

DOCKET NO. _____

APPLICATION OF EL PASO	§	
ELECTRIC COMPANY FOR	§	
APPROVAL TO REVISE ITS	§	PUBLIC UTILITY COMMISSION
ENERGY EFFICIENCY COST	§	OF TEXAS
RECOVERY FACTOR AND	§	
REQUEST TO ESTABLISH REVISED	§	
GOALS AND COST CAPS	§	

**APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL TO REVISE
ITS ENERGY EFFICIENCY COST RECOVERY FACTOR AND REQUEST TO
ESTABLISH REVISED GOALS AND COST CAPS**

El Paso Electric Company (EPE or the Company) submits this Application for Approval to Revise its Energy Efficiency Cost Recovery Factor and Request to Establish Revised Goals and Cost Caps (Application). In support thereof, EPE respectfully shows the following:

I. BUSINESS ADDRESS AND AUTHORIZED REPRESENTATIVES

EPE's business address is 100 N. Stanton, El Paso, Texas 79901. EPE's authorized representative for the purpose of receiving service of documents is:

Nadia Powell
El Paso Electric Company
100 N. Stanton
El Paso, Texas 79901
(915) 543-2284
(915) 521-4450 (fax)

EPE's authorized legal representative and designated recipient for service of pleadings and other documents is:

Bret J. Slocum
State Bar No. 18508200
Evan D. Johnson
State Bar No. 24065498
Duggins Wren Mann & Romero, LLP
P.O. Box 1149
Austin, Texas 78767
(512) 744-9300
(512) 531-7200 (fax)

II. JURISDICTION

The Public Utility Commission of Texas (PUCT) has jurisdiction over EPE and the subject matter of this Application by virtue of Section 39.905 of the Public Utility Regulatory Act¹ and P.U.C. SUBST. R. 25.181.

III. AFFECTED PERSONS

EPE provides service to approximately 283,000 retail electric customers in Texas. EPE proposes to apply the energy efficiency cost recovery factor (EECRF) requested herein to all of its retail electric customers in its Texas service areas that fall within the classes subject to the EECRF, which are detailed in Section V below.

IV. EPE'S PROPOSED EECRF FOR 2012 AND REQUEST TO ESTABLISH REVISED COST CAPS AND ENERGY EFFICIENCY GOALS

By this Application, EPE requests approval to revise its 2012 EECRF to reflect the following four components:

- 1) \$4,384,650 in projected energy efficiency program costs for 2012;
- 2) \$1,976,177 in amortized energy efficiency costs that were deferred pursuant to the final order in Docket No. 35612;
- 3) a \$833,347 performance bonus based on the Company's 2010 energy efficiency program performance;
- 4) a \$1,068,865 true-up adjustment representing EPE's under-recovery of 2010 program costs actually incurred.

The total amount that EPE requests be included in its 2012 EECRF is \$8,263,039. EPE's request is based on continuing to fund its energy efficiency programs at the same level they were funded in 2011. EPE calculates that by funding these programs at 2011 levels, EPE will be able to achieve an energy efficiency goal of 15% reduction of its average growth in demand, which is less than the 25% energy efficiency goal for 2012 prescribed by Rule 25.181(e). This request will also cause EPE's 2012 EECRF to exceed the Commission's cost caps by a small amount. In order to proceed with this approach, EPE requests that the Commission establish revised energy efficiency goals and revised cost caps for EPE for the 2012 program year.

¹ TEX. UTIL. CODE §§ 11.001-66.017 (Vernon 2007 & Supp. 2010) (PURA)

It is not reasonably possible that EPE can comply with a 25% energy efficiency goal, or even a 15% goal, without exceeding the Commission's cost caps. The Company's 2011 Commission-approved EECRF charges already exceed the 2012 per kWh cost caps for all classes, and these projected charges were based on a lower energy efficiency goal (20%) than the goal for 2012 (25%). Because of the Company's considerable growth in demand over the last several years, in order for the Company to meet the Commission's 25% energy efficiency goal for 2012, it would have to substantially increase its 2012 program costs over its 2011 program costs, which would increase the Company's total EECRF even further above the cost caps. Conversely, if EPE were to reduce its 2012 spending to a level that would allow the Company to meet the cost caps, it could achieve an energy efficiency goal of only 5% reduction of average growth in demand.

Therefore, rather than substantially increase its 2012 energy efficiency program costs or substantially reduce its 2012 energy efficiency programs, EPE requests that the Commission establish EPE's energy efficiency goal at a 15% reduction of average growth in demand, which would allow the Company to continue to fund its 2012 programs at 2011 levels and recover its 2012 projected program costs through its 2012 EECRF. While the Company will exceed the Commission's cost caps with this request, the Company believes its request achieves the most benefits for its customers by continuing its valuable energy efficiency programs while limiting any rate increases. With the Company's proposal, the 2012 EECRF would increase only a small amount over the 2011 level.

If the Commission chooses not to grant EPE's request for a lower goal but rather requires EPE to comply with the 25% energy efficiency goal for 2012 prescribed by P.U.C. SUBST. R. 25.181(f)(8), EPE would have to increase its projected 2012 program costs to \$6,711,089, which would in turn increase the Company's total EECRF to \$10,589,478. With this approach, EPE's 2012 EECRF rates would exceed the cost caps prescribed by P.U.C. SUBST. R. 25.181(f)(8) for all rate classes. On the other hand, if the Commission chooses not to grant EPE's request for a lower goal and instead requires EPE to observe the cost caps, then EPE's projected 2012 program costs would decrease to \$1,377,131, which would in turn decrease the Company's total EECRF to \$5,255,521. With this approach, EPE would only be able to achieve a 5% reduction in its average growth in demand in 2012 but would comply with the Commission's cost caps. As

stated before, it is not reasonably possible that EPE can comply with the cost caps and achieve a 25% energy efficiency goal.

In support of this Application, EPE submits the Direct Testimony of Mr. Curtis Hutcheson. In his Direct Testimony, Mr. Hutcheson provides a summary of the relief sought by EPE and describes the specific costs to be included in EPE's revised EECRF pursuant to the requirements of P.U.C. SUBST. R. 25.181(f). He also supports the calculation of EPE's revised EECRF rates for the billing period January 2012 through December 2012, including the allocation of energy efficiency costs among the customer classes. Finally, Mr. Hutcheson explains why good cause supports the Company's request for revised energy efficiency goals and cost caps.

V. ADJUSTED ENERGY EFFICIENCY COST RECOVERY FACTOR

EPE's revised EECRF tariff (Attachment A) containing the proposed EECRF rates for 2012 is provided as Exhibit CH-2 to Mr. Hutcheson's Direct Testimony. Under EPE's EECRF request, based on EPE's current base rates and fixed fuel factor, a residential customer using 600 kWh of electricity per month would be charged \$1.02 per month, which is an increase of approximately 0.59% annually, or \$0.01 on average per month, over the EECRF approved in Docket No. 38226. The Company's requested EECRF rates are as follows:

<u>Customer Class</u>	<u>EECRF</u>
Residential Service Rate	\$ 0.00170
Small Commercial Service Rate	\$ 0.00074
Outdoor Recreational Lighting Service Rate	\$ 0.00069
Governmental Street Lighting and Signal Service Rate	\$ 0.00080
Municipal Pumping Service Rate	\$ 0.00164
Time-Of-Use Municipal Pumping Service Rate	\$ 0.00164
Water Heating	\$ 0.00202
Irrigation Service Rate	\$ 0.00063
General Service Rate	\$ 0.00219
Large Power Service Rate (excludes transmission)	\$ 0.00126
Cotton Gin Service Rate	\$ 0.00092
City and County Service Rate	\$ 0.00206
University Service Rate	\$ 0.00136
Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ 0.00079
Backup Power Service For Cogeneration And Small Power Production Facilities	\$ 0.00079

If the Commission requires EPE to expend sufficient funds to achieve a 25% energy efficiency goal in 2012, this will result in higher rates for customers and a need to increase the Company's cost caps for all rate classes. Based on EPE's current base rates and fixed fuel factor, a residential customer using 600 kWh of electricity per month would be charged \$1.22 per month, which would result in an increase of approximately 20.71% annually, or \$0.21 on average per month, over the EECRF approved by the Commission in Docket No. 38226. The Company's EECRF rates under this scenario would be as follows:

<u>Customer Class</u>		<u>EECRF</u>
Residential Service Rate	\$	0.00204
Small Commercial Service Rate	\$	0.00096
Outdoor Recreational Lighting Service Rate	\$	0.00074
Governmental Street Lighting and Signal Service Rate	\$	0.00085
Municipal Pumping Service Rate	\$	0.00207
Time-Of-Use Municipal Pumping Service Rate	\$	0.00264
Water Heating	\$	0.00087
Irrigation Service Rate	\$	0.00294
General Service Rate	\$	0.00169
Large Power Service Rate (excludes transmission)	\$	0.00120
Cotton Gin Service Rate	\$	0.00277
City and County Service Rate	\$	0.00166
University Service Rate	\$	0.00105
Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$	0.00204
Backup Power Service For Cogeneration And Small Power Production Facilities	\$	0.00096

If the Commission instead requires EPE to observe the cost caps imposed by Substantive Rule 25.181 and revises EPE's energy efficiency goal to 5% of the average growth in demand, then based on EPE's current base rates and fixed fuel factor, a residential customer using 600 kWh of electricity per month would be charged \$0.83 per month, which would result in a decrease of approximately 17.75% annually, or \$0.18 on average per month, over the EECRF approved by the Commission in Docket No. 38226. The Company's requested EECRF rates under this scenario would be as follows:

<u>Customer Class</u>		<u>EECRF</u>
Residential Service Rate	\$	0.00139
Small Commercial Service Rate	\$	0.00072
Outdoor Recreational Lighting Service Rate	\$	0.00072
Governmental Street Lighting and Signal Service Rate	\$	0.00074

Municipal Pumping Service Rate	\$	0.00098
Time-Of-Use Municipal Pumping Service Rate	\$	0.00091
Water Heating	\$	0.00072
Irrigation Service Rate	\$	0.00102
General Service Rate	\$	0.00079
Large Power Service Rate (excludes transmission)	\$	0.00076
Cotton Gin Service Rate	\$	0.00100
City and County Service Rate	\$	0.00094
University Service Rate	\$	0.00068
Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$	0.00139
Backup Power Service For Cogeneration And Small Power Production Facilities	\$	0.00072

EPE requests the Commission approve the Company's revised EECRF effective as of the first billing cycle of the January 2012 billing month, which begins on January 3, 2012.

VI. PROPOSED PROCEDURAL SCHEDULE

Consistent with P.U.C. SUBST. R. 25.181(f)(10),² EPE proposes the following procedural schedule in this case:

Filing Date	May 2, 2011
Staff Approval of Notice	May 20, 2011
Proof of Notice	May 23, 2011
Intervention Deadline	June 1, 2011
Request for Hearing	June 1, 2011
	<u>If no hearing requested</u>
Staff Recommendation	June 1, 2011
Parties Proposed Order	June 2, 2011
Final Order	June 30, 2011
	<u>If hearing requested</u>
Prehearing Conference	June 2, 2011

² P.U.C. SUBST. R. 25.181(f)(10) requires that the presiding office set a procedural schedule that allows for the Commission to issue a final order within 60 days of filing if no hearing is requested, or within 120 days of filing if a hearing is requested. This procedural schedule allows for the Commission to issue a final order within the 60-day regulatory deadline if no hearing is requested. If a hearing is requested, EPE will propose a procedural schedule that allows for the Commission to issue a final order within the 120-day regulatory deadline.

VII. NOTICE

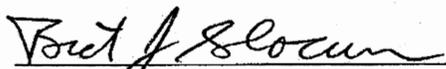
EPE submits that the notice requirements of P.U.C. PROC. R. 22.55 requiring the provision of “reasonable notice” are appropriate. The Company proposes to publish notice of this Application by one-time publication in newspapers having general circulation in each county within the Company’s Texas retail service area beginning as soon as practicable after the filing of this Application. Additionally, the Company proposes to provide notice to all parties that participated in the Company’s last EECRF proceeding, Docket No. 38226. The form of the notice to be provided is set forth in Attachment B to this Application. As soon as is practicable, EPE will file with the Commission proof of publication of notice in the form of publishers’ affidavits and an affidavit attesting to the notice served upon the parties that participated in Docket No. 38226. The Company requests that the Commission find that the Company’s notice is sufficient.

VIII. PRAYER

EPE requests that its Application be deemed complete and sufficient and in compliance with PURA § 39.905(b) and P.U.C. SUBST. R. 25.181; that EPE’s suggested notice of this filing as described above and attached to this Application be considered sufficient and authorized; that EPE’s Application be approved with implementation for use beginning with the first billing cycle of its January 2012 billing month; and for such other relief to which it has shown itself entitled.

Respectfully submitted,

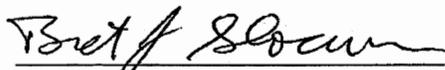
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Bret J. Slocum

**ATTORNEYS FOR EL PASO
ELECTRIC COMPANY**

CERTIFICATE OF SERVICE

I certify that a true and correct copy of this document was served by facsimile, hand-delivery, overnight delivery, or 1st Class U.S. Mail on all parties of record in Docket No. 38226, *Application of El Paso Electric Company For Approval to Revise Its Energy Efficiency Cost Recovery Factor*, on May 2, 2011.


Bret J. Slocum

EL PASO ELECTRIC COMPANY

SCHEDULE NO. 97
ENERGY EFFICIENCY COST RECOVERY FACTOR

APPLICABILITY

Electric service billed under rate schedules having an Energy Efficiency Cost Recovery Factor Clause shall be subject to an Energy Efficiency Cost Recovery Factor ("EECRF"). The EECRF is not applicable to service billed at transmission voltage rates.

Pursuant to PUCT §25.181(f), the EECRF allows the Company to recover the cost of energy efficiency programs from the customer classes that receive services under such programs.

TERRITORY

Texas Service Area

MONTHLY RATE

Rate No.	Description	Energy Efficiency Cost Recovery Factor (\$/kWh)	
01	Residential Service Rate	\$ 0.00170	X
02	Small Commercial Service Rate	\$ 0.00074	X
07	Outdoor Recreational Lighting Service Rate	\$ 0.00069	X
08	Governmental Street Lighting and Signal Service Rate	\$ 0.00080	X
11	Municipal Pumping Service Rate	\$ 0.00164	X
11-TOU	Time-Of-Use Municipal Pumping Service Rate	\$ 0.00164	X
WH	Water Heating	\$ 0.00202	X
22	Irrigation Service Rate	\$ 0.00063	X
24	General Service Rate	\$ 0.00219	X
25	Large Power Service Rate (excludes transmission)	\$ 0.00126	X
34	Cotton Gin Service Rate	\$ 0.00092	X
41	City and County Service Rate	\$ 0.00206	X
43	University Service Rate	\$ 0.00136	X
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ 0.00079	X
47	Backup Power Service For Cogeneration And Small Power Production Facilities	\$ 0.00079	X

Section Number 1
 Sheet Number 33
 Page 1 of 1

Revision Number 2
 Effective with bills issued on or
after January 1, 2011

**NOTICE OF APPLICATION OF EL PASO ELECTRIC COMPANY FOR APPROVAL
TO REVISE ITS ENERGY EFFICIENCY COST RECOVERY FACTOR AND
REQUEST TO ESTABLISH REVISED GOALS AND COST CAPS**

On May 2, 2010, El Paso Electric Company (EPE or the Company) submitted to the Public Utility Commission of Texas (PUCT) its Application for Approval to Revise Its Energy Efficiency Cost Recovery Factor and Request to Established Revised Goals and Cost Caps (Application) as permitted under Section 39.905(b) of the Public Utility Regulatory Act (PURA) and under Commission Substantive Rule 25.181(f) relating to recovery of costs for energy efficiency programs. EPE requested that its revised energy efficiency cost recovery factor (EECRF) become effective beginning with the first billing cycle of its January 2012 billing month, which begins on January 3, 2012. All EPE retail electric customers in its Texas service areas that fall within the classes subject to the EECRF will be affected by approval of the Company's Application.

The Commission recently increased the energy efficiency goal for electric utilities, including EPE, so that these utilities must achieve a 25% reduction in annual growth in demand through their energy efficiency programs in 2012. Because it is not reasonably possible for EPE to meet the PUCT's 2012 energy efficiency goal without substantially raising its electric rates, EPE requested in its Application that the PUCT establish EPE's 2012 energy efficiency goal at a 15% reduction in average growth in demand rather than the 25% reduction prescribed by the Commission's rules. Reducing the Company's 2012 energy efficiency goal to 15% will reduce the costs EPE must recover under its EECRF in 2012 and, thus, will reduce the rate impact of the EECRF on EPE's customers. However, EPE's EECRF rates will still exceed the cost caps prescribed by Rule 25.181(f)(8) for all customer rate classes. Therefore, pursuant to Commission Substantive Rule 25.181(f), EPE requested that the Commission revise the Company's cost caps to permit the Company to recover energy efficiency costs necessary to achieve this reduced 15% energy efficiency goal.

In its Application, EPE requested to recover through its 2012 EECRF approximately \$8,263,039 in energy efficiency costs, reflecting the following four components:

- 1) \$4,384,650 in projected energy efficiency program costs for 2012;
- 2) \$1,976,177 in amortized energy efficiency costs that were deferred pursuant to the final order in Docket No. 35612;

- 3) a \$833,347 performance bonus based on the Company's 2010 energy efficiency program performance;
- 4) a \$1,068,865 true-up adjustment representing EPE's under-recovery of 2010 program costs actually incurred.

