	\$ 159,477	\$ 159,164	\$ 493,259
QUESTION NO. 4					
8	(a) 401(k) Savings Plans	\$ 428,340	\$ 390,816	\$ 820,183	\$ 1,639,339
9	Active Health Care Administrative Fees	64,809	68,005	77,046	209,860
10	Consulting and Professional Fees	72,450	76,247	73,105	221,802
11	(a)(i) Long-Term Incentive Plan	-	-	192,773	192,773
12	(a) Retirement Income Plan - Net Periodic Benefit Cost	350,161	250,951	300,563	901,675
13	(a) Other Postemployment Benefits - Net Periodic Benefit Cost	(188,096)	(797,672)	(492,882)	(1,478,650)
14	(g) Non-qualified Retirement Income Plans	167,928	163,651	165,793	497,372
15	(f) Palo Verde - EPE Proportionate Share	-	-	-	-
16	(f) Palo Verde Transmission - EPE Proportionate Share	-	-	-	-
17	Employee Settlements/Severance	-	-	-	-
18	(b) Miscellaneous	265,435	155,222	176,644	597,301
19	(e) Accruals/(Reversals)	(524,477)	190,804	402,027	68,354 (e)
20	Total Other Benefit Costs	\$ 636,550	\$ 498,024	\$ 1,715,252	\$ 2,849,826
21	Total Pension and Benefits Cost	\$ 1,631,865	\$ 1,211,555	\$ 2,425,389	\$ 5,268,809
22	(c) Less Amount Capitalized	698,696	648,412	840,471	2,187,579
23	Total Pension and Benefits Expense	\$ 933,169	\$ 563,143	\$ 1,584,918	\$ 3,081,230

- (a) See Schedule A-3 adjustment 4 for requested expense.
- (b) Includes costs for Tuition Reimbursement Program, Service Awards, Employee Meetings and other miscellaneous employee benefits.
- (c) The Company's accounting system is programmed to capitalize a portion of the activity in FERC account 926 each month. The capitalized percentage is based on the actual payroll charged to capital projects during the month. The capitalization is calculated on the total monthly activity and the Company does not have capitalization by benefit type.
- (d) Timing on receipt and or payment of invoices.
- (e) Includes PTO accrual.
- (f) As explained in the direct testimony of Cynthia S. Prieto, in compliance with the FERC audit report in Docket No. PA19-3-000, in December 2020, the Company reclassified portions of the billings from Arizona Public Service Company recorded characterized as administrative and general expenses (A&G) into Account 524000, Miscellaneous Nuclear Power Expenses for the operation and maintenance (O&M) of the Palo Verde Generation Station. This reclassification represents a shift from A&G into O&M accounts not an increase in costs incurred during the test year ended December 31, 2020
- (g) See schedule WP/G-2.1 UPDATE page 15 for the 2021 Actuarial Valuation Reports for the SERP and Excess Benefit Plan.
- (h) Includes medical costs related to COVID-19 paid in January 2021 through March 2021. See Schedule A-3 adjustment 7 for further details.
- (i) The Company's new LTIP replaced the previous plan in the first quarter of 2021.