Under EPE's EECRF request, based on EPE's current base rates and fixed fuel factor, a residential customer using 600 kWh of electricity per month would be charged \$1.02 per month, which is an increase of approximately 0.59% annually, or \$0.01 on average per month, over the EECRF approved in EPE's last EECRF proceeding, PUCT Docket No. 38226. The Company's requested EECRF rates are as follows:

<u>Customer Class</u>	<u>EECRF</u>
Residential Service Rate	\$ 0.00170
Small Commercial Service Rate	\$ 0.00074
Outdoor Recreational Lighting Service Rate	\$ 0.00069
Governmental Street Lighting and Signal Service Rate	\$ 0.00080
Municipal Pumping Service Rate	\$ 0.00164
Time-Of-Use Municipal Pumping Service Rate	\$ 0.00164
Water Heating	\$ 0.00202
Irrigation Service Rate	\$ 0.00063
General Service Rate	\$ 0.00219
Large Power Service Rate (excludes transmission)	\$ 0.00126
Cotton Gin Service Rate	\$ 0.00092
City and County Service Rate	\$ 0.00206
University Service Rate	\$ 0.00136
Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ 0.00079
Backup Power Service For Cogeneration And Small Power Production Facilities	\$ 0.00079

If the Commission rejects EPE's request for lower goals but rather requires EPE to expend sufficient funds to achieve a 25% energy efficiency goal in 2012, this will result in higher rates for customers and a need to increase the Company's cost caps for all rate classes. Under this scenario, based on EPE's current base rates and fixed fuel factor, a residential customer using 600 kWh of electricity per month would be charged \$1.22 per month, which would result in an increase of approximately 20.71% annually, or \$0.21 on average per month, over the EECRF approved by the Commission in Docket No. 38226. The Company's EECRF rates under this scenario would be as follows:

<u>Customer Class</u>	<u>EECRF</u>
Residential Service Rate	\$ 0.00204
Small Commercial Service Rate	\$ 0.00096
Outdoor Recreational Lighting Service Rate	\$ 0.00074
Governmental Street Lighting and Signal Service Rate	\$ 0.00085
Municipal Pumping Service Rate	\$ 0.00207
Time-Of-Use Municipal Pumping Service Rate	\$ 0.00264
Water Heating	\$ 0.00087
Irrigation Service Rate	\$ 0.00294
General Service Rate	\$ 0.00169
Large Power Service Rate (excludes transmission)	\$ 0.00120
Cotton Gin Service Rate	\$ 0.00277
City and County Service Rate	\$ 0.00166
University Service Rate	\$ 0.00105
Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ 0.00204
Backup Power Service For Cogeneration And Small Power Production Facilities	\$ 0.00096

If the Commission instead requires EPE to observe the cost caps imposed by Substantive Rule 25.181 and revises EPE's energy efficiency goal to 5% of the average growth in demand, this will allow EPE to achieve the PUCT's cost caps but will cause the Company to significantly reduce the funds dedicated to its energy efficiency program offerings. Under this scenario, based on EPE's current base rates and fixed fuel factor, a residential customer using 600 kWh of electricity per month would be charged \$0.83 per month, which would result in an decrease of approximately 17.75% annually, or \$0.18 on average per month, over the EECRF approved by the Commission in Docket No. 38226. The Company's requested EECRF rates under this scenario would be as follows:

<u>Customer Class</u>	<u>EECRF</u>
Residential Service Rate	\$ 0.00139
Small Commercial Service Rate	\$ 0.00072
Outdoor Recreational Lighting Service Rate	\$ 0.00072
Governmental Street Lighting and Signal Service Rate	\$ 0.00074
Municipal Pumping Service Rate	\$ 0.00098
Time-Of-Use Municipal Pumping Service Rate	\$ 0.00091
Water Heating	\$ 0.00072
Irrigation Service Rate	\$ 0.00102
General Service Rate	\$ 0.00079
Large Power Service Rate (excludes transmission)	\$ 0.00076
Cotton Gin Service Rate	\$ 0.00100

Attachment B

City and County Service Rate	\$	0.00094
University Service Rate	\$	0.00068
Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$	0.00139
Backup Power Service For Cogeneration And Small Power Production Facilities	\$	0.00072

Persons with questions or who want more information about EPE's application may contact the Company at 100 N. Stanton, El Paso, Texas 79901, or call (915) 543-2284. A complete copy of the application is available for inspection at the address listed above. The Commission will review EPE's Application, establish an intervention date for interested persons, and determine whether EPE's Application should be approved. The Commission's proceeding to review EPE's Application has been assigned Docket No. _____. Persons who wish to intervene in or comment upon these proceedings, or obtain further information, should contact the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326, or call the Commission's Office of Consumer Protection at (512) 936-7120 or (888) 782-8477. Hearing and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136 or use Relay Texas (toll-free) 1-800-735-2989. All communications should refer to Docket No. _____.

DOCKET NO. _____

APPLICATION OF EL PASO	§	
ELECTRIC COMPANY FOR	§	
APPROVAL TO REVISE ITS ENERGY	§	PUBLIC UTILITY COMMISSION
EFFICIENCY COST RECOVERY	§	OF TEXAS
FACTOR AND REQUEST TO	§	
ESTABLISH REVISED GOALS AND	§	
COST CAPS	§	

DIRECT TESTIMONY OF

CURTIS HUTCHESON

FOR

EL PASO ELECTRIC COMPANY

May 2, 2011

DIRECT TESTIMONY
CURTIS HUTCHESON

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EXHIBITS

Exhibit CH-1	2012 Revised EECRF Calculations
Exhibit CH-2	2012 EECRF Tariff
Exhibit CH-3	Historical Utility Load Growth Comparison
Exhibit CH-4	Comparison of Program Expenditures and Savings
Exhibit CH-5	2011 Texas Utility Comparison
Exhibit CH-6	2011 Energy Efficiency Plan and Report
Exhibit CH-7	2011/ 2012 Projected Program Costs and 2010 Actual Costs
Exhibit CH-8	2010 Performance Bonus Calculation
Exhibit CH-9	2012 EECRF Calculation Based on Regulatory Cap
Exhibit CH-10	2012 EECRF Calculation To Meet 2012 Goal

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Curtis Hutcheson. My business address is 100 North Stanton, El Paso,
4 Texas, 79901.

5

6 **Q. HOW ARE YOU EMPLOYED?**

7 A. I am employed by El Paso Electric Company ("EPE") as Manager–Economic & Rate
8 Research. I direct the work of the Economic & Rate Research Department.

9

10 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND BUSINESS**
11 **BACKGROUND.**

12 A. I graduated from New Mexico State University in 1988 with a Bachelor of Science
13 degree in Mechanical Engineering and in 1990 with a Master of Arts in Economics
14 with a Public Utility Regulatory Option.

15 I began working for EPE in 1991 as a Load Research Specialist in the Load
16 Research Section, which was within the Economic and Rate Research group. Among
17 my duties were the creation of load studies and the calculation of jurisdictional and
18 class allocators. I was also involved in creating econometric models of residential
19 load usage and statistical analyses of load data in the system. In 2004, the
20 responsibility for EPE's Long-Term and Budget Year Forecast was transferred to the
21 Load Research Section. In 2005, I was promoted to the position of Supervisor of
22 Load and Market Research. In that position, I directly oversaw the production and

1 review of the Long-Term Load Forecast for Energy and Demand. In July of 2008, I
2 became Manager—Economic & Rate Research.

3

4 **Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES WITH EPE.**

5 A. As Manager of the Economic & Rate Research Department, my primary
6 responsibilities include: (1) overseeing EPE's rate research function; (2) developing
7 EPE's jurisdictional cost of service studies; (3) developing EPE's class cost of service
8 studies; (4) conducting rate design analysis and developing EPE's retail rate schedules
9 and charges; and, (5) evaluating end-use costs to serve and develop specialized rate
10 designs and rate agreements.

11

12 **Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE UTILITY
13 REGULATORY BODIES?**

14 A. Yes, I have previously filed testimony supporting EPE's forecast regarding the fuel
15 surcharge filings and fuel factor filings with the Public Utility Commission of Texas
16 ("PUCT") in Docket No. 35204 and Docket No. 35856. I filed testimony in support
17 of EPE's cost of service in Docket No. 37690. I also filed testimony in support of
18 EPE's cost of service with the New Mexico Public Regulation Commission in Case
19 No. 09-00171-UT and EPE's two most recent New Mexico energy efficiency filings,
20 Case No. 09-00390-UT and Case No. 11-00047-UT.

21

22 **II. PURPOSE OF TESTIMONY**

23 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

1 A. The purpose of my direct testimony is to present and support the Company's request
2 to revise its energy efficiency cost recovery factor ("EECRF") for 2012. In my
3 testimony, I provide a summary of the relief sought by EPE and describe the specific
4 costs to be included in EPE's revised EECRF pursuant to the requirements of P.U.C.
5 SUBST. R. 25.181(f). I also support the calculation of EPE's revised EECRF rates for
6 the billing period January 2012 through December 2012, including the allocation of
7 energy efficiency costs among the customer classes. I will discuss the impacts on
8 EPE's filing including the cost caps and energy efficiency goals in P.U.C. SUBST.
9 R. 25.181(f)(8) and EPE's request for the Commission to establish revised cost caps
10 and energy efficiency goals to those provided by P.U.C. SUBST. R. 25.181(e) and (f).
11 I will present EPE's proposal to recover costs that would enable EPE to achieve
12 demand and energy savings at the same level as was necessary to meet EPE's goal for
13 2011, and to recover the energy efficiency performance bonus for 2010, the under-
14 recovery for 2010, and the portion of the Company's deferred energy efficiency costs
15 that were approved by the Commission in Docket Nos. 35612 and 37690 to be
16 amortized during 2012. Exhibit CH-1 is the calculation of the revised EECRF rates
17 for 2012. Exhibit CH-2 contains the revised EECRF tariff, reflecting those revised
18 EECRF rates.

19

20 **III. REQUIREMENT TO ADJUST EECRF FOR 2012**

21 **Q. WHAT IS THE PURPOSE OF THE EECRF TARIFF?**

22 A. The purpose of the EECRF tariff is to allow a utility the opportunity to earn revenues
23 equal to the sum of the utility's forecasted energy efficiency costs, net of energy

1 efficiency costs included in base rates, the energy efficiency performance bonus
2 amount that it earned for the prior year and any adjustment for past over- or under-
3 recovery of energy efficiency revenues. EPE's total energy efficiency costs, both
4 deferred and projected, are recovered through an energy charge applicable to all non-
5 transmission voltage level customer classes except the Area Lighting Service class.
6 The EECRF rates are calculated by rate class based on the aggregate amount of costs
7 allocated to each class divided by the projected kWh at the meter for 2012.
8 PURA § 39.905(b)(4) provides that the EECRF should "ensur[e] that the costs
9 associated with programs provided under this section are borne by the customer
10 classes that receive the services under the programs." By excluding the transmission
11 voltage level and Area Lighting Service classes, EPE's design ensures that only the
12 customer classes receiving services under the energy efficiency programs pay the
13 EECRF. The calculation of the EECRF is shown in Exhibit CH-1.

14
15 **Q. WHY IS EPE FILING THIS REQUEST TO ADJUST ITS EECRF FOR THE**
16 **2012 PROGRAM YEAR?**

17 A. Substantive Rule 25.181(f) provides that a utility may request that an EECRF be
18 established to recover all of the utility's forecasted annual energy efficiency program
19 costs. The rule requires that a utility with an EECRF apply each year to adjust its
20 EECRF in order to reflect changes in program costs, a true-up of the prior years' over-
21 or under-recovery of energy efficiency costs, and a performance bonus based on the
22 utility's previous year's energy efficiency program performance. EPE is filing for this
23 adjustment pursuant to Substantive Rule 25.181 and PURA § 39.905.

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**IV. EPE'S PROPOSED EECRF FOR 2012 AND REQUEST TO ESTABLISH
REVISED COST CAP AND GOALS**

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Q. DO THE COMMISSION'S RULES PROVIDE FOR A LIMITATION ON THE EXPENDITURES A UTILITY MAY RECOVER FOR ENERGY EFFICIENCY PROGRAMS?

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A. Yes. P.U.C. SUBST. R. 25.181(f)(8) sets cost caps on the amount that can be charged to a customer depending on whether the utility's EECRF is charged on a per customer basis or, as is the case with EPE, on a per kWh basis. For 2012 program costs, the cost cap applicable to EPE for residential customers is \$0.001 per kWh or the amount previously authorized by the Commission, and for non-residential customers, it is \$0.0005 per kWh.

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Q. WOULD EPE HAVE TO SPEND IN EXCESS OF THE COST CAPS PROVIDED IN P.U.C. SUBST. R. 25.181(f)(8)(A) IN ORDER TO MEET THE COMMISSION'S GOAL OF A 25% REDUCTION OF AVERAGE ANNUAL GROWTH IN DEMAND AS PROVIDED IN P.U.C. SUBST. R. 25.181(e)(1)(B)?

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A. Yes. As shown in the Table 1 below, in order to meet the 25% goal, EPE's EECRF would exceed the per kWh cost cap for all customer classes if all of its 2012 program costs are included in its 2012 EECRF. EPE would also exceed the alternative cap for residential customers of "the amount previously authorized by the Commission." It would not be possible to achieve the 25% goal without spending the amounts EPE projected to spend in its 2011 Energy Efficiency Plan and Report for its energy efficiency programs. In fact, the EECRF charges approved by the Commission

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1 during 2011 exceeded the 2012 per kWh cost caps for all classes and 2011 had a
 2 lower goal (20%) than the goal for 2012 (25%). Clearly, EPE cannot be expected to
 3 achieve a higher goal with less cost than last year.

4 **Table 1**

Rate Class	Total Rate per kWh Necessary to Meet 25% Goal	2012 per kWh Cost Cap	Rate as % of Cap
Residential Service	\$ 0.00204	\$0.001	204%
Small Commercial Service	\$ 0.00096	\$0.0005	192%
Outdoor Recreational Lighting Service	\$ 0.00074	\$0.0005	148%
Government Street Lighting and Signal Service	\$ 0.00085	\$0.0005	170%
Municipal Pumping Service (Includes 11 - TOU)	\$ 0.00207	\$0.0005	414%
Water Heating	\$ 0.00264	\$0.0005	528%
Irrigation Service	\$ 0.00087	\$0.0005	174%
General Service	\$ 0.00294	\$0.0005	588%
Large Power Service (Secondary & Primary Voltage)	\$ 0.00169	\$0.0005	338%
Cotton Gin Service	\$ 0.00120	\$0.0005	240%
City & County Service	\$ 0.00277	\$0.0005	554%
University Service Rate	\$ 0.00166	\$0.0005	332%
Cogeneration	\$ 0.00105	\$0.0005	210%

17
 18 **Q. WHAT DOES EPE PROPOSE BE DONE IN LIGHT OF THE FACT THAT**
 19 **EPE WOULD EXCEED THE COST CAPS IN ORDER TO MEET THE 25%**
 20 **GOAL?**

21 **A.** EPE proposes that its energy efficiency goals and expenditures for 2012 be set at the
 22 same level they were for 2011. This would require the Commission to establish both
 23 revised goals and revised cost caps. EPE's revised energy efficiency goals for 2012

1 would be the same level of demand and energy savings, stated in terms of Megawatts
 2 and Megawatt hours, that were EPE's goals for 2011. Similarly, the cost caps would
 3 be revised to allow EPE to spend and recover the same amount for its programs as
 4 was allowed for 2011.

5
 6 **Q. HOW DO EPE'S PROPOSED AND CURRENT EECRF FACTORS**
 7 **COMPARE TO THE COST CAP?**

8 **A.** Table 2 below compares EPE's proposed 2012 EECRF and the current 2011 EECRF
 9 to the 2012 cost cap.

10 **Table 2**

Rate Class	2012 per kWh Cost Cap	2011 Approved EECRF	Rate as % of Cap	2012 Proposed EECRF	Rate as % of Cap
Residential Service	\$0.00100	\$0.00169	169%	\$0.00170	170%
Small Commercial Service	\$0.00050	\$0.00096	192%	\$0.00074	148%
Outdoor Recreational Lighting Service	\$0.00050	\$0.00053	106%	\$0.00069	138%
Government Street Lighting and Signal Service	\$0.00050	\$0.00054	108%	\$0.00080	160%
Municipal Pumping Service (Includes 11 - TOU)	\$0.00050	\$0.00017	34%	\$0.00164	328%
Water Heating	\$0.00050	\$0.00163	326%	\$0.00202	404%
Irrigation Service	\$0.00050	\$0.00063	126%	\$0.00063	126%
General Service	\$0.00050	\$0.00152	304%	\$0.00219	438%
Large Power Service (Secondary & Primary Voltage)	\$0.00050	\$0.00073	146%	\$0.00126	252%
Cotton Gin Service	\$0.00050	\$0.00069	138%	\$0.00092	184%
City & County Service	\$0.00050	\$0.00142	284%	\$0.00206	412%
University Service Rate	\$0.00050	\$0.00102	204%	\$0.00136	272%
Cogeneration	\$0.00050	\$0.00060	120%	\$0.00079	158%

1

2 **Q. WHAT IS THE COMMISSION RULE REGARDING REVISING THE**
3 **ENERGY EFFICIENCY GOALS AND COST CAPS?**

4 A. P.U.C. SUBST. R. 25.181(e)(2) states: "The commission may establish for a utility a
5 lower goal than the goal specified in paragraph (1) of this subsection or a higher
6 budget cap than the cap specified in subsection (f) of this section if the utility
7 demonstrates that compliance with that goal or cap is not reasonably possible and that
8 good cause supports the lower goal or higher cap."

9 Further, P.U.C. SUBST. R. 25.181(e)(3)(b) states "The percentage goal,
10 prescribed in paragraphs (1) and (2) of this subsection, to the average growth in
11 demand, calculated in accordance with subparagraph (A) of this paragraph. Unless
12 the commission establishes a goal for a utility under paragraph (2) of this subsection,
13 a utility's demand goal in any year shall not be lower than its goal for the prior year."

14

15 **Q. WHY IS EPE PROPOSING TO ESTABLISH BOTH REVISED GOALS AND**
16 **REVISED COST CAPS?**

17 A. EPE is requesting that the Commission establish both revised caps and revised goals
18 so that it can maintain the same level of funding and demand savings goals that were
19 set for 2011. The result of this would be for the EECRF rates to increase a small
20 amount from what they were during 2011.