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

Line No.	(a) Month	(b) ----- 2017 -----			(d) Net Bad Debt Write-Off	(e) ----- 2018 -----			(g) Net Bad Debt Write-Off	(h) ----- 2019 -----			(j) Net Bad Debt Write-Off
		Revenue (A)	Uncollectible Expense	(E)		Revenue (A)	Uncollectible Expense	(E)		Revenue (A)	Uncollectible Expense	(E)	
1	Jan	\$ 55,697,727	\$ 117,000	(E)	\$ 412,888	\$ 56,638,018	\$ 233,000	(E)	\$ 434,340	\$ 49,909,212	\$ 111,000	(E)	\$ 354,341
2	Feb	52,210,735	122,000	(E)	256,549	52,356,260	86,000	(E)	354,973	47,805,788	65,000	(E)	239,301
3	Mar	53,559,060	167,869	(E)	177,418	48,686,023	200,859	(E)	247,866	44,972,003	40,851	(E)	179,615
4	Apr	52,062,696	140,000	(E)	143,781	49,424,819	173,000	(E)	200,541	41,965,443	139,000	(E)	110,228
5	May	66,187,626	194,000	(E)	224,008	60,254,554	158,000	(E)	290,874	56,852,509	231,851	(E)	282,412
6	Jun	89,661,284	210,869	(E)	210,839	81,021,820	166,859	(E)	173,247	71,094,469	107,000	(E)	128,832
7	Jul	102,231,307	358,000	(E)	217,066	93,780,316	287,000	(E)	180,953	85,759,603	197,000	(E)	133,263
8	Aug	94,775,657	445,869	(E)	136,286	90,939,400	330,859	(E)	126,674	90,464,930	176,000	(E)	84,433
9	Sep	89,283,484	505,000	(E)	205,556	87,568,760	489,000	(E)	177,167	94,846,728	404,851	(E)	161,033
10	Oct	74,302,323	299,000	(E)	217,759	68,968,297	289,000	(E)	237,879	71,440,029	287,000	(E)	152,761
11	Nov	50,035,481	298,000	(E)	370,717	44,633,248	203,000	(E)	338,763	45,031,719	194,000	(E)	266,995
12	Dec	49,982,027	288,475	(E)	423,923	48,141,012	210,606	(E)	321,268	45,499,654	242,486	(E)	369,155
13	Total	\$829,989,407	\$3,146,083		\$2,996,790	\$ 782,412,526	\$ 2,827,184		\$ 3,084,544	\$ 745,642,089	\$ 2,196,040		\$ 2,462,369

	TEST YEAR (2020)						
	Total		Uncollectible		Net		Net Bad Debt Write-Off
	Month	Revenue (A)	Uncollectible Expense (B)	Amount Charged to Regulatory Asset (C)	Uncollectible Expense (D)		
14	Jan	\$ 52,754,506	\$ 163,000	(E) \$ -	\$ 163,000	\$ 363,764	
15	Feb	47,833,940	79,000	(E) -	79,000	181,849	
16	Mar	44,660,552	433,848	(F) 275,000	158,848	252,478	
17	Apr	43,085,622	280,000	(F) 152,110	127,890	54,896	
18	May	58,775,488	195,000	(F) (55,000)	250,000	184,537	
19	Jun	78,090,405	353,000	(F) 152,800	200,200	105,924	
20	Jul	100,019,260	683,000	(F) 272,000	411,000	52,578	
21	Aug	98,763,446	1,149,000	(F) 664,800	484,200	37,334	
22	Sep	92,191,457	1,204,869	(F) 916,800	288,069	97,982	
23	Oct	81,029,111	238,137	(F) 201,710	36,427	170,450	
24	Nov	35,324,396	1,029,000	(F) 485,600	543,400	248,460	
25	Dec	46,363,475	254,422	(F) 147,200	107,222	282,592	
26	Total	\$ 778,891,657	\$ 6,062,276	\$ 3,213,020	\$ 2,849,255	\$ 2,032,845	

	45-Day Update (2021)					
	Month	Revenue (A)	Total Uncollectible Expense (B)	Amount Charged to Regulatory Asset (C)	Net Uncollectible Expense (D)	Net Bad Debt Write-Off
27	Jan	\$ 57,637,796	\$ 431,000	(E) \$ -	\$ 431,000	\$ 326,577
28	Feb	49,001,284	471,000	(E) \$ 164,800	306,200	182,122
29	Mar	48,387,978	2,582,000	(F) \$ 2,266,400	315,600	289,718 (G)
30	Total	\$ 155,027,058	\$ 3,484,000	\$ 2,431,200	\$ 1,052,799	\$ 798,417

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

- (A) Revenues reflect actual billed revenues via CC&B and does not include deferred fuel, unbilled revenue, or provision for refunds.
- (B) Uncollectible Expense includes expense recorded to the Regulatory Asset attributable to COVID-19.
- (C) These amounts were attributed to COVID-19 are not included in the Per Book Test Year uncollectible expense, but were instead charged to a regulatory asset. See discussion in testimony of EPE witness Cynthia Prieto regarding proposed tariff on COVID-19 expenses.
- (D) In WP A-3, Adj. No 7, the Per Book Test Year uncollectible expense was further reduced by \$803,227 for amounts related to COVID-19. See WP A-3, Adj. No. 1 for calculation and amount of uncollectible expense in Adjusted Test Year.
- Variances:
- (E) Monthly variations due to the seasonality of EPE's electric sales.
- (F) Variance partially due to increases in the aging of accounts receivable, primarily attributable to COVID-19. See further discussion in the testimony of EPE Witness Cynthia S. Prieto.
- (G) Includes write-offs attributable to COVID-19 for TX customers via Bright Hearts program of \$48,375.