21 Abiding by the rule presents EPE with two extremes: requesting that the
22 Commission establish either substantially higher cost caps or substantially lower
23 goals. As presented in Table 1 above, EPE's calculated EECRF, based on the total

1 costs necessary to meet the 25% energy efficiency goal for 2012, would exceed the
2 cap limitations in P.U.C. SUBST. R. 25.181(f)(8)(A) and (B). The residential rate per
3 kWh would be double the cap limit. The other scenario, equally extreme, would be to
4 not revise the cost caps but to revise the energy efficiency goal to a level that could be
5 achieved with the capped expenditures. Under that scenario, if EPE were limited to
6 the cost cap recovery in the Rule, the funds available would allow EPE in 2012 to
7 achieve energy efficiency savings of only a 5% reduction of its average annual
8 growth in demand. These two scenarios are presented in more detail in Section VI
9 below.

10 In contrast to these two approaches, EPE's proposal presents a middle ground.
11 Under EPE's proposal, the EECRF would exceed the cap but by less than it would if
12 the Company attempted to recover sufficient 2012 program funding to meet a 25%
13 goal. Accordingly, the goal would be lowered to a 15% reduction of the five-year
14 average growth in demand, not the 25% required in P.U.C. SUBST. R. 25.181(f), nor
15 the 5% maximum attainable goal if the costs were capped as required by the
16 Commission's rule.

17
18 **Q. IS THERE GOOD CAUSE FOR THE COMMISSION TO ESTABLISH**
19 **REVISED GOALS AND COST CAPS FOR EPE?**

20 A. Yes. As discussed above, it is not reasonably possible for EPE to meet the prescribed
21 goal within the existing costs caps. EPE's circumstances are different from most of
22 the other utilities in the state. EPE's residential customers' usage patterns are unlike
23 most of the rest of the state. And while it is one of the smaller utilities in the state, it

1 has experienced rapid growth in recent years. These factors make achieving the
2 energy efficiency savings more challenging.

3
4 **Q. HOW DOES THE AVERAGE USAGE PER RESIDENTIAL CUSTOMER**
5 **FOR EPE COMPARE TO OTHER UTILITIES?**

6 A. For 2009, EPE's average residential usage was the lowest in the state of Texas, as
7 reflected in Table 3 below. With low usage, the recovery factor becomes higher if the
8 costs per programs are similar.

9 **Table 3**

10 Average Residential kWh Usage for 2009

	<u>Texas Investor Owned Utility</u>	<u>Average Monthly Energy, kWh</u>
11		
12	1 El Paso Electric	571
13	2 Entergy Texas	1,294
14	3 Southwestern Public Service	945
14	4 Southwestern Electric Power	1,225
15	5 SWEPCO North Texas	1,057
15	6 Average	1,018

16 Public Utility Commission of Texas, Rate Regulation Division

17 **Q. HOW DOES EPE'S SYSTEM SIZE COMPARE TO OTHER UTILITIES?**

18 A. Based on residential and commercial weather adjusted peak demand, EPE is the
19 smallest electric utility behind AEP Texas North. However, as reflected above, EPE
20 has the lowest consumption per customer based on the number of residential and
21 commercial customers and their associated usage. Table 4 below shows the rank of
22 utilities based on peak demand.

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Table 4

Residential and Commercial Weather Adjusted Data			
Rank	Utility	Peak Demand (MW)	Energy Consumption (MWh)
1	AEP Texas North	925	4,861,000
2	EPE	1,155	5,210,091
3	TNMP	1,185	5,297,092
4	SWEPCO	1,336	6,182,000
5	SPS	1,517	7,452,595
6	Entergy	2,704	10,233,463
7	AEP Texas Central	3,791	18,135,000
8	CenterPoint Energy	14,628	
9	Oncor	22,892	96,657,077

Q. WHAT IS EPE'S LOAD GROWTH COMPARED TO OTHER UTILITIES?

A. It is considerably higher than that of other utilities. EPE's average growth in peak demand over the last five years, 2006 through 2010, was 5.78%. The utility experiencing the next highest peak demand growth is Texas-New Mexico Power Company ("TNMP") at 2.18% with all others at 1.95% or lower. From 2009 to 2010, EPE experienced a peak demand growth of 12.03%. EPE's growth in energy consumption over the same period was 2.28%. TNMP had a higher growth in energy consumption than EPE at 2.84%. The other utilities were at 1.91% or lower. The annual and five-year average growth for peak demand and energy consumption are shown in Exhibit CH-3.

1 **Q. HOW DO EPE'S 2011 GOALS AS A PERCENTAGE OF PEAK LOAD AND**
2 **TOTAL ENERGY OF THE RESIDENTIAL AND COMMERCIAL**
3 **CUSTOMERS COMPARE TO OTHER UTILITIES?**

4 A. EPE's 2011 demand reduction goal is 11.16 MW, which is 0.97% of EPE's affected
5 peak of 1,155 MW. While EPE's total demand reduction goal is not as high as that of
6 other utilities, the percentage of its goal to its peak demand is more than double that
7 of any other utility. The utility with the next highest percentage of peak load is
8 Entergy Texas, Inc. ("ETI") at 0.46%. Similarly, EPE's energy savings goal is
9 19,522 MWh, which is 0.38% of total energy of the residential and commercial
10 customers. The next highest utility is again ETI at 0.21% of total energy. These
11 comparisons are shown in Exhibit CH-5.

12
13 **Q. DO YOU EXPECT THESE ISSUES TO CONTINUE?**

14 A. Yes, based on EPE's recent growth, it will be necessary to continue to increase
15 program costs every year to meet the increasing demand savings goal EPE will be
16 facing. EPE will need to continue requesting that the Commission establish revised
17 cost caps or energy efficiency goals or both.

18
19 **Q. WHAT ENERGY EFFICIENCY COSTS ARE TO BE RECOVERED IN THE**
20 **EECRF?**

21 A. Based on the 2011 energy efficiency program costs, EPE is seeking to recover
22 \$8,263,040 through its 2012 revised EECRF. That amount includes the following:

- 1 • Forecasted Energy Efficiency program costs for 2012, based on 2011 programs,
2 of \$4,384,650 as filed in EPE's 2011 Energy Efficiency Plan And Report
3 ("EEPR");
- 4 • Deferred energy efficiency costs of \$5,928,232 amortized over three years,
5 which results in \$1,976,177 applicable to 2012;
- 6 • EPE's 2010 Energy Efficiency Performance Bonus amount of \$833,347;
- 7 • A true-up adjustment, by rate class, of EPE's under-recovery for 2010 of
8 \$1,068,865.

9
10 **Q. HOW DO THESE COSTS COMPARE TO THOSE THAT WERE TO BE**
11 **RECOVERED THROUGH THE EECRF FOR 2011?**

12 A. EPE's 2011 EECRF was designed to recover \$6,564,490, so the EECRF would
13 increase by a slight amount.

14
15 **Q. WHAT ENERGY EFFICIENCY PROGRAM COSTS ARE TO BE**
16 **RECOVERED IN THE 2012 EECRF?**

17 A. EPE seeks to recover projected 2012 program costs of \$4,384,650, which were filed
18 in EPE's 2011 EEPR with the Commission April 1, 2011. The EEPR is attached as
19 Exhibit CH-6, and the breakdown of individual program costs are summarized in
20 Exhibit CH-7. In summary, the \$4,384,650 consists of \$2,430,073 for commercial
21 programs, \$1,437,499 for residential programs and \$517,078 for hard-to-reach
22 programs.

1 **Q. PLEASE EXPLAIN THE DEFERRED ENERGY EFFICIENCY COSTS IN**
2 **THE AMOUNT OF \$1,976,177 THAT EPE IS SEEKING TO RECOVER.**

3 A. In Docket No. 35612¹, the Commission approved EPE's request to defer the costs for
4 energy efficiency programs administered during the period from September 1, 2007
5 through June 30, 2010, including carrying costs. In Docket No. 37690, the
6 Commission authorized EPE to amortize these costs over a three-year period. In
7 EPE's EECRF case last year, Docket No 38226, EPE included projected costs for the
8 time period between January and June 2010 resulting in a total deferred cost amount
9 for September 1, 2007 through June 30, 2010 of \$6,852,490. In this filing, the
10 deferred cost amount has been updated using actual costs for January through June
11 2010, resulting in a total deferred cost amount of \$5,928,232. EPE requests to
12 recover \$1,976,177 of these costs through its 2012 EECRF. These calculations are
13 shown in Exhibit CH-1.

14
15 **Q. PLEASE DESCRIBE THE CALCULATION OF EPE'S ENERGY**
16 **EFFICIENCY PERFORMANCE BONUS.**

17 A. In 2010, EPE's energy efficiency programs achieved 130.38% of its 2010 Demand
18 Reduction Goal. EPE's total program cost for all programs in 2010 was \$4,166,737.
19 EPE is limited by P.U.C. SUBST. R. 25.181(h)(3) to a maximum energy efficiency
20 performance bonus recovery amount equal to 20% of total program costs, which is
21 the \$833,347 amount for the energy efficiency performance bonus. Therefore,

¹ *Application of El Paso Electric Company to Defer Energy Efficiency Costs Under PURA § 39.905 and P.U.C. Substantive Rule § 25.181(f)*, Docket No. 35612 (Sept. 12, 2008). The deferral of energy efficiency costs by a utility with a rate freeze, together with the recovery of such costs upon the expiration of the rate freeze, is expressly permitted by P.U.C. SUBST. R. 25.181(f)(7).

1 pursuant to Substantive Rule 25.181(h), EPE is seeking to recover through its 2012
2 revised EECRF an \$833,347 performance bonus for its 2010 energy efficiency
3 program performance. This calculation is shown in Exhibit CH-8.
4

5 **Q. HOW CAN EPE JUSTIFY REQUESTING A REVISED, LOWERED GOAL**
6 **FOR 2012, AT THE SAME TIME IT IS REQUESTING A PERFORMANCE**
7 **BONUS FOR 2010?**

8 A. Two factors affect EPE's request for a revised cap and a revised goal for 2012. First,
9 as referenced above, EPE's growth rate has increased significantly in recent years.
10 The five-year average growth in demand, the base for setting the goal, for 2010 was
11 37.86 MW. The new five-year average growth in demand for setting the 2012 goal is
12 78.20 MW, a 206% increase in the demand that sets the base for the goal. The second
13 factor is an increase per the rule that the goal will be based on 20% of the five-year
14 average growth in demand for 2010 and 2011, and then increases to 25% of the five-
15 year average growth in demand for 2012. This also increases the amount of demand
16 savings necessary for EPE to reach the goal for 2012.

17 EPE's goal for 2010 was 7.57 MW (37.86 MW times 20%). EPE achieved a
18 9.86 MW reduction in peak demand from its energy efficiency programs in 2010.
19 This represents 130% of its goal which qualifies EPE for a performance bonus for
20 2010. However, assuming the same growth rate as 2011, the goal for 2012 is
21 19.55 MW (78.2 MW times 25%), a 258% increase over the 2010 goal. Based on
22 both the increase in demand growth and the increase in the goal, per the Rule, EPE is
23 requesting a revised cap and a revised goal for 2012.

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Q. HOW WAS THE OVER/UNDER RECOVERY TRUE-UP CALCULATED?

A. The over/under recovery amount is based on the difference between the actual amount of costs incurred from July to December 2010, which is the time period that EPE's 2010 EECRF was in effect, and the actual amount of revenue recovered through the 2010 EECRF for each rate class for the same time period. This resulted in an under-recovery of \$1,068,865 for the 2010 program year. This is shown in Exhibit CH-1.

Q. PLEASE EXPLAIN WHY THERE WAS AN UNDER-RECOVERY OF \$1,068,865 FOR 2010?

A. Because EPE was under a rate freeze for the first half of 2010 and did not have an EECRF in place until July 2010, half of the total 2010 projected program costs were deferred for the January through June 2010 time period. The remainder of the costs was to be recovered in the EECRF from July through December. However, due to the nature of the programs, many energy efficiency invoices are submitted to EPE and paid in the second half of the year. Consequently, EPE incurred less costs than projected during the first half of 2010, when costs were being deferred, and recovered less than was necessary in the second half of the year under the EECRF tariff. This resulted in a reduction of the deferred amount (as discussed above) and a corresponding under-recovery during the July through December 2010 period.

1 **Q. HOW ARE THE DEFERRED ENERGY EFFICIENCY COSTS AND THE**
2 **2012 ENERGY EFFICIENCY PROGRAM COSTS ALLOCATED TO EACH**
3 **CLASS?**

4 A. The energy efficiency program costs included in the revised EECRF recovery factors
5 for 2012 are directly assigned to rate classes where applicable or allocated such that:

6 1. All energy efficiency program costs that can be directly assigned to a single rate
7 class are directly assigned.

8 2. All energy efficiency program costs for programs that serve multiple customer
9 classes are allocated by program among those specific customer classes for
10 which the programs are designed. This is done based upon kWh sales adjusted
11 for system and line losses, as approved in Docket No. 37690, EPE's last rate
12 case.

13 3. All energy efficiency costs that are not assignable to specific programs, such as
14 the 2010 performance bonus, are allocated among all customer classes for
15 which energy efficiency programs are designed, based upon kWh sales adjusted
16 for system and line losses.

17

18 **Q. WHAT BILLING DETERMINANTS DID EPE USE TO CALCULATE ITS**
19 **2012 EECRF?**

20 A. EPE utilized projected 2012 kWh sales by rate class based on EPE's 2010 Long Term
21 Forecast.

22

1 Q. **HOW WAS THE EECRF DETERMINED USING 2012 PROJECTED**
2 **BILLING UNITS?**

3 A. The total energy efficiency costs allocated to each rate class, which includes the 2010
4 amortized deferred costs, the 2010 performance bonus and the 2012 program costs,
5 plus the under-recovery for each rate class, were divided by the 2012 projected kWh
6 sales for each rate class to produce the EECRF by rate class.

7

8 Q. **WERE SYSTEM AND LINE LOSSES USED TO DEVELOP THE EECRF**
9 **FACTORS?**

10 A. Yes. The allocation of program costs between customer classes was performed based
11 on kWh sales adjusted for system and line losses, based on the line loss study
12 proposed and approved in Docket No. 37690.

13

14 Q. **HAVE YOU PROVIDED A PROPOSED EECRF TARIFF?**

15 A. Yes. It is provided as Exhibit CH-2 to this testimony and is attached to the
16 Application as Attachment A. The tariff presents EPE's proposal, which continues
17 the Company's goal for 2011.

18

19 Q. **HOW DOES THE EECRF, AS PROPOSED, AFFECT A TYPICAL EPE**
20 **RESIDENTIAL CUSTOMER?**

21 A. The EECRF for residential customers as proposed is \$0.00170 per kWh. For 2010,
22 the average residential usage was approximately 600 kWh. So, a residential customer
23 using that amount would receive an EECRF charge in 2012 of \$1.02 per month. In

1 contrast, during 2011, the EECRF for residential customers was \$0.00169, and the
 2 comparable charge for 600 kWh of usage would have been \$1.01 per month in 2011.
 3 Please note that while the proposed residential rates exceed the Commission's 2012
 4 rate caps, they are well under the Commission's 2012 total per-month cost caps,
 5 which is \$1.30 per customer per month, and represent only a marginal increase over
 6 2011 costs.

7

8 **Q. HOW MUCH DOES EACH COST ITEM, I.E., THE DEFERRED COSTS,**
 9 **THE PERFORMANCE BONUS, THE ENERGY EFFICIENCY PROGRAM**
 10 **COSTS AND THE UNDER RECOVERY CONTRIBUTE TO THE EECRF AS**
 11 **FILED?**

12 **A.** The contribution to each rate class' EECRF is shown in Exhibit CH-1, page 1. For
 13 the residential rate class, the breakout is as follows:

14 **Table 5**

Description	EE Costs Allocated to the Residential Rate Class	Rate per kWh
Projection Program Costs	\$ 2,285,758	\$ 0.00126
Energy Efficiency Deferred Costs	\$ 706,578	\$ 0.00039
Energy Efficiency Bonus	\$ 313,410	\$ 0.00017
(Over) / Under Collection	\$ 402,260	\$ 0.00022
Total to be Recovered	\$ 3,708,006	\$ 0.00204
2012 Projected Metered kWh	818,270,978	

21

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1 V. **ENERGY EFFICIENCY PROGRAMS AND PROJECTED COSTS PER EPE'S**
2 **PROPOSAL**

3 Q. **WHAT PROGRAMS DOES EPE INTEND TO OFFER DURING THE 2012**
4 **PROGRAM YEAR?**

5 A. EPE will offer the following programs during the 2012 program year:

- 6 • Commercial SOP
- 7 • Small Commercial Solutions Program (MTP)
- 8 • Large Commercial & Industrial Solutions Program (MTP)
- 9 • Texas SCORE MTP
- 10 • Load Management SOP
- 11 • Residential Solutions Program (SOP)
- 12 • LivingWise Educational Program (MTP)
- 13 • Appliance Recycling Program (MTP)
- 14 • Solar PV Program (MTP)
- 15 • Hard-to-Reach Solutions Program (MTP)
- 16 • Energy Saver (TDHCA)

17
18 Q. **BRIEFLY DESCRIBE EACH ENERGY EFFICIENCY PROGRAM.**

19 A. A complete description of EPE's 2012 energy efficiency program offerings is
20 provided in EPE's 2011 EEPR, attached as Exhibit CH-6.

21

1 Q. ARE THERE ANY SIGNIFICANT CHANGES IN THE OPERATION OF
2 EPE'S EXISTING ENERGY EFFICIENCY PROGRAMS FROM 2011 TO
3 2012?

4 A. No. Based on EPE's proposal to maintain the same program funding levels, programs
5 and goals for 2012 as were set for 2011, the programs would remain the same.
6

7 Q. ARE THESE PROGRAMS AVAILABLE TO ALL NON-TRANSMISSION
8 CUSTOMERS, EXCLUDING AREA LIGHTING?

9 A. Yes, they are available for all non-transmission customers excluding the Area
10 Lighting customers.
11

12 Q. WHAT IS THE PROPOSED BUDGET, INCLUDING THE COMPANY'S
13 PROPOSED INCENTIVE PAYMENTS, FOR EACH ENERGY EFFICIENCY
14 PROGRAM EPE WILL OFFER IN 2012?

15 A. Exhibit CH-7 shows the forecasted energy efficiency program expenses and incentive
16 payments the Company will expend based on its 2011 plan, holding 2012 expenses
17 and demand savings constant with the projected expenditures and demand savings for
18 its 2011 programs. The forecasted costs for energy efficiency programs offered in
19 2012 are \$4,384,650. This is consistent with the amount shown for the expenditures
20 for 2011, as shown in EPE's 2011 EEPR filed on April 1, 2011 in Project 39105
21 (Table 7, page 25 of that Report).
22
23

1 **Q. WHAT ARE THE EXPECTED SAVINGS FROM EACH PROGRAM?**

2 A. The expected savings for each program are expressed in Table 6 on page 23 of
3 Exhibit CH-6.

4

5 **Q. HOW DOES THE BUDGET COMPARE TO OTHER BENCHMARKS OR**
6 **INDICIA OF REASONABLENESS?**

7 A. EPE is proposing to use its 2011 program funding levels for its energy efficiency
8 programs administered in 2012. The Commission found these projected costs to be
9 reasonable in the Company's last EECRF filing, Docket No. 38226. EPE's 2011
10 energy efficiency budget, when compared to the EPE's 2010 energy efficiency
11 budgets is similar in dollars for program implementation.

12 EPE's costs per MW and MWh saved in its energy efficiency programs in
13 2010 were comparable to the other utilities in Texas. This is shown in Exhibit CH-4,
14 which provides a comparison of the energy efficiency program expenditures and the
15 reported MW and MWh savings by Texas electric utility for 2010. For 2010, EPE
16 ranked fourth out of the nine utilities listed in dollars spent per kWh saved.

17

18 **Q. ARE THE COMPANY'S PROJECTED 2012 PROGRAM COSTS AND**
19 **INCENTIVE PAYMENTS REASONABLE?**

20 A. Yes.

21

22 **Q. WHAT ARE THE COMPANY'S PROJECTED ADMINISTRATIVE COSTS,**
23 **INCLUDING ITS RESEARCH AND DEVELOPMENT COSTS, FOR 2012,**

1 **AND HOW DO THESE COMPARE TO ITS 2010 ADMINISTRATIVE**
2 **COSTS?**

3 A. The projected administrative costs and the projected research and development costs
4 for 2012, based on the 2011 budget, are \$78,000 and \$61,000, respectively. The
5 administrative and research and development costs expended in 2010 were \$152,804
6 and \$71,665, respectively.

7

8 **Q. ARE THESE ADMINISTRATIVE COSTS REASONABLE?**

9 A. Yes. Pursuant to Rule 25.181(i), a utility's cost of administering its energy efficiency
10 programs may not exceed 15% of the utility's total program costs, and the cost of
11 research and development may not exceed 10% of the utility's total program budget.
12 EPE's projected total program costs for 2012, based on the 2011 budget, are
13 \$4,384,650. The Company's administrative costs represent less than 1.78% of its
14 projected total program costs, and the projected research and development costs are
15 1.39% of its projected total program costs. These amounts are well within the
16 Commission's limits and are reasonable.

17

18 **Q. DOES THIS AMOUNT INCLUDE COSTS FOR THE DISSEMINATION OF**
19 **INFORMATION AND OUTREACH?**

20 A. Yes.

21

22 **Q ARE THESE COSTS REASONABLE?**

23 A. Yes.

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VI. CONSEQUENCES OF STRICT COMPLIANCE WITH THE RULE

Q. WHAT ARE THE CONSEQUENCES OF STRICT COMPLIANCE WITH THE ENERGY EFFICIENCY GOAL AND COST CAPS INCLUDED IN RULE 25.181?

A. As I mentioned above, there appear to be two consequences of strict compliance with the energy efficiency goal or cost caps included in Rule 25.181, and both are less appealing than the Company's proposal. One would be to impose the cost caps but revise the goal to a level achievable with the permitted program expenditures. The other would be to impose the goal in the rule of 25% but revise the cost caps to a level that would allow for achieving that goal.

Q. WHAT LEVEL OF DEMAND SAVINGS WOULD BE ACHIEVABLE IF THE COSTS CAPS WERE IMPOSED WITHOUT REVISION ON EPE'S ENERGY EFFICIENCY PROGRAMS?

A. EPE has calculated that if the cost cap were imposed it would limit EPE's energy efficiency program budget to a level that would only allow for an achievable energy efficiency goal of 5% reduction in its five-year average annual growth in demand.

Q. HOW HAS EPE CALCULATED THE FIVE PERCENT SAVINGS?

A. The 2012 cap according to . P.U.C SUBST. R. 25.181(f)(8)(a) is "for residential customers for program years 2011 and 2012, \$1.30 if the EECRF is charged on a monthly basis or \$0.001 per kWh if it is charged on an energy basis, or the amount

1 previously authorized by the commission." According to P.U.C. SUBST.
2 R. 25.181(f)(8)(b) "for non-residential customers for program years 2011 and 2012,
3 rates designed to recover \$0.0005 per kWh for consumption of non-residential
4 customer classes that are charged an EECRF or a base rate to cover energy efficiency
5 costs." Applying the \$0.001 amount to the 2012 residential sales and the \$0.0005 to
6 the 2012 non-residential sales would allow EPE a total energy efficiency cost
7 recovery of \$3,279,344 for 2012. After removing the under-recovery in 2010 of
8 \$1,068,865 and the performance bonus of \$833,347, that would leave \$1,377,131 to
9 be used for energy efficiency programs in 2012. Utilizing the ratio of dollars per MW
10 of demand reduction in the 2012 program and applying that to the \$1,377,131
11 amount, EPE calculates that its estimated reduced demand would be 4.05 MW, which
12 would equate to an achievable energy efficiency goal of 5% reduction in the five-year
13 average annual growth in demand. These calculations are shown in Exhibit CH-9.

14
15 **Q. TURNING TO THE OTHER EXTREME, WHAT WOULD BE THE IMPACT**
16 **ON THE LEVEL OF THE EECRF IF THE GOAL OF 25% WAS IMPOSED**
17 **WITHOUT REVISION AND THE COST CAP WAS INSTEAD REVISED TO**
18 **ALLOW THE ACHIEVEMENT OF THAT GOAL?**

19 **A.** EPE would request the projected program costs for 2012 of \$6,711,089 which were
20 filed with the Commission in EPE's 2011 EEPR on April 1, 2011. The EEPR is
21 attached as Exhibit CH-6, and the breakdown of individual program costs are
22 summarized in Exhibit CH-7. Calculating the EECRF based on the 2012 program
23 costs and including the 2010 deferred costs, the 2010 performance bonus and the

1 2010 under-recovery, results in an EECRF for residential customers of \$0.00204 per
2 kWh. This calculation is shown in Exhibit CH-10.

3
4 **VII. CONCLUSION**

5 **Q. ARE THE COSTS YOU SPONSOR FOR 2012, BASED ON THE 2011**
6 **BUDGET, REASONABLE ESTIMATES OF THE COSTS NECESSARY TO**
7 **PROVIDE ENERGY EFFICIENCY PROGRAMS AND TO MEET EPE'S**
8 **ENERGY EFFICIENCY OBJECTIVES?**

9 A. Yes. The estimated costs for 2012 are reasonable and necessary. EPE exceeded its
10 energy efficiency targets for 2009 and 2010 and anticipates continuing this level of
11 performance in 2011 and 2012, based on EPE's proposal.

12
13 **Q. ARE THE DEFERRED COSTS EPE INCURRED FOR THE ENERGY**
14 **EFFICIENCY MEASURES IMPLEMENTED FROM JANUARY 1, 2010**
15 **THROUGH JUNE 30, 2010 REASONABLE AND NECESSARY?**

16 A. Yes.

17
18 **Q. UNDER EPE'S PROPOSAL, IS THE EECRF APPROPRIATELY DESIGNED,**
19 **CALCULATED AND ALLOCATED TO RATE CLASSES IN ACCORDANCE**
20 **WITH THE REQUIREMENTS OF PURA § 39.905 AND P.U.C.**
21 **SUBST. R. 25.181?**

22 A. Yes.

1 Q. **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

2 A. Yes, it does.

EL PASO ELECTRIC COMPANY
EPE's Proposed Rate Calculation for
2012 Energy Efficiency Cost Recovery Factor (EECRF)
Applicable January through December

Rate	Rate Class	(a) 2012 Projected Metered kWh	(c) Proposed Program Costs (a)	(b) Program Costs Rate per kWh	(d) 2012 Energy Efficiency Deferred Costs	(e) Deferred Costs Rate per kWh	(f) 2010 Energy Efficiency Bonus	(g) Bonus Rate per kWh	(h) 2010 (Over)/Under Recovery	(i) (Over) / Under Recovery Rate per kWh	Total Energy Efficiency Costs to be Recovered	Total Rate per kWh								
01	Residential Service	1,818,270,978	\$ 1,667,778	\$ 0.00092	\$ 706,578	\$ 0.00039	\$ 313,410	\$ 0.00017	\$ 402,260	\$ 0.00022	\$ 3,090,027	\$ 0.00170								
02	Small Commercial Service	321,148,291	132,440	0.00041	69,826	0.00022	37,838	0.00012	(1,515)	(0.00000)	238,590	0.00074								
07	Outdoor Recreational Lighting Service	5,625,533	1,358	0.00024	1,219	0.00022	937	0.00017	368	0.00007	3,883	0.00069								
08	Government Street Lighting and Signal Service	46,020,026	12,114	0.00026	10,874	0.00024	8,363	0.00018	5,480	0.00012	36,830	0.00080								
11	Municipal Pumping Service (Includes 11 - TOU)	156,531,941	119,586	0.00076	75,757	0.00048	27,472	0.00018	34,350	0.00022	257,165	0.00164								
15	Electrolytic Refining Service	0	-	-	-	-	-	-	-	NA	-	NA								
WH	Water Heating	21,463,569	25,020	0.00117	8,736	0.00041	3,769	0.00018	5,845	0.00027	43,370	0.00202								
22	Irrigation Service	2,612,532	874	0.00033	573	0.00022	413	0.00016	(208)	(0.00008)	1,651	0.00063								
24	General Service	1,436,115,969	1,704,144	0.00119	752,090	0.00052	286,076	0.00019	428,234	0.00030	3,150,543	0.00219								
25	Large Power Service (Secondary & Primary Voltage)	516,549,710	300,067	0.00058	151,947	0.00029	103,310	0.00020	94,430	0.00018	649,755	0.00126								
26	Petroleum Refinery Service	0	-	-	-	-	-	-	-	NA	-	NA								
28	Area Lighting Service	0	-	-	-	-	-	-	-	NA	-	NA								
30	Electric Furnace	0	-	-	-	-	-	-	-	NA	-	NA								
31	Military Reservation Service	0	-	-	-	-	-	-	-	NA	-	NA								
34	Cotton Gin Service	1,840,094	732	0.00040	480	0.00026	346	0.00019	131	0.00007	1,689	0.00092								
41	City & County Service	333,313,816	376,548	0.00113	166,182	0.00050	58,792	0.00018	84,986	0.00025	686,509	0.00206								
43	University Service Rate	68,159,886	39,551	0.00058	29,668	0.00044	11,093	0.00016	12,571	0.00018	92,883	0.00136								
46/47	Cogeneration	12,764,563	4,437	0.00035	2,247	0.00018	1,528	0.00012	1,933	0.00015	10,144	0.00079								
Texas Total																				
4,740,416,907											\$ 4,384,650	\$ 0.00092	\$ 1,976,177	\$ 0.00042	\$ 833,347	\$ 0.00018	\$ 1,068,865	\$ 0.00023	\$ 8,263,040	\$ 0.00174

(a) 2012 Proposed Program Costs based on 2011 Program Costs.

EL PASO ELECTRIC COMPANY
Allocation of
Total Energy Efficiency Costs

Program Costs	Total Deferred Costs	12-Month Recovery of Deferred Costs	2010 Performance Bonus	2012 Projected Costs	Total Costs to be Recovered	Service Categories											
						Residential	Small Commercial Service	Outdoor Recreational Lighting Service	Govt. Street Lighting & Signal Service	Municipal Pumping Service	Electrolytic Refining Service	Curtable Electrolytic Refining Service	Water Heating Service	Irrigation Service			
Large C&I SOP	1,310,678	436,893	-	280,025	716,918	-	-	-	-	41,992	-	-	-	-	-	-	631
Hard-to-Reach SOP	400,431	133,477	-	-	133,477	131,891	-	-	-	-	-	-	-	-	-	-	1,586
Small Commercial SOP	69,267	23,089	-	-	23,089	-	2,384	-	-	-	-	-	-	-	-	-	237
Residential SOP	139,285	46,428	-	-	46,428	45,877	-	-	-	-	-	-	-	-	-	-	552
Residential Solutions Program - New	-	-	-	225,010	225,010	222,336	-	-	-	-	-	-	-	-	-	-	2,674
Small Commercial Solutions - New	-	-	-	482,399	482,399	-	49,807	-	-	-	-	-	-	-	-	-	4,962
EPE Texas SCORE	1,584,988	528,329	-	594,699	1,123,028	149,251	103,497	2,564	22,875	75,144	-	-	-	-	-	-	1,795
Residential/Small Comm. Solutions	507,194	169,065	-	-	169,065	632,598	-	-	-	-	-	-	-	-	-	-	7,608
HTR Solutions	369,385	123,128	-	517,078	640,206	-	-	-	-	-	-	-	-	-	-	-	-
Large C&I Solutions Program	623,231	207,744	-	712,950	920,694	-	-	-	-	53,927	-	-	-	-	-	-	810
Energy Star Homes	5,460	1,820	-	-	1,820	1,798	-	-	-	-	-	-	-	-	-	-	22
Load Management	113,842	37,947	-	360,000	397,947	44,924	-	-	-	23,913	-	-	-	-	-	-	540
Statewide CFL Program	136,393	45,464	-	-	45,464	526,000	-	-	-	-	-	-	-	-	-	-	6,326
Living Wise Program - Texas	616,012	205,337	-	326,989	532,326	-	-	-	-	-	-	-	-	-	-	-	-
Energy Saver	-	-	-	-	-	2,406	290	7	64	211	-	-	-	-	-	-	29
EUMMOT Consulting	19,194	6,398	-	-	6,398	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOP Outside Consulting	14,244	4,748	-	-	4,748	1,786	216	5	48	157	-	-	-	-	-	-	21
Appliance Recycling	6,690	2,230	-	385,500	387,730	383,122	-	-	-	-	-	-	-	-	-	-	4,608
PV/Solar Program	12,238	4,079	-	500,000	504,079	232,368	28,054	-	-	-	-	-	-	-	-	-	2,795
2019 Performance Bonus	-	-	833,347	-	833,347	313,410	37,838	937	8,363	27,472	-	-	-	-	-	-	3,769
Total	5,928,552	1,976,177	833,347	4,384,650	7,194,175	2,687,767	240,105	3,514	31,350	222,815	-	-	-	-	-	-	1,859

EL PASO ELECTRIC COMPANY
Allocation of
Total Energy Efficiency Costs

Program Costs	General Service	Large Power Service	Transmission		Petroleum		Private Area		Military		Cotton Gin Service	Interruptible		City and County Service	University Service	Supplemental		Maintenance & Backup Power Service	Total
			Voltage Service	Refining Service	Interruptible Power Service	Lighting Service	Furnace Rate	Electric Service	Reservation Service	Service Rate - Large Power		Power Service	Power Service						
Large C&I SOP	406,700	157,911	-	-	-	-	-	-	-	-	529	-	-	89,865	16,955	-	-	2,335	716,918
Hard-to-Reach SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,477
Small Commercial SOP	16,764	-	-	-	-	-	-	-	-	-	-	-	-	3,704	-	-	-	-	23,089
Residential SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,428
Residential Solutions Program - New	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225,010
Small Commercial Solutions - New	350,241	-	-	-	-	-	-	-	-	-	-	-	-	77,389	-	-	-	-	482,399
EPE Texas SCORE	727,792	-	-	-	-	-	-	-	-	-	-	-	-	160,813	30,341	-	-	-	1,123,028
Residential/Small Comm. Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	169,065
HTR Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	640,206
Large C&I Solutions Program	522,301	202,796	-	-	-	-	-	-	-	-	679	-	-	115,408	21,774	-	-	2,999	920,694
Energy Star Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,820
Load Management	231,604	89,926	-	-	-	-	-	-	-	-	-	-	-	51,175	-	-	-	1,330	397,947
Statewide CFL Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,464
Living Wise Program - Texas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	532,326
Energy Saver	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EUMMOT Consulting	2,043	793	-	-	-	-	-	-	-	-	3	-	-	451	85	-	-	12	6,398
Outside Services Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOP Outside Consulting	1,516	589	-	-	-	-	-	-	-	-	2	-	-	335	63	-	-	9	4,748
Appliance Recycling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PV/Solar Program	197,273	-	-	-	-	-	-	-	-	-	-	-	-	43,590	-	-	-	-	387,730
2019 Performance Bonus	266,076	103,310	-	-	-	-	-	-	-	-	346	-	-	58,792	11,093	-	-	1,528	504,079
Total	2,722,309	555,325	-	-	-	-	-	-	-	-	1,559	-	-	601,523	80,312	-	-	8,211	7,194,175

EL PASO ELECTRIC COMPANY
Allocation of
2012 Deferred Costs

Program Costs	Total Deferred Costs	12-Month Recovery of Deferred Costs	2010 Performance Bonus	2012 Projected Costs	Total Costs to be Recovered
Large C&I SOP	1,310,678	436,893	-	-	436,893
Hard-to-Reach SOP	400,431	133,477	-	-	133,477
Small Commercial SOP	69,267	23,089	-	-	23,089
Residential SOP	139,285	46,428	-	-	46,428
Residential Solutions Program - New	-	-	-	-	-
Small Commercial Solutions - New	-	-	-	-	-
EPE Texas SCORE	1,584,988	528,329	-	-	528,329
Residential/Small Comm. Solutions	507,194	169,065	-	-	169,065
HTR Solutions	369,385	123,128	-	-	123,128
Large C&I Solutions Program	623,231	207,744	-	-	207,744
Energy Star Homes	5,460	1,820	-	-	1,820
Load Management	113,842	37,947	-	-	37,947
Statewide CFL Program	136,393	45,464	-	-	45,464
Living Wise Program - Texas	616,012	205,337	-	-	205,337
Energy Saver	-	-	-	-	-
EUMMOT Consulting	19,194	6,398	-	-	6,398
Outside Services Consulting	-	-	-	-	-
SOP Outside Consulting	14,244	4,748	-	-	4,748
Appliance Recycling	6,690	2,230	-	-	2,230
PV/Solar Program	12,238	4,079	-	-	4,079
2019 Performance Bonus	-	-	-	-	-
Total	5,928,532	1,976,177	-	-	1,976,177

	Outdoor			Curtilable			Water		
	Residential Service	Small Commercial Service	Recreational Lighting Service	Govt. Street Lighting & Signal Service	Municipal Pumping Service	Electrolytic Refining Service	Electrolytic Refining Service	Heating Service	Irrigation Service
	131,891	-	-	-	25,590	-	-	1,586	384
	-	2,384	-	-	-	-	-	237	-
	45,877	-	-	-	-	-	-	552	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	48,690	1,206	10,762	35,352	-	-	-	-
	149,251	18,019	-	-	-	-	-	1,795	-
	121,665	-	-	-	12,168	-	-	1,463	-
	-	-	-	-	-	-	-	-	183
	1,798	-	-	-	-	-	-	22	-
	-	-	-	-	2,280	-	-	-	-
	44,924	-	-	-	-	-	-	540	-
	202,897	-	-	-	-	-	-	2,440	-
	-	-	-	-	-	-	-	-	-
	2,406	290	7	64	211	-	-	29	3
	-	-	-	-	-	-	-	-	-
	1,786	216	5	48	157	-	-	21	2
	2,203	-	-	-	-	-	-	27	-
	1,880	227	-	-	-	-	-	23	-
	-	-	-	-	-	-	-	-	-
	706,578	69,826	1,219	10,874	75,757	-	-	8,736	573

EL PASO ELECTRIC COMPANY
Allocation of
2012 Deferred Costs

Program Costs	General Service	Large Power Service	Transmission Voltage Service	Petroleum Refining Service	Interruptible Power Service	Private Area Lighting Service	Electric Furnace Rate	Military Reservation Service	Cotton Gin Service	Interruptible Service Rate - Large Power	City and County Service	University Service	Supplemental Power Service	Maintenance & Backup Power Service	Total
Large C&I SOP	247,845	96,232	-	-	-	-	-	-	322	-	54,764	10,333	-	1,423	436,893
Hard-to-Reach SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,477
Small Commercial SOP	16,764	-	-	-	-	-	-	-	-	-	3,704	-	-	-	23,089
Residential SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,428
Residential Solutions Program - New	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial Solutions - New	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EPE Texas SCORE	342,390	-	-	-	-	-	-	-	-	-	75,655	14,274	-	-	528,329
Residential/Small Comm. Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	169,065
HTR Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	123,128
Large C&I Solutions Program	117,851	45,758	-	-	-	-	-	-	153	-	26,040	4,913	-	677	207,744
Energy Star Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,820
Load Management	22,085	8,575	-	-	-	-	-	-	-	-	4,880	-	-	127	37,947
Statewide CFL Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,464
Living Wise Program - Texas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	205,337
Energy Saver	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EUMMOT Consulting	2,043	793	-	-	-	-	-	-	3	-	451	85	-	12	6,398
Outside Services Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOP Outside Consulting	1,516	589	-	-	-	-	-	-	2	-	335	63	-	9	4,748
Appliance Recycling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,230
PV/Solar Program	1,596	-	-	-	-	-	-	-	-	-	353	-	-	-	4,079
2019 Performance Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	752,090	151,947	-	-	-	-	-	-	480	-	166,182	29,668	-	2,247	1,976,177

Program Costs	Total Deferred Costs	12-Month Recovery of Deferred Costs	2010 Performance Bonus	2012 Projected Costs	Total Costs to be Recovered
Large C&I/SOP	-	-	-	280,025	280,025
Hard-to-Reach SOP	-	-	-	-	-
Small Commercial SOP	-	-	-	-	-
Residential SOP	-	-	-	-	-
Residential Solutions Program - New	-	-	-	225,010	225,010
Small Commercial Solutions - New	-	-	-	482,399	482,399
EPE Texas SCORE	-	-	-	594,699	594,699
Residential/Small Comm. Solutions	-	-	-	-	-
HTR Solutions	-	-	-	517,078	517,078
Large C&I Solutions Program	-	-	-	712,950	712,950
Energy Star Homes	-	-	-	-	-
Load Management	-	-	-	360,000	360,000
Statewide CFL Program	-	-	-	-	-
Living Wise Program - Texas	-	-	-	326,989	326,989
Energy Saver	-	-	-	-	-
EUMMOT Consulting	-	-	-	-	-
Outside Services Consulting	-	-	-	-	-
SOP Outside Consulting	-	-	-	-	-
Appliance Recycling	-	-	-	385,500	385,500
PV/Solar Program	-	-	-	500,000	500,000
2019 Performance Bonus	-	-	-	-	-
Total	-	-	-	4,384,650	4,384,650

Residential Service	Small Commercial Service	Outdoor Recreational Lighting Service	Govt. Street Lighting & Signal Service	Municipal Pumping Service	Electrolytic Refining Service	Curtable Electrolytic Refining Service	Water Heating Service	Irrigation Service
-	-	-	-	16,402	-	-	-	246
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
222,336	-	-	-	-	-	-	2,674	-
-	49,807	-	-	-	-	-	4,962	-
-	54,807	1,358	12,114	39,792	-	-	-	-
-	-	-	-	-	-	-	-	-
510,933	-	-	-	41,759	-	-	6,145	-
-	-	-	-	21,633	-	-	-	627
-	-	-	-	-	-	-	-	-
323,103	-	-	-	-	-	-	3,886	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
380,919	-	-	-	-	-	-	4,581	-
230,488	27,827	-	-	-	-	-	2,772	-
1,667,778	132,440	1,358	12,114	119,586	-	-	25,020	874

EL PASO ELECTRIC COMPANY
Allocation of
2012 Projected Costs

Program Costs	General Service	Large Power Service	Transmission Voltage Service	Petroleum Refining Service	Interruptible Power Service	Private Area Lighting Service	Electric Furnace Rate	Military Reservation Service	Cotton Gin Service	Interruptible Service Rate - Large Power	City and County Service	University Service	Supplemental Power Service	Maintenance & Backup Power Service	Total
Large C&I SOP	158,855	61,679	-	-	-	-	-	-	207	-	35,101	6,623	-	912	280,025
Hard-to-Reach SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Solutions Program - New	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial Solutions - New	350,241	-	-	-	-	-	-	-	-	-	77,389	-	-	-	225,010
EPE Texas SCORE	385,402	-	-	-	-	-	-	-	-	-	85,159	16,067	-	-	482,399
Residential/Small Comm. Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	594,699
HTR Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large C&I Solutions Program	404,450	157,037	-	-	-	-	-	-	526	-	89,367	16,861	-	2,322	517,078
Energy Star Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Load Management	209,519	81,351	-	-	-	-	-	-	-	-	46,295	-	-	1,203	360,000
Statewide CFL Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Living Wise Program - Texas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Saver	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EUMMOT Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOP Outside Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appliance Recycling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PV/Solar Program	195,677	-	-	-	-	-	-	-	-	-	43,237	-	-	-	385,500
2019 Performance Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000
Total	1,704,144	300,067	-	-	-	-	-	-	732	-	376,548	39,551	-	4,437	4,384,650

EL PASO ELECTRIC COMPANY
Allocation of
2010 Performance Bonus

Program Costs	General Service	Large Power Service	Transmission Voltage Service	Petroleum Refining Service	Interruptible Power Service	Private Area Lighting Service	Electric Furnace Rate	Military Reservation Service	Cotton Gin Service	Interruptible Service Rate - Large Power	City and County Service	University Service	Supplemental Power Service	Maintenance & Backup Power Service	Total
Large C&I SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard-to-Reach SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Solutions Program - New	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial Solutions - New	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EPE Texas SCORE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential/Small Comm. Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HTR Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large C&I Solutions Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Star Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Load Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Statewide CFL Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Living Wise Program - Texas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Saver	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EUMMOT Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOP Outside Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appliance Recycling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PV/Solar Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019 Performance Bonus	266,076	103,310	-	-	-	-	-	-	346	-	58,792	11,093	-	1,528	833,347
Total	266,076	103,310	-	-	-	-	-	-	346	-	58,792	11,093	-	1,528	833,347

EL PASO ELECTRIC COMPANY
Deferred Energy Efficiency Costs
Included in EECRF Calculation

Exhibit CH-1
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Program Costs	Sept - Dec 2007	Jan - Feb 2008	Mar- Dec 2008	2009	Jan - Jun 2010	Total
Large C&I SOP	130,386	173,294	248,256	580,274	11,095	1,143,305
Hard-to-Reach SOP	101,655	3,450	137,978	94,246	2,060	339,389
Small Commercial SOP	2,571	3,348	35,958	15,597	2,781	60,255
Residential SOP	-	-		126,410	1,972	128,382
EPE Texas SCORE	55,908	37,272	507,447	560,761	259,254	1,420,642
Residential/Small Comm. Solutions	-	-		299,553	178,190	477,743
HTR Solutions	-	-		130,382	223,153	353,535
Large C&I Solutions Program	-	-		427,432	155,825	583,257
Energy Star Homes	-	-		3,456	1,673	5,129
Load Management	-	-		101,490	3,557	105,047
Statewide CFL Program	-	-	56,519	65,937	(1,375)	121,081
Living Wise Program - Texas	-	-		266,643	319,797	586,440
Energy \$aver	-	-		-	-	-
EUMMOT Consulting	-	-		-	18,802	18,802
Outside Services Consulting	-	-		-	-	-
SOP Outside Consulting	741	21		-	12,999	13,761
Appliance Recycling	-	-		-	6,554	6,554
PV/Solar Program	-	-		-	11,988	11,988
Total	291,261	217,385	986,158	2,672,181	1,208,325	5,375,310

Return	Sept - Dec 2007	Jan - Feb 2008	Mar- Dec 2008	2009	Jan - Jun 2010	Total
Large C&I SOP	1,804	6,757	30,879	75,234	52,699	167,373
Hard-to-Reach SOP	1,406	4,361	12,706	26,441	16,128	61,042
Small Commercial SOP	36	133	1,689	4,414	2,740	9,012
Residential SOP	-	-	-	5,319	5,584	10,903
EPE Texas SCORE	773	2,642	24,602	77,615	58,714	164,346
Residential/Small Comm. Solutions	-	-	-	12,605	16,846	29,451
HTR Solutions	-	-	-	5,486	10,364	15,850
Large C&I Solutions Program	-	-	-	17,986	21,988	39,974
Energy Star Homes	-	-	-	145	186	331
Load Management	-	-	-	4,271	4,524	8,795
Statewide CFL Program	-	-	1,975	7,801	5,536	15,312
Living Wise Program - Texas	-	-	-	11,220	18,352	29,572
Energy \$aver	-	-	-	-	-	-
EUMMOT Consulting	-	-	-	-	392	392
Outside Services Consulting	-	-	-	-	-	-
SOP Outside Consulting	10	32	57	74	310	483
Appliance Recycling	-	-	-	-	136	136
PV/Solar Program	-	-	-	-	250	250
Total	4,029	13,925	71,908	248,611	214,749	553,222

EL PASO ELECTRIC COMPANY
Deferred Energy Efficiency Costs
Included in EECRF Calculation

Exhibit CH-1
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Total Deferred	Sept - Dec 2007	Jan - Feb 2008	Mar- Dec 2008	2009	Jan - Jun 2010	Total
Large C&I SOP	132,190	180,051	279,135	655,508	63,794	1,310,678
Hard-to-Reach SOP	103,061	7,811	150,684	120,687	18,188	400,431
Small Commercial SOP	2,607	3,481	37,647	20,011	5,521	69,267
Residential SOP	-	-	-	131,729	7,556	139,285
EPE Texas SCORE	56,681	39,914	532,049	638,376	317,968	1,584,988
Residential/Small Comm. Solutions	-	-	-	312,158	195,036	507,194
HTR Solutions	-	-	-	135,868	233,517	369,385
Large C&I Solutions Program	-	-	-	445,418	177,813	623,231
Energy Star Homes	-	-	-	3,601	1,859	5,460
Load Management	-	-	-	105,761	8,081	113,842
Statewide CFL Program	-	-	58,494	73,738	4,161	136,393
Living Wise Program - Texas	-	-	-	277,863	338,149	616,012
Energy Saver	-	-	-	-	-	-
EUMMOT Consulting	-	-	-	-	19,194	19,194
Outside Services Consulting	-	-	-	-	-	-
SOP Outside Consulting	751	53	57	74	13,309	14,244
Appliance Recycling	-	-	-	-	6,690	6,690
PV/Solar Program	-	-	-	-	12,238	12,238
Total	295,290	231,310	1,058,066	2,920,792	1,423,074	5,928,532

EL PASO ELECTRIC COMPANY
Projected Energy Efficiency Costs
January 1 - December 31, 2012

Program	Workorder	Projected 2012 (a)
Large C&I SOP	XR7501901755	\$ 280,025
Hard-toReach SOP	XR7501901756	
Small Commercial SOP	XR7501901757	
Residential SOP	XR7501901771	
Residential Solutions Program (Added)		225,010
Small Commercial Solutions (Added)		482,399
EPE Texas SCORE	XR7501901761	594,699
Residential/Small Comm. Solutions	XR7501901766	
HTR Solutions	XR7501901767	517,078
Large C&I Solutions Program	XR7501901768	712,950
Energy Star Homes	XR7501901769	
Load Management	XR7501901770	360,000
Statewide CFL Program	XR7501901763	
Living Wise Program - Texas	XR7501901765	326,989
Energy \$aver - Weatherization	CT7501600754	
EUMMOT Consulting	CT7501600755	
Outside Services Consulting	CT7501600756	
SOP Outside Consulting	XR7501901759	
Appliance Recycling	XR7501901773	385,500
PV/Solar Program	XR7501901772	500,000
Total		<u>\$ 4,384,650</u>

(a) Projected 2012 Energy Efficiency Costs Based on 2011 Projected Costs.

EL PASO ELECTRIC COMPANY
 Allocator Development for
 Energy Efficiency Costs
 Test-Year kWh at Source

Description	Outdoor					Curtailable			
	Residential	Small Commercial Service	Recreational Lighting Service	Govt. Street Lighting & Signal Service	Municipal Pumping Service	Electrolytic Refining Service	Electrolytic Refining Service	Water Heating Service	Irrigation Service
Total Test-Year kWh	1,765,374,003	213,132,565	5,280,686	47,107,598	154,744,612	57,431,788	31,159,506	21,232,293	2,324,817
Total EE Applicable kWh	1,765,374,003	213,132,565	5,280,686	47,107,598	154,744,612	0	0	21,232,293	2,324,817
Total EE Applicable %	37.6%	4.5%	0.1%	1.0%	3.3%	0.0%	0.0%	0.5%	0.0%
Residential kWh	1,765,374,003	0	0	0	0	0	0	21,232,293	0
Residential %	98.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%
Res. & Small Comm. kWh	1,765,374,003	213,132,565	0	0	0	0	0	21,232,293	0
Res. & Small Comm. %	88.3%	10.7%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%
Res., Commercial & Gov kWh	1,765,374,003	213,132,565	0	0	0	0	0	21,232,293	0
Res. & Small Comm. %	46.1%	5.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%
Small Commercial kWh	0	213,132,565	0	0	0	0	0	21,232,293	0
Commercial %	0.0%	10.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%
Governmental kWh	0	213,132,565	5,280,686	47,107,598	154,744,612	0	0	0	0
Governmental %	0.0%	9.2%	0.2%	2.0%	6.7%	0.0%	0.0%	0.0%	0.0%
Commercial & Industrial kWh	0	0	0	0	154,744,612	0	0	0	2,324,817
Commercial & Industrial %	0.0%	0.0%	0.0%	0.0%	5.9%	0.0%	0.0%	0.0%	0.1%
Large Comm. & Industrial kWh	0	0	0	0	154,744,612	0	0	0	0
Large Comm. & Industrial %	0.0%	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%	0.0%

EL PASO ELECTRIC COMPANY
 Allocator Development for
 Energy Efficiency Costs
 Test-Year kWh at Source

Exhibit CH-1
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Description	General Service		Large Power Service		Transmission Voltage Service		Petroleum Refining Service		Interruptible Power Service		Private Area Lighting Service		Electric Furnace Rate		Military Reservation Service		Cotton Gin Service	
Total Test-Year kWh	1,498,747,259	585,157,287	24,615,006	393,828,430	199,347,692	27,140,791	17,255,466	150,094,191	1,948,897									
Total EE Applicable kWh	1,498,747,259	581,924,726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total EE Applicable %	31.9%	12.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Residential kWh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Res. & Small Comm. kWh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Res. & Small Comm. %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Res., Commercial & Gov kWh	1,498,747,259	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Res. & Small Comm. %	39.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Small Commercial kWh	1,498,747,259	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial %	72.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Governmental kWh	1,498,747,259	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Governmental %	64.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial & Industrial kWh	1,498,747,259	581,924,726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial & Industrial %	56.7%	22.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Large Comm. & Industrial kWh	1,498,747,259	581,924,726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Large Comm. & Industrial %	58.2%	22.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

EL PASO ELECTRIC COMPANY
 Allocator Development for
 Energy Efficiency Costs
 Test-Year kWh at Source

Exhibit CH-1
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Description	Interruptible Service Rate - Large Power	City and County Service	University Service	Supplementary Power Service	Maintenance & Backup Power Service	Total
Total Test-Year kWh	97,904,179	331,163,895	62,482,095	0	8,604,314	5,696,077,370
Total EE Applicable kWh	0	331,163,895	62,482,095		8,604,314	4,694,067,760
Total EE Applicable %	0.0%	7.1%	1.3%	0.0%	0.2%	100.0%
Residential kWh	0	0	0	0	0	1,786,606,296
Residential %	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Res. & Small Comm. kWh	0	0	0	0	0	1,999,738,861
Res. & Small Comm. %	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Res., Commercial & Gov kWh	0	331,163,895	0	0	0	3,829,650,015
Res. & Small Comm. %	0.0%	8.6%	0.0%	0.0%	0.0%	100.0%
Small Commercial kWh	0	331,163,895	0	0	0	2,064,276,012
Commercial %	0.0%	16.0%	0.0%	0.0%	0.0%	100.0%
Governmental kWh	0	331,163,895	62,482,095	0	0	2,312,658,710
Governmental %	0.0%	14.3%	2.7%	0.0%	0.0%	100.0%
Commercial & Industrial kWh	0	331,163,895	62,482,095	0	8,604,314	2,641,940,615
Commercial & Industrial %	0.0%	12.5%	2.4%	0.0%	0.3%	100.0%
Large Comm. & Industrial kWh	0	331,163,895	0	0	8,604,314	2,575,184,806
Large Comm. & Industrial %	0.0%	12.9%	0.0%	0.0%	0.3%	100.0%

EL PASO ELECTRIC COMPANY
 2010 Energy Efficiency Cost Recovery Factor (EECRF) Collections
 and Energy Efficiency Costs By Texas Rate Class
 For the Period July through December 2010

Rate	Rate Class	2010 EECRF		
		Actual Collections (a)	2010 EECRF Actual Costs	(Over) / Under Collections
01	Residential Service	\$ 863,846	\$ 1,266,106	\$ 402,260
02	Small Commercial Service	136,430	134,915	(1,515)
07	Outdoor Recreational Lighting Service	1,338	1,706	368
08	Government Street Lighting and Signal Service	9,741	15,221	5,480
11	Municipal Pumping Service (Includes 11 - TOU)	89,298	123,648	34,350
15	Electrolytic Refining Service	-	-	-
WH	Water Heating	9,633	15,478	5,845
22	Irrigation Service	1,122	914	(208)
24	General Service	881,124	1,309,357	428,234
25	Large Power Service (Secondary & Primary Voltage)	189,196	283,626	94,430
26	Petroleum Refinery Service	-	-	-
28	Area Lighting Service	-	-	-
30	Electric Furnace	-	-	-
31	Military Reservation Service	-	-	-
34	Cotton Gin Service	636	766	131
41	City & County Service	204,330	289,316	84,986
43	University Service Rate	31,473	44,044	12,571
46/47	Cogeneration	2,261	\$ 4,194	\$ 1,933
Totals		\$ 2,420,428	\$ 3,489,293	\$ 1,068,865

(a) Per Book Account 182399 + Account 451000

EL PASO ELECTRIC COMPANY
Allocation of
Total Energy Efficiency Costs

Program Costs	Total Deferred Costs	6-Month Recovery of Deferred Costs	6-Month		Total Costs to be Recovered	Residential	Small Commercial Service	Outdoor		Govt. Street Lighting & Signal Service
			Energy Program Costs 2010	Efficiency Program Costs				Recreational Lighting Service	Govt. Street Lighting & Signal Service	
Large C&I SOP	1,310,678	218,446	156,999	375,445	-	-	-	-	-	-
Hard-to-Reach SOP	400,431	66,739	65,276	132,015	130,446	-	-	-	-	-
Small Commercial SOP	69,267	11,545	12,844	24,389	-	2,518	-	-	-	-
Residential SOP	139,285	23,214	3,949	27,163	26,840	-	-	-	-	-
Residential Solutions Program (Added)	-	-	-	-	-	-	-	-	-	-
Small Commercial Solutions (Added)	-	-	-	-	-	-	-	-	-	-
EPE Texas SCORE	1,584,988	264,165	456,575	720,740	-	66,423	1,646	-	-	14,681
Residential/Small Comm. Solutions	507,194	84,532	386,001	470,533	415,388	50,150	-	-	-	-
HTR Solutions	369,385	61,564	147,174	208,738	206,258	-	-	-	-	-
Large C&I Solutions Program	623,231	103,872	529,342	633,214	-	-	-	-	-	-
Energy Star Homes	5,460	910	68,329	69,239	68,416	-	-	-	-	-
Load Management	113,842	18,974	223,444	242,418	-	-	-	-	-	-
Statewide CFL Program	136,393	22,732	474	23,206	22,930	-	-	-	-	-
Living Wise Program - Texas	616,012	102,669	17,093	119,762	118,339	-	-	-	-	-
Energy Saver	-	-	-	-	-	-	-	-	-	-
EUMMOT Consulting	19,194	3,199	40,554	43,753	16,455	1,987	49	-	-	439
Outside Services Consulting	-	-	7,716	7,716	2,902	350	9	-	-	77
SOP Outside Consulting	14,244	2,374	-	2,374	893	108	3	-	-	24
Appliance Recycling	6,690	1,115	147,062	148,177	146,416	-	-	-	-	-
PV/Solar Program	12,238	2,040	238,372	240,412	110,824	13,380	-	-	-	-
Total	5,928,532	988,089	2,501,204	3,489,293	1,266,106	134,915	1,706	15,221		

EL PASO ELECTRIC COMPANY
Allocation of
Total Energy Efficiency Costs

Exhibit CH-1
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Program Costs	Municipal Pumping Service		Electrolytic Refining Service		Curtailable Electrolytic Refining Service		Water Heating Service		Irrigation Service		General Service		Large Power Service		Transmission Voltage Service	
Large C&I SOP	21,991	-	-	-	-	-	-	-	-	330	212,986	82,697	-	-	-	-
Hard-to-Reach SOP	-	-	-	-	-	-	1,569	-	-	-	-	-	-	-	-	-
Small Commercial SOP	-	-	-	-	-	-	251	-	-	-	17,707	-	-	-	-	-
Residential SOP	-	-	-	-	-	-	323	-	-	-	-	-	-	-	-	-
Residential Solutions Program (Added)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial Solutions (Added)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EPE Texas SCORE	48,226	-	-	-	-	-	-	-	-	-	467,084	-	-	-	-	-
Residential/Small Comm. Solutions	-	-	-	-	-	-	4,996	-	-	-	-	-	-	-	-	-
HTR Solutions	-	-	-	-	-	-	2,481	-	-	-	-	-	-	-	-	-
Large C&I Solutions Program	37,089	-	-	-	-	-	-	-	557	359,216	139,474	-	-	-	-	-
Energy Star Homes	-	-	-	-	-	-	823	-	-	-	-	-	-	-	-	-
Load Management	14,567	-	-	-	-	-	-	-	-	141,086	54,780	-	-	-	-	-
Statewide CFL Program	-	-	-	-	-	-	276	-	-	-	-	-	-	-	-	-
Living Wise Program - Texas	-	-	-	-	-	-	1,423	-	-	-	-	-	-	-	-	-
Energy Saver	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EUMMOT Consulting	1,442	-	-	-	-	-	198	-	22	13,970	5,424	-	-	-	-	-
Outside Services Consulting	254	-	-	-	-	-	35	-	4	2,464	957	-	-	-	-	-
SOP Outside Consulting	78	-	-	-	-	-	11	-	1	758	294	-	-	-	-	-
Appliance Recycling	-	-	-	-	-	-	1,761	-	-	-	-	-	-	-	-	-
PV/Solar Program	-	-	-	-	-	-	1,333	-	-	94,086	-	-	-	-	-	-
Total	123,648	-	-	-	-	-	15,478	914	1,309,357	283,626	-	-	-	-	-	-

EL PASO ELECTRIC COMPANY
Allocation of
Total Energy Efficiency Costs

Exhibit CH-1
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Program Costs	Petroleum Refining Service		Private Area Lighting Service		Electric Furnace Rate		Military Reservation Service		Cotton Gin Service		Interruptible Service Rate - Large Power	
	Service	Power Service	Lighting Service	Service	Furnace Rate	Rate	Reservation Service	Service	Service	Service	Rate - Large Power	
Large C&I SOP	-	-	-	-	-	-	-	-	-	277	-	-
Hard-to-Reach SOP	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial SOP	-	-	-	-	-	-	-	-	-	-	-	-
Residential SOP	-	-	-	-	-	-	-	-	-	-	-	-
Residential Solutions Program (Added)	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial Solutions (Added)	-	-	-	-	-	-	-	-	-	-	-	-
EPE Texas SCORE	-	-	-	-	-	-	-	-	-	-	-	-
Residential/Small Comm. Solutions	-	-	-	-	-	-	-	-	-	-	-	-
HTR Solutions	-	-	-	-	-	-	-	-	-	-	-	-
Large C&I Solutions Program	-	-	-	-	-	-	-	-	-	467	-	-
Energy Star Homes	-	-	-	-	-	-	-	-	-	-	-	-
Load Management	-	-	-	-	-	-	-	-	-	-	-	-
Statewide CFL Program	-	-	-	-	-	-	-	-	-	-	-	-
Living Wise Program - Texas	-	-	-	-	-	-	-	-	-	-	-	-
Energy Saver	-	-	-	-	-	-	-	-	-	-	-	-
EUMMOT Consulting	-	-	-	-	-	-	-	-	-	18	-	-
Outside Services Consulting	-	-	-	-	-	-	-	-	-	3	-	-
SOP Outside Consulting	-	-	-	-	-	-	-	-	-	1	-	-
Appliance Recycling	-	-	-	-	-	-	-	-	-	-	-	-
PV/Solar Program	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	766	-	-

EL PASO ELECTRIC COMPANY
Allocation of
Total Energy Efficiency Costs

Exhibit CH-1
Page 20 of 21

Program Costs	City and County Service	University Service	Supplemental Power Service	Maintenance & Backup Power Service	Total
Large C&I SOP	47,062	8,879	-	1,223	375,445
Hard-to-Reach SOP	-	-	-	-	132,015
Small Commercial SOP	3,913	-	-	-	24,389
Residential SOP	-	-	-	-	27,163
Residential Solutions Program (Added)	-	-	-	-	-
Small Commercial Solutions (Added)	-	-	-	-	-
EPE Texas SCORE	103,207	19,473	-	-	720,740
Residential/Small Comm. Solutions	-	-	-	-	470,533
HTR Solutions	-	-	-	-	208,738
Large C&I Solutions Program	79,373	14,976	-	2,062	633,214
Energy Star Homes	-	-	-	-	69,239
Load Management	31,175	-	-	810	242,418
Statewide CFL Program	-	-	-	-	23,206
Living Wise Program - Texas	-	-	-	-	119,762
Energy Saver	-	-	-	-	-
EUMMOT Consulting	3,087	582	-	80	43,753
Outside Services Consulting	544	103	-	14	7,716
SOP Outside Consulting	167	32	-	4	2,374
Appliance Recycling	-	-	-	-	148,177
PV/Solar Program	20,789	-	-	-	240,412
Total	289,316	44,044	-	4,194	3,489,293

EL PASO ELECTRIC COMPANY
2010 Billing Determinants

Rate	Rate Class	January through December 2010 Metered Sales kWh
01	Residential Service	1,848,214,028
02	Small Commercial Service	331,421,702
07	Outdoor Recreational Lighting Service	5,296,756
08	Government Street Lighting and Signal Service	40,464,934
11	Municipal Pumping Service (Includes 11 - TOU)	153,432,509
15	Electrolytic Refining Service	
WH	Water Heating	20,243,292
22	Irrigation Service	3,065,487
24	General Service	1,375,339,767
25	Large Power Service (Secondary & Primary Voltage)	921,590,673
26	Petroleum Refinery Service	
28	Area Lighting Service	
30	Electric Furnace	
31	Military Reservation Service	
34	Cotton Gin Service	1,786,010
41	City & County Service	316,527,029
43	University Service Rate	59,851,135
46/47	Cogeneration	18,171,474
	Totals	<u>5,095,404,796</u>

EL PASO ELECTRIC COMPANY

SCHEDULE NO. 97
ENERGY EFFICIENCY COST RECOVERY FACTOR

APPLICABILITY

Electric service billed under rate schedules having an Energy Efficiency Cost Recovery Factor Clause shall be subject to an Energy Efficiency Cost Recovery Factor ("EECRF"). The EECRF is not applicable to service billed at transmission voltage rates.

Pursuant to PUCT §25.181(f), the EECRF allows the Company to recover the cost of energy efficiency programs from the customer classes that receive services under such programs.

TERRITORY

Texas Service Area

MONTHLY RATE

Rate No.	Description	Energy Efficiency Cost Recovery Factor (\$/kWh)	
01	Residential Service Rate	\$ 0.00170	X
02	Small Commercial Service Rate	\$ 0.00074	X
07	Outdoor Recreational Lighting Service Rate	\$ 0.00069	X
08	Governmental Street Lighting and Signal Service Rate	\$ 0.00080	X
11	Municipal Pumping Service Rate	\$ 0.00164	X
11-TOU	Time-Of-Use Municipal Pumping Service Rate	\$ 0.00164	X
WH	Water Heating	\$ 0.00202	X
22	Irrigation Service Rate	\$ 0.00063	X
24	General Service Rate	\$ 0.00219	X
25	Large Power Service Rate (excludes transmission)	\$ 0.00126	X
34	Cotton Gin Service Rate	\$ 0.00092	X
41	City and County Service Rate	\$ 0.00206	X
43	University Service Rate	\$ 0.00136	X
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$ 0.00079	X
47	Backup Power Service For Cogeneration And Small Power Production Facilities	\$ 0.00079	X

Section Number 1
Sheet Number 33
Page 1 of 1

Revision Number 2
Effective with bills issued on or
after January 1, 2011

EL PASO ELECTRIC COMPANY
Historical Utility Load Growth Comparison

Growth in Peak Demand : Total System

Calendar Year	EPE Percent Growth	TNMP Percent Growth	Entergy Texas Percent Growth	AEP Texas North Percent Growth	AEP Texas Central Percent Growth	SWEPCOP Percent Growth	Oncor Percent Growth	CenterPoint Percent Growth	SPS Percent Growth
2006	1.37%	6.28%	0.58%	2.16%	0.79%	0.14%	-0.73%		4.72%
2007	8.56%	4.14%	0.58%	-10.38%	-4.92%	3.93%	-1.50%	0.66%	1.32%
2008	0.31%	-2.20%	1.16%	9.00%	6.66%	-1.59%	0.03%	0.40%	1.85%
2009	6.62%	4.07%	-7.76%	-4.95%	-6.17%	-13.28%	-0.70%	0.67%	0.60%
2010	12.03%	-1.41%	12.01%	0.43%	4.23%	3.89%	2.37%	3.09%	1.27%
Average	5.78%	2.18%	1.50%	-0.75%	0.12%	-1.38%	-0.10%	1.20%	1.95%

Growth in Energy Consumption : Total System

Calendar Year	EPE Percent Growth	TNMP Percent Growth	Entergy Texas Percent Growth	AEP Texas North Percent Growth	AEP Texas Central Percent Growth	SWEPCOP Percent Growth	Oncor Percent Growth	CenterPoint Percent Growth	SPS Percent Growth
2006	1.63%	1.20%	0.90%	0.83%	-0.01%	0.46%	0.61%		0.91%
2007	3.51%	3.11%	0.90%	-4.95%	1.63%	1.43%	-1.31%		1.08%
2008	-2.32%	3.08%	0.66%	4.16%	0.92%	0.48%	2.28%		7.31%
2009	3.84%	-0.44%	-1.59%	2.98%	1.60%	-11.36%	-4.13%		-1.58%
2010	4.75%	7.23%	3.17%	4.09%	-1.87%	12.83%	5.75%		1.84%
Average	2.28%	2.84%	0.79%	1.42%	0.46%	0.77%	0.64%		1.91%

EL PASO ELECTRIC COMPANY
Total Program Expenditures and Reported and Verified Savings
by Investor-Owned Electric Utility for 2009

Utility	Funds Expended (\$)	Demand Savings (MW)	Energy Savings (MWh)	\$/kW Savings	\$/kWh Savings
AEP-Texas Central Company	\$12,585,100	26.07	63,256.29	\$ 482.69	\$ 0.199
AEP-Texas North Company	\$1,376,800	3.26	8,418.75	\$ 422.72	\$ 0.164
Centerpoint Energy	\$25,345,473	76.11	125,427.20	\$ 333.01	\$ 0.202
Entergy Texas	\$7,870,000	13.66	33,970.00	\$ 576.13	\$ 0.232
El Paso Electric Company	\$3,379,110	5.85	17,908.00	\$ 578.12	\$ 0.189
Oncor Electric Delivery Company	\$48,305,448	98.76	271,005.90	\$ 489.14	\$ 0.178
Southwestern Electric Power Co.	\$3,075,200	9.56	17,879.83	\$ 321.81	\$ 0.172
Southwestern Public Service Co.	\$1,453,293	2.70	10,271.00	\$ 538.26	\$ 0.141
Texas-New Mexico Power Co.	\$2,419,823	4.11	11,407.00	\$ 588.76	\$ 0.212
TOTAL	\$105,810,292	240.067	559,544.00	\$ 440.75	\$ 0.189

Source: 2010 Energy Efficiency Plan and Report filings in PUCT Project No. 37982.

EL PASO ELECTRIC COMPANY
Total Program Expenditures and Reported and Verified Savings
by Investor-Owned Electric Utility for 2010

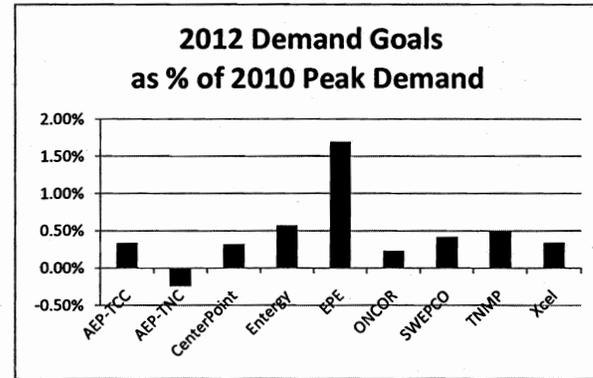
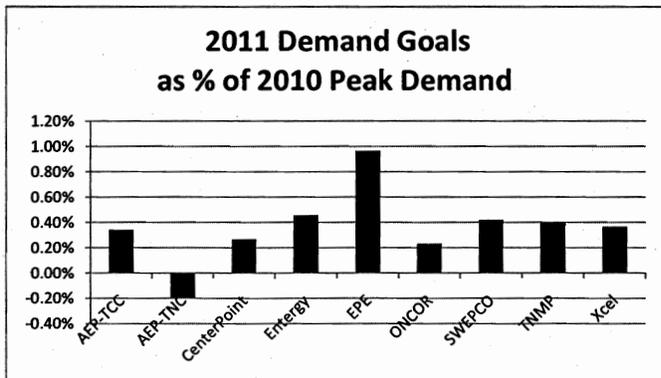
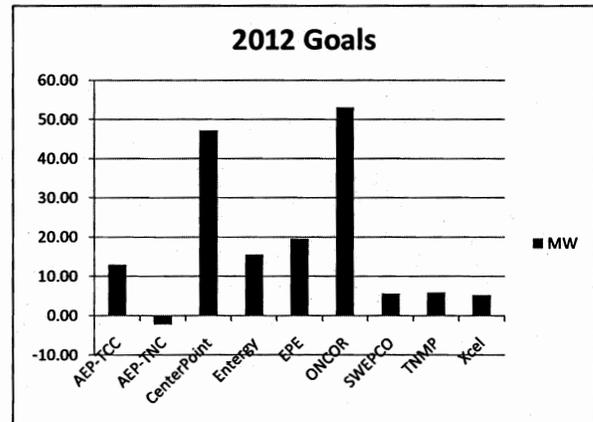
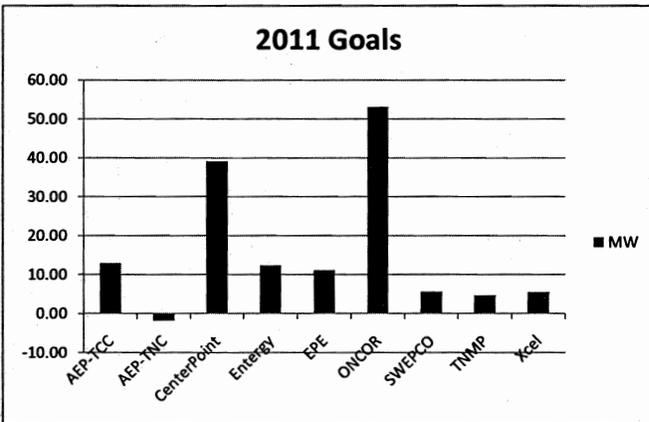
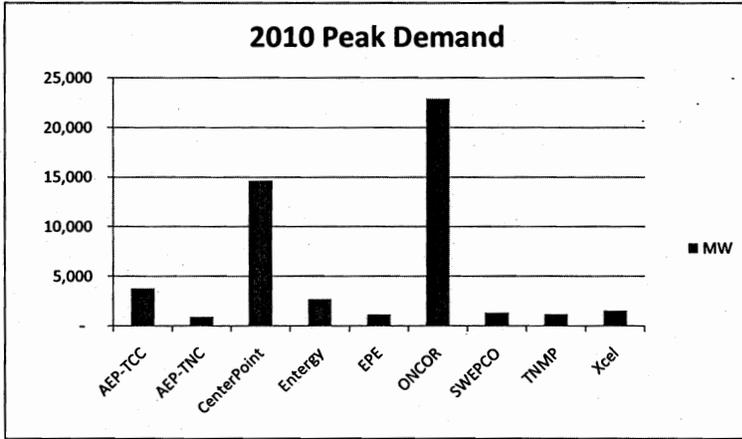
Utility	Funds Expended (\$)	Demand Savings (MW)	Energy Savings (MWh)	\$/kW Savings	\$/kWh Savings
AEP-Texas Central Company	\$12,898,280	26.96	57,665.02	\$ 478.42	\$ 0.224
AEP-Texas North Company	\$2,238,100	5.09	14,194.44	\$ 439.62	\$ 0.158
Centerpoint Energy	\$28,806,909	120.98	139,664.80	\$ 238.11	\$ 0.206
Entergy Texas	\$7,032,000	13.24	28,630.00	\$ 531.00	\$ 0.246
El Paso Electric Company	\$4,017,418	9.86	21,404.00	\$ 407.57	\$ 0.188
Oncor Electric Delivery Company	\$40,563,848	101.12	225,785.41	\$ 401.15	\$ 0.180
Southwestern Electric Power Co.	\$4,281,400	14.75	18,477.94	\$ 290.26	\$ 0.232
Southwestern Public Service Co.	\$1,996,000	3.67	15,699.00	\$ 543.87	\$ 0.127
Texas-New Mexico Power Co.	\$2,754,741	5.19	11,937.00	\$ 530.78	\$ 0.231
TOTAL	\$104,588,696	300.86	533,457.61	\$ 347.63	\$ 0.196

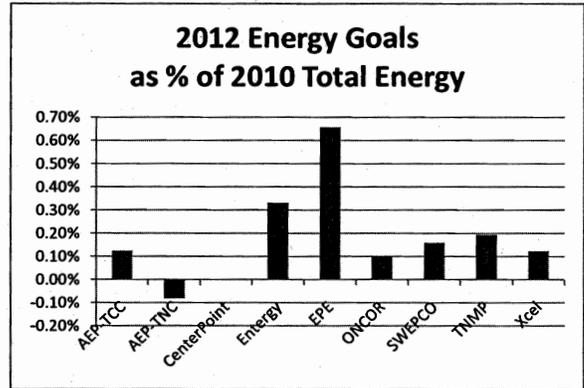
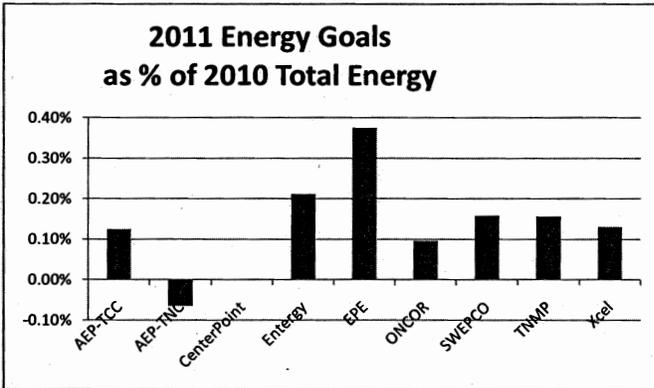
Source: 2011 Energy Efficiency Plan and Report filings in PUCT Project No. 39105.

Utility	2010		2011 Goals				2012 Goals			
	Peak MW	Total MWh	Percent of MW	Percent of 2010 Peak	Percent of MWh	Percent of 2010 Total Energy	Percent of MW	Percent of 2010 Peak	Percent of MWh	Percent of 2010 Total Energy
AEP-TCC	3,791	18,135,000	12.93	0.34%	22,657	0.12%	12.93	0.34%	22,657	0.12%
AEP-TNC	925	4,861,000	-1.82	-0.20%	(3,194)	-0.07%	-2.28	-0.25%	(3,992)	-0.08%
CenterPoint	14,628	Not Reported	39.20	0.27%	68,693		47.30	0.32%	82,853	
Entergy	2,704	10,233,463	12.40	0.46%	21,700	0.21%	15.50	0.57%	33,900	0.33%
EPE	1,155	5,210,091	11.16	0.97%	19,552	0.38%	19.55	1.69%	34,252	0.66%
ONCOR	22,892	96,657,077	53.10	0.23%	93,031	0.10%	53.10	0.23%	93,031	0.10%
SWEPSCO	1,336	6,182,000	5.60	0.42%	9,811	0.16%	5.60	0.42%	9,811	0.16%
TNMP	1,185	5,297,092	4.72	0.40%	8,266	0.16%	5.90	0.50%	10,333	0.20%
Xcel	1,517	7,452,595	5.55	0.37%	9,722	0.13%	5.22	0.34%	9,153	0.12%

AEP-TNC has negative growth

CenterPoint did not report 2010 Total Energy

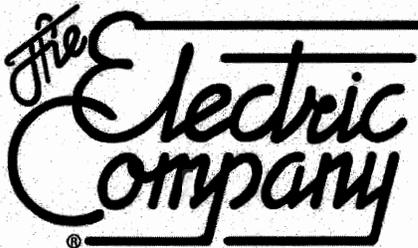




El Paso Electric Company
2011 Energy Efficiency Plan and Report
Substantive Rule § 25.181 and § 25.183

April 1, 2011

Project No. 39105



El Paso Electric

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INTRODUCTION

El Paso Electric Company (EPE) presents this Energy Efficiency Plan and Report (EEPR) to comply with Public Utility Commission of Texas (PUCT) Substantive Rules 25.181 and 25.183 (EE Rule), which implement Public Utility Regulatory Act (PURA) § 39.905. As mandated by this section of PURA, the EE Rule requires that each electric utility achieve the following demand reduction goals through market-based standard offer programs (SOPs) and limited, targeted, market transformation programs (MTPs):

- at least 20% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2011;
- at least 25% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2012;
- at least 30% of the electric utility's annual growth in demand of residential and commercial customers by December 31, 2013.

The EE Rule includes specific requirements related to the implementation of SOPs and MTPs that control the manner in which utilities must administer their portfolio of energy efficiency programs in order to achieve their mandated annual demand reduction goals. EPE's plan enables it to meet its statutory goals through implementation of energy efficiency programs in a manner that complies with PURA § 39.905 and the EE Rule. This EEPR covers the periods of time as required in Substantive Rule 25.181. The following section describes the information that is contained in each of the subsequent sections and appendices.

ENERGY EFFICIENCY PLAN AND REPORT (EEPR) ORGANIZATION

This EEPR consists of an Executive Summary, twelve sections and four appendices.

- The Executive Summary highlights EPE's reported achievements for 2010 and EPE's plans for achieving its 2011 and 2012 projected energy efficiency savings.

Energy Efficiency Plan

- Section I describes EPE's program portfolio. It details how each program will be implemented, discusses related informational and outreach activities, and provides an introduction to any programs not included in EPE's previous EEPR.
- Section II explains EPE's targeted customer classes, specifying the size of each class and the method for determining those sizes.
- Section III presents EPE's goal calculation and projected energy efficiency savings for the prescribed planning period broken out by program for each customer class.
- Section IV describes EPE's proposed energy efficiency budgets for the prescribed planning period broken out by program for each customer class.

Energy Efficiency Report

- Section V documents EPE's actual demand savings goals and energy targets for the previous five years (2006-2010).
- Section VI compares EPE's projected energy and demand savings to its reported and verified savings by program for calendar years 2009 and 2010.
- Section VII details EPE's incentive and administration expenditures for the previous five years (2006-2010) broken out by program for each customer class.
- Section VIII compares EPE's actual and budgeted program costs for 2010 broken out by program for each customer class. It also explains any cost increases or decreases of more than 10 percent for EPE's overall program budget.
- Section IX describes the results from EPE's Market Transformation (MTP) Programs.
- Section X documents EPE's most recent Energy Efficiency Cost Recovery Factor (EECRF).
- Section XI reports the number of customers served and the savings relative to the three counties served by El Paso Electric in Texas.
- Section XII details the Bonus Calculation

Appendices

- Appendix A – Reported kW and kWh Savings broken out by county for each program.
- Appendix B– Program templates for any new or newly-modified programs not included in EPE's previous EEPR.
- Appendix C – Description of EPE's existing energy efficiency contracts and obligations.
- Appendix D provides data, explanations, or documents supporting other sections of the EEPR.

EXECUTIVE SUMMARY

The Energy Efficiency Plan portion of this EEPR details EPE's plans to achieve a 20% reduction in its five year average annual growth in demand of residential and commercial customers by December 31, 2011. In the process, EPE will also address the corresponding energy savings goal, which is calculated based upon its demand savings goal using an assumed 20% capacity factor. The goals, budgets and implementation plans that are included in this EEPR are highly influenced by requirements of the EE Rule and lessons learned regarding energy efficiency service providers and customer participation in the various energy efficiency programs. A summary of annual goals and budgets is presented in Table 1.

The Energy Efficiency Report portion of this EEPR shows that in 2010 EPE implemented SOPs and MTPs required by the PURA § 39.905, achieving a demand reduction in excess of its actual growth in demand. The company exceeded the mandated goal equal to 20% of its five-year average growth in demand calculated using actual peaks for its Texas retail system. The SOPs included the Commercial SOP, the Small Commercial SOP, the Load Management SOP, the Residential SOP, and the Hard-to-Reach SOP. The MTPs included the Texas Schools and Cities Conserving Resources MTP (Texas SCORE MTP), the Large Commercial & Industrial Solutions Pilot MTP, the Residential and Small Commercial Solutions Pilot MTP, the Hard-to-Reach Solutions Pilot MTP, and the LivingWise MTP. The Energy Saver Program for low income residential customers was also implemented in 2010 in compliance with Docket No. 32289. New programs added in 2010 included the Appliance Recycling Pilot MTP and the PV/Solar Pilot MTP.

Table 1: Summary of 2009/2010 Actual Goals, Savings and Budget and 2011/2012 Projected Goals, Savings, and Budgets (at Meter)¹

Calendar Year	Average Growth in Demand (MW)	MW Goal (% of Growth in Demand)	Demand (MW) Goal	Energy (MWh) Goal ²	MW Savings ³	MWh Savings ^{2,3}	Budget (000's)
2009 ²	28.00	20%	5.68	9,945	5.845	17,908	\$3,379
2010 ³	37.86	20%	7.56	13,245	9.857	21,404	\$4,390
2011 ³	55.80	20%	11.16	19,552	11.532	23,104	\$4,324
2012 ³	78.20	25%	19.55	34,252	19.751	35,693	\$6,711

¹ Average Growth in Demand figures are from Table 4; Projected Savings from Table 5; Projected Budget from Table 6. All kW/MW and kWh/MWh figures in this Table and throughout this EEPR are given "at Meter."

² Goals for 2009 and 2010 are from EPE's EEPR as filed on April 1, 2010 (Project No. 37982); Savings for 2010 are found in the Report section of this document.

³ Projections for 2011 and 2012 are detailed in the Plan section of this document. Projections for 2012 are initial estimates and may be updated in the future.

In order to reach the above projected savings for 2011, EPE proposes to implement the following programs:

Standard Offer Programs

Large Commercial SOP

Load Management SOP

Market Transformation Programs

Texas SCORE MTP

LivingWise MTP

Appliance Recycling Pilot MTP

PV/Solar Pilot MTP

Large C&I Solutions Pilot MTP

Small Commercial Solutions Pilot MTP

Residential Solutions Pilot MTP

Hard-to-Reach Solutions Pilot MTP

Other Programs

Energy Saver Program

The Energy Saver Program is a continuation of a previous program with the Texas Department of Housing Community Affairs (TDHCA).

EPE has entered into an agreement with Resource Action Programs to continue the implementation of its Texas LivingWise MTP.

EPE has entered into an agreement with Frontier Associates LLC (Frontier Associates) to continue the implementation of its PV/Solar Pilot MTP.

EPE has also entered into a contract with CLEAResult to continue implementation of its Texas SCORE MTP and to continue implementation of the four "Solutions" pilot market transformation programs.

ENERGY EFFICIENCY PLAN

I. 2011 Programs

A. 2011 Program Portfolio

El Paso Electric Company (EPE) plans to implement ten SOPs and MTPs. These programs have been structured to comply with recently passed rules governing pilot program design and evaluation. EPE will also operate its Low-Income Weatherization and Refrigerator Program (Energy Saver Program) in conjunction with the TDHCA.

These programs target both broad market segments and specific market sub-segments that offer significant opportunities for cost-effective savings. EPE anticipates that targeted outreach to a broad range of service provider types will be necessary in order to meet the savings goals required by PURA § 39.905 on a continuing basis. Table 2 below summarizes the programs and target markets.

Table 2: 2011 Energy Efficiency Program Portfolios

Program	Target Market	Application
Commercial SOP	Large and Small Commercial and Industrial	Retrofit; New Construction
Large C&I Solutions Pilot MTP	Commercial and Industrial (>100kW)	Retrofit; New Construction
Small Commercial Solutions Pilot MTP	Small Commercial (<100kW)	Retrofit; New Construction
Texas SCORE MTP	City, County Governments & Schools	Retrofit; New Construction
Load Management SOP	Commercial, Non-profit, Government & Schools	Load Management
Residential Solutions Pilot MTP	Residential and Small Commercial	Retrofit
LivingWise MTP	Residential	Retrofit
Hard-to-Reach Solutions Pilot Program	Residential Hard-to-Reach	Retrofit
Energy Saver Program (TDHCA)	Residential Hard-to-Reach	Retrofit
New Programs for 2010		
Appliance Recycling Pilot MTP	Residential	Appliance Recycling
PV/Solar Pilot MTP	Residential and Commercial	Retrofit; New Construction

EPE reserves the option of offering additional SOPs or MTPs.

B. Existing Programs

Commercial SOP

The Commercial SOP targets small and large commercial customers. Incentives are paid to qualified project sponsors or commercial customers who act as their own project sponsor for certain measures installed in new or retrofit applications that provide verifiable demand and energy savings.

Commercial customers with a demand of 50 kW or greater may act as their own project sponsor and receive incentives for the installation of energy efficiency measures. Incentives are paid to project sponsors or commercial customers who act as their own project sponsor for certain measures that provide verifiable demand and energy savings installed in new and retrofit applications.

Residential SOP

The Residential SOP provides incentives to project sponsors for the retrofit installation of a wide range of measures that provide verifiable demand and energy savings for residential customers.

Hard-to-Reach SOP

Hard-to-Reach customers are defined by PUCT Substantive Rule 25.181 as customers with an annual household income at or below 200% of federal poverty guidelines. The Hard-to-Reach SOP provides incentives for the comprehensive retrofit installation of a wide range of measures that reduce demand and save energy. This includes certain measures with less than a 10-year life (i.e., CFLs).

Texas SCORE MTP

Consistent with SB712, which was passed by the Texas Legislature in 2005, and the Pilot Program Template adopted by the Public Utility Commission of Texas in November 2005, EPE will continue to support a Texas SCORE MTP, an energy smart schools program, in its service territory in 2011. A majority of school districts and cities lack the technical knowledge, first-hand experience, and management decision-making processes that are necessary for identifying, prioritizing, and completing projects that will improve their facilities' energy performance and reduce operating costs.

Energy Saver Program

EPE is in the process of contracting with the Texas Department of Housing Community Affairs (TDHCA) to provide Energy Star® refrigerators to low-income customers and low-income weatherization services and to pay for administration costs associated with those. EPE's past contract with the TDHCA specified that unspent funds would continue to be rolled over into subsequent years until the contract with TDHCA expires. The new agreement will have similar requirements.

EPE provides funding to TDHCA, which utilizes the funds to support low-income weatherization and refrigerator programs implemented locally by the El Paso Community Action Program, Project Bravo and Big Bend Community Action. Texas counties in which EPE provides low-income programs include El Paso County and portions of Hudspeth and Culberson Counties.

TDHCA reports measure installation data from which EPE calculates kW and kWh savings based on deemed savings values approved by the PUCT.

Large C&I Solutions Pilot MTP

Though SOPs can be useful to initiate energy efficiency projects, they often do not create sustained energy efficiency activity and permanent changes in the marketplace. This is because the SOPs are geared toward incentivizing vendors to sell and install projects, instead of providing the direct support, tools, and training necessary for customers and contractors to independently evaluate energy efficiency opportunities, secure budgets through their internal financial planning processes, or oversee those opportunities to their completion. This absence of direct intervention to address market barriers is one of the reasons why SOPs are not as successful in some markets, like the El Paso market, as others.

To address these barriers, EPE offered its commercial and industrial customers a Large C&I Solutions Pilot MTP in addition to its Large C&I SOP starting in 2009. The Large C&I Solutions program offers customers with a demand greater than 100kW both cash and non-cash incentives. The cash incentives are at a lower \$/kW than the Large C&I SOP, with the difference used to provide non-cash incentives that include technical assistance, education on financing energy efficiency projects, and communications services. The Solutions program helps companies that do not have the in-house capacity or expertise to 1) identify, evaluate, and undertake efficiency improvements; 2) properly evaluate energy efficiency proposals from vendors; and/or 3) understand how to leverage their energy savings to finance projects.

Residential and Small Commercial Solutions MTP

SOPs experience more success when a strong contractor base exists that has experience participating in residential SOPs. As with large commercial SOPs, residential programs are geared toward incentivizing vendors to sell and install projects, instead of providing the direct support, tools, and training necessary for customers and contractors to independently evaluate energy efficiency opportunities, secure budgets through their internal financial planning processes, or oversee those opportunities to their completion. EPE's service area does not have a strong contractor base that is well-trained in promoting and installing energy efficiency measures for the residential market.

The climate in El Paso is also a contributing factor to the lack of participation in SOP programs. Because of the extensive use of evaporative cooling and the lack of refrigerated air in existing buildings, many of the efficiency measures used by residential contractors (A/C systems, duct sealing, infiltration reductions, and insulation) actually achieve lower energy savings per measure

and as a result, contractors do not choose to participate in the SOP programs due to the reduced revenue potential.

To address these market gaps, starting in 2009, EPE offered its residential and small commercial customers (<100kW) a Residential and Small Commercial Solutions Pilot MTP in addition to its Residential and Small Commercial SOPs. Experience has shown that the Residential and Small Commercial Solutions Pilot MTP should be separated into two stand alone programs, the Residential Solutions Pilot MTP and the Small Commercial Solutions Pilot MTP, due to different contractor requirements and different customer characteristics. These two revised programs are described below in Section C, New Programs for 2011.

The Residential and Small Commercial Solutions Pilot MTP offers customers both cash and non-cash incentives. The cash incentives are at a lower \$/kW than the SOPs, with the difference used to provide non-cash incentives for technical assistance, education on financing energy efficiency projects, and communications services. The program focuses on improving the efficiency and installation practices of products and services that residential and small commercial consumers purchase and local contractors install. In addition to capturing kW reductions, the implementer helps residential contractors improve their ability to identify, evaluate, and sell efficiency improvements to home and small business owners and assist consumers in evaluating energy efficiency proposals from vendors.

Hard-to-Reach Solutions Pilot MTP

This program mirrors the Residential Solutions Pilot MTPs described above. The low participation in the Hard-to-Reach SOP program offered by EPE is a direct reflection of the issues related to the Residential Standard Offer Program. Programs that are only geared toward incentivizing vendors to sell and install projects will struggle unless contractors are sophisticated in how to use them. Instead, the HTR market requires providing the direct support, tools, and training necessary for customers and contractors to independently evaluate energy efficiency opportunities, secure budgets through their internal financial planning processes, and oversee those opportunities to their completion.

As in the Residential SOP, the climate in El Paso is also a contributing factor to the low participation in the Hard-to-Reach SOP. Because of the use of evaporative cooling in existing buildings, many of the efficiency measures used by residential contractors (A/C systems, duct sealing, and infiltration reductions) actually achieve lower energy savings per measure and as a result, contractors self-select out of SOP programs. Pursuant to PUCT Docket No. 36778, the Hard-to-Reach program template and residential deemed savings values were modified “to allow electric utilities the flexibility of performing additional energy efficiency measures on homes with evaporative cooling.” As a result, effective August 27, 2009, EPE is permitted to incorporate the following Hard-to-Reach envelope measures in evaporative cooled homes: ceiling, wall and floor insulation, solar screens, and Energy Star windows.

Load Management SOP

The Load Management SOP allows participating project sponsors (customers or third-party sponsors) to provide on-call, voluntary curtailment of electric consumption during peak demand periods in return for incentive payments. Incentives are based on verified demand savings that customers of EPE are able to produce in response to notifications of voluntary curtailment events from EPE. Only commercial customers taking service at the distribution level and non-profit, government, and educational customers are eligible to participate in the program. Customers are not required to produce a specific level of curtailed load but will receive payments only for the amount of curtailed load produced.

This program provides one of the most cost-effective opportunities to reduce peak summer demand by directly targeting demand reduction during peak hours. EPE will pay participating customers \$25 per kW of verified curtailed load during a scheduled curtailment and \$35 per kW of average verified curtailed load during all of the unscheduled curtailment events. Thus, each participant will be paid a total of approximately \$60 for each kW of load that is consistently curtailed through all requested events.

To qualify, participants are required to have a normal aggregate peak demand of 300 kW or greater, with each participating site having at least 300 kW normal peak demand and capable of curtailing at least 100 kW; be equipped with Interval Data Recorder meters; and be a non-residential customer of EPE taking service at the distribution level. Measurement and verification activities will be conducted for each project to verify incentive payments and program peak demand reduction. EPE will perform the verification process after any curtailment (scheduled or unscheduled) occurs. Demand savings and incentive payment amounts will be based on actual, verified load curtailments.

LivingWise MTP

The LivingWise MTP is a fully implemented program operated by Resource Action Programs of Modesto, CA. The program is designed to generate immediate and long-term energy savings for the participants. This program reduces market barriers for energy efficient technologies and practices through education of students and their families. The Program uses a school-based method that builds student knowledge, provides high efficiency devices to families and serves as an effective community outreach program to improve customer awareness of energy efficiency programs and measures.

The program identifies and enrolls students and teachers within the EPE Texas service territory. The enrolled participants receive educational materials designed to build participant knowledge and demonstrate simple ways to save energy by not only changing habits but also changing devices. Materials meet state and national educational standards, which allow the program to easily fit into teachers' existing schedules and requirements.

As part of the program, children take home a Resource Action Kit that contains high efficiency energy savings devices. With the help of their parents, students install the devices in their homes and complete a home energy audit report. The LivingWise staff tabulates all responses, including

home audits, teacher responses, student input, parent responses and generates a Program Summary Report.

EPE has identified the electricity savings from the Resource Action Kits and has included the demand and energy savings towards EPE's 2010 goal.

Appliance Recycling Pilot MTP

The Appliance Recycling Pilot MTP provides incentives to encourage EPE residential customers to recycle their older, less efficient refrigerators or freezers rather than use them as secondary or backup units. Unlike other appliances, where the old units are usually scrapped when these are replaced, older refrigerators or freezers can stay connected for years after they have been removed from the kitchen and transferred to the basement or garage or to a used appliance dealer. Utility programs targeted at reducing the number of households with secondary refrigerators or freezers have proven to be cost-effective when properly administered. The program will offer an eligible customer a \$30 incentive to permit EPE to remove and recycle one secondary refrigerator or freezer from his or her property. Though EPE's existing SOPs and MTPs have been effective in reducing demand and educating customers about the benefits of adopting efficient energy use practices, EPE believes that this cost-effective appliance recycling program provides additional demand reduction and energy savings to members of this customer class as well as reduce system-wide load and peak demand.

PV/Solar Pilot MTP

The high up-front costs of installing large solar generation systems are a barrier to customers installing energy-efficient solar generation. EPE encourages the installation of smaller residential or commercial solar photovoltaic (PV) distributed generation systems. The EPE PV/Solar MTP encourages EPE customers to install solar PV distributed generation systems at their homes or businesses by offering incentives to off-set a portion of the up-front costs. The City of El Paso has contributed additional funding for the installation of solar PV systems through this program for 2011 and 2012. EPE intends to report the demand and energy savings for customers receiving incentives from both the city funds and EPE as savings in future Energy Efficiency Plans and Reports. EPE will not seek to recover any city funds used in funding this program. In coordination with Frontier Associates and Clean Energy Associates (implementer), EPE implemented this pilot program in 2010 and is continuing this program in 2011 by offering a \$2.00/watt incentive for residential Texas-based customers and \$1.75/watt incentive to commercial Texas-based customers who install such systems.

C. New Programs for 2011

Residential Solutions Pilot MTP

Program Description

Standard Offer Programs experience more success when a strong contractor base exists – with experience participating in residential SOPs. As with the Large Commercial SOP, they are geared toward incentivizing vendors to sell and install projects, instead of providing the direct support, tools, and training necessary for customers to independently evaluate energy efficiency opportunities, secure budgets through their internal financial planning processes, or oversee those opportunities to their completion. EPE's service area does not have a strong contractor base that is well-trained in promoting and installing energy efficiency measures for the residential market.

The climate in El Paso is also a contributing factor to the lack of participation in SOP programs. Because of the extensive use of evaporative cooling and the lack of refrigerated air in existing homes, many of the efficiency measures used by residential contractors (A/C systems, duct sealing, infiltration reductions, and insulation) actually achieve lower energy savings per measure and as a result, contractors self-select out of SOP programs due to the reduced revenue potential.

To address these market gaps, EPE will offer its residential customers a Residential Solutions MTP in addition to its SOP. The Residential Solutions MTP will offer customers both cash and non-cash incentives. The cash incentives will be at a lower \$/kW than SOP, with the difference used to provide non-cash incentives for technical assistance, education on energy efficiency projects, and communications services. The Solutions program will help focus on improving the efficiency and installation practices of products and services that residential consumers purchase. In addition to capturing kW reductions, the implementer will help residential contractors improve their ability to identify, evaluate, and sell efficiency improvements to home owners and assist consumers in evaluating energy efficiency proposals from vendors.

Program Design & Setup

The implementer will develop program rules, steps, requirements, and processes necessary to implement an effective program. In support of this effort, the implementer will be able to quickly adapt many of the various application and implementation forms, steps, audit processes, and other processes from similar programs we have developed for other clients. This will help reduce the time necessary to get the program started and help minimize program development costs.

Program Manual

To maintain program consistency throughout the implementation process, the implementer will develop a program mini-manual for EPE. The manual will contain program rules, steps, guidelines, and limitations. The implementer and EPE will provide the manual to participating contractors in the program, EPE staff, the implementer's team, and other parties as determined by the EPE Program Manager or as requested by the customer (i.e. the customer's vendor and/or consultant).

Marketing & Outreach

The program implementer will work under the direction of the EPE Program Manager to create and execute an outreach strategy to recruit program participants. It is anticipated that the outreach will take several forms, including first coordinating with the EPE local residential contractors to execute a plan that will offer additional motivations for consumers to make better energy efficiency choices. The implementer will provide outreach to key energy efficiency services providers (EESPs) and invite and encourage the EESPs who are not currently doing business in the El Paso area to establish a presence in EPE's territory to further develop the third-party market. Additionally, the program implementer will also make appearances at conferences, industry meetings, and chambers of commerce to promote the program.

In the event that participation of outside contractors lags behind, the implementer will evaluate direct install options in order to achieve the kW reductions.

In addition to the general outreach strategy in the residential sector, the implementer will pay particular attention to and develop specialized implementation approaches for four key technologies: high-efficiency HVAC systems, high-efficiency lighting, multiple ENERGY STAR appliances, and insulation installation. Their focus will be to target the largest energy-using components in the home and to develop improved efficiency strategies to increase the reductions associated with those technologies

Program Implementation

As currently done in the Residential and Small Commercial MTP, the implementer's staff will provide technical support including reviewing contractor's specs, performing audits, and program applications; conducting pre- and post-construction inspections, and reviewing and evaluating proposed M&V plans. The implementer will also document energy savings using the same deemed savings values currently used in the EPE Residential and Small Commercial SOP and the Residential and Small Commercial MTP.

During program implementation, the implementer will also test the effectiveness of HVAC tune-up services for residential and small commercial customers, if it discovers that the conditioned air market in El Paso can support such a program offering. The objective will be to assess the effectiveness of this service in helping reach the kW goal. Should this approach prove successful, EPE can also consider offering this as a stand-alone program in the future.

Small Commercial Solutions Pilot MTP

Program Description

SOPs experience more success when a strong contractor base exists – with experience participating in commercial SOPs. As with the Large Commercial SOP, they are geared toward incentivizing vendors to sell and install projects, instead of providing the direct support, tools, and training necessary for customers to independently evaluate energy efficiency opportunities, secure budgets

through their internal financial planning processes, or oversee those opportunities to their completion. EPE's service area does not have a strong contractor base that is well-trained in promoting and installing energy efficiency measures for the small commercial market.

The climate in El Paso is also a contributing factor to the lack of participation in SOP programs for small commercial customers. Because of the extensive use of evaporative cooling and the lack of refrigerated air in existing buildings, many of the efficiency measures used by commercial contractors (high efficiency A/C systems, duct sealing, HVAC tune-ups) actually achieve lower energy savings per measure and as a result, contractors self-select out of SOP programs for small commercial customers due to the reduced revenue potential.

To address these market gaps, EPE will offer its small commercial customers a Small Commercial Solutions MTP in addition to its Commercial SOP. The Small Commercial Solutions MTP will offer customers both cash and non-cash incentives. The cash incentives will be at a lower \$/kW than the Commercial SOP, with the difference used to provide non-cash incentives for technical assistance, education on energy efficiency projects, and communications services. The Solutions program will focus on improving the efficiency and installation practices of products and services that small commercial consumers purchase. In addition to capturing kW reductions, the implementer will help small commercial contractors to improve their ability to identify, evaluate, and sell efficiency improvements to small business owners and assist consumers in evaluating energy efficiency proposals from vendors.

Program Design & Setup

The implementer will develop program rules, steps, requirements, and processes necessary to implement an effective program. In support of this effort, the implementer will be able to quickly adapt many of the various application and implementation forms, steps, audit processes, and other processes from similar programs we have developed for other clients. This will help reduce the time necessary to get the program started and help minimize program development costs.

Program Manual

To maintain program consistency throughout the implementation process, the implementer will develop a program mini-manual for EPE. The manual will contain program rules, steps, guidelines, and limitations. The implementer and EPE will provide the manual to participating contractors in the program, EPE staff, the implementer's team, and other parties as determined by the EPE Program Manager or as requested by the customer (i.e. the customer's vendor and/or consultant).

Marketing & Outreach

The program implementer will work under the direction of the EPE Program Manager to create and execute an outreach strategy to recruit program participants. It is anticipated that the outreach will take several forms, including first coordinating with the EPE local contractors and local retailers to execute a plan that will offer additional motivations for consumers to make better energy efficiency choices. The implementer will provide outreach to key energy efficiency services providers

(EESPs) and invite and encourage the EESPs who are not currently doing business in the El Paso area to establish a presence in EPE's territory to further develop the third party market. Additionally, the program implementer will also make appearances at conferences, industry meetings, and chambers of commerce to promote the program.

In the event that participation of outside contractors lags behind, the implementer will evaluate direct install options in order to achieve the kW reductions.

In addition to the general outreach strategy in the small commercial sector, the implementer will pay particular attention to and develop specialized implementation approaches for four key technologies: high-efficiency HVAC systems, high-efficiency lighting, cool roofs, and built-up refrigeration systems (e.g., walk-in coolers and freezers). Their focus will be to target the largest energy-using components in the small business and to develop improved efficiency strategies to increase the reductions associated with those technologies

Program Implementation

As currently done in other small commercial programs, the implementer's staff will provide technical support including reviewing contractor's specs, performing audits, and program applications; conducting pre- and post- construction inspections, and reviewing and evaluating proposed M&V plans. The implementer will also document energy savings using the same deemed savings values currently used in the EPE Commercial SOP and the Residential/Small Commercial Solutions MTP.

D. General Implementation Process

Program Implementation

EPE will conduct activities to implement Energy Efficiency Programs in a non-discriminatory and cost effective manner. For 2011, EPE intends to implement programs by following the activity schedule outlined below. Activity for 2012 will be similar.

EPE will supplement its 2011 program announcements by continuing to inform the EESP community of pertinent news and updates throughout 2011. EPE will post program notices on its energy efficiency website, offer local and Internet-based workshops (if necessary), and broadcast email notices to various energy service company associations. After having announced the 2011 programs through the use of a webinar, EPE opened its website application pages to assist EESPs in preparing project applications in January 2011. The application process gives