		Actual Taxes Paid in Calendar Year (C)								
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Line No.	Description	2017	2018	2019	2020	Test Year Expense (A,C)	Rate Making Adjustments (B)	As Requested	45 day update Expense for 3 Months Ended March 31, 2021	
	Non Revenue-related									
	Ad Valorem:									
1	Texas	\$ 11,769,450	14,016,008	15,272,227	16,649,274	\$ 17,718,628	\$ 520,778	\$ 18,239,406	\$ 5,015,794	
2	New Mexico	4,333,621	4,602,762	3,442,327	3,462,535	3,907,431	114,846	4,022,277	1,059,948	
3	Arizona	7,309,047	7,289,870	7,152,266	6,797,212	6,647,928	195,392	6,843,320	1,681,332	
	Payroll Taxes:									
4	FICA (F)	7,489,910	7,713,556	5,036,123	64,249	6,290,759	(1,320,856)	4,969,903	1,450,908	
5	FUTA	51,283	49,974	49,046	51,764	81,174	(579)	80,595	18,722	
6	SUTA	84,416	69,316	59,842	45,523	71,387	-	71,387	16,465	
7	Palo Verde	2,953,606	3,121,212	3,078,374	3,088,816	2,842,115	192,444	3,034,559	651,541	
8	Other Taxes	(18,022)	(19,935)	(26,044)	(18,940)	(18,940)	-	(18,940)	(3,563)	
	Sales, Use, and Compensating Taxes (D)									
9	Texas	5,804,404	6,777,699	5,932,033	6,805,700	106,665	-	106,665	26,186	
10	Other States	754,027	659,954	467,371	442,027	31,195	-	31,195	8,390	
11	Subtotal	40,531,742	44,280,416	40,463,564	37,388,159	37,678,343	(297,975)	37,380,368	9,925,723	
	Revenue-related									
12	Texas State Gross Receipts	11,526,251	10,935,936	9,993,851	9,972,801	10,007,659	698,025	10,705,684	1,928,612	
	Local Occupation/Street Rental:									
13	Texas	22,580,127	21,608,617	24,398,587	24,904,055	24,995,587	1,743,417	26,739,004	4,679,261	
14	New Mexico (E)	4,043,159	3,841,703	3,693,018	3,478,274	88,632	4,562	93,194	20,604	
	Regulatory Assessment:									
15	Texas	1,082,818	1,080,558	979,345	966,221	988,356	68,937	1,057,293	189,993	
16	New Mexico	958,662	964,488	931,797	874,142	888,139	21,444	909,583	232,670	
17	Total Taxes Other Than Income Taxes	\$ 80,722,759	\$ 82,711,718	\$ 80,460,162	\$ 77,583,652	\$ 74,646,715	\$ 2,238,410	\$ 76,885,125	\$ 16,976,863	

- (A) This column represents total electric Test Year expense per book.
- (B) Represents ratemaking adjustments. See WP/A-3, Adj No. 15 for calculation of property tax adjustments, WP/A-3, Adj No. 6 for PV payroll tax adjustment, WP/A-3, Adj No. 25 for FUTA adjustment, WP/A-3, Adj No. 16 for FICA and Four Corners payroll tax adjustment and WP/A-3, Adj No. 17 for revenue related tax adjustments.
- (C) Columns (b), (c), (d) and (e) represent taxes paid, net of refunds in the applicable year, while Column (f) represents amounts expensed by the Company.
- (D) Sales, Use and Compensating Taxes represent taxes charged to expense.
- (E) Taxes paid are shown net of taxes received from customers.
- (F) FICA for Test Year 2020 has been deferred.

EL PASO ELECTRIC COMPANY
 2021 TEXAS RATE CASE FILING
 SCHEDULE G-9: TAXES OTHER THAN INCOME TAXES
 SPONSOR: SEAN M. IHORN
 PREPARER: TAMMY HENDERSON
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
 PUC DOCKET NO. 52195
 SCHEDULE G-9
 PAGE 2 OF 3
 UPDATED 7/16/2021

(a)	(b)	(c)
Line No. (on page 1 of 3)	Description	Accrued Balance as of 12/31/2020
	Non Revenue-related	Explanation of Method Used to Calculate Accrued Balance
	Ad Valorem:	
1	Texas	(17,677,992) Represents twelve months of accrued property taxes for Texas for 2020. Tax payments are made on an annual basis on January 31.
2	New Mexico	(3,328,271) Represents twelve months of accrued property taxes for New Mexico for 2020 offset by the December 10th payment. Tax payments are made semi-annually on December 10 and May 10.
3	Arizona	(3,280,490) Represents twelve months of accrued property taxes for Arizona for 2020 offset by the November 1st payment. Tax payments are made semi-annually on November 1 and May 1.
	Payroll Taxes:	
4	FICA	(3,788,292) Per Coronavirus, Aid, Relief, and Economic Security Act (CARES Act) deferred FICA tax payments for 2020.
5	FUTA	- No payroll taxes are accrued because payroll taxes are paid as incurred.
6	SUTA	- No payroll taxes are accrued because payroll taxes are paid as incurred.
7	Palo Verde	- No Palo Verde payroll taxes are accrued because Palo Verde invoices are paid when received.
8	Other Taxes	-
	Sales, Use and Compensating Taxes	
9	Texas	(991,120) Represents one month of taxes accrued for Texas Direct Payment Tax. Payment is due on the 20th day following the close of the month.
10	Other States	(44,442) Represents one month of taxes accrued for New Mexico Compensating Tax. Payment is due on the 25th day following the close of the month.
	Revenue Related:	
11	Texas State Gross Receipts	(2,252,574) Represents three months of gross receipts tax accruals based on actual sales and sales estimates where applicable. Quarterly payments are made on the last day of the month following the end of the quarter.

EL PASO ELECTRIC COMPANY
 2021 TEXAS RATE CASE FILING
 SCHEDULE G-9: TAXES OTHER THAN INCOME TAXES
 SPONSOR: CYNTHIA S. PRIETO
 PREPARER: TAMMY HENDERSON
 FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
 PUC DOCKET NO. 52195
 SCHEDULE G-9
 PAGE 3 OF 3
 UPDATED 7/16/2021

Line No. (on page 1 of 3)	(a) Description	(b) Accrued Balance as of 12/31/2020	(c) Explanation of Method Used to Calculate Accrued Balance
12	Local Occupation/Street Rental: Texas	(5,674,451)	Represents three months of Occupational/Street Rental (OSR) tax accruals based on actual sales and sales estimates where applicable for Texas taxing entities, except Clint and Vinton which represent twelve months of Occupational/Street Rental taxes paid annually on February 15. San Elizario represents six months of Occupational/Street Rental taxes paid semi annually. Payments to all other taxing entities are made quarterly on the 25th day of the month following the end of the quarter except El Paso payments which are made 45 days following the end of the quarter. Tigua fees are prepaid for the current year based on the prior year July thru June.
13	New Mexico	(272,742)	Represents three months of Occupational/Street Rental tax accruals based on actual sales and sales estimates where applicable for New Mexico taxing entities except Dona Ana (prepayment required) and Las Cruces and Anthony which represents one month of Occupational/Street Rental taxes. Payments to Las Cruces and Anthony are made monthly on the 25th day of the following month and payments to other taxing entities (except Dona Ana) are made quarterly on the 25th day of the month following the end of the quarter.
14	Regulatory Assessment: Texas	(581,682)	Represents six months of tax accruals based on actual sales and sales estimates where applicable. Annual payment is made on August 15 for the previous July 2019 through June 2020 period.
17	New Mexico	(904,100)	Represents twelve months of tax accruals based on actual sales and sales estimates where applicable. The New Mexico Public Services Commission fee is due on April 1 for the previous calendar year period.
Total Taxes Other Than Income		<u>\$ (38,796,156)</u>	

EL PASO ELECTRIC COMPANY
2021 TEXAS RATE CASE FILING
SCHEDULE G-10: FACTORING EXPENSE
SPONSOR: CYNTHIA S. PRIETO
PREPARER: MAYTE LUNA
FOR THE TEST YEAR ENDED DECEMBER 31, 2020

SOAH DOCKET NO. 473-21-2606
PUC DOCKET NO. 52195
SCHEDULE G-10
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This schedule is not applicable as El Paso Electric Company does not factor any of its Accounts Receivables.

45 Day Update: as of 3/30/2021 there are no changes to this schedule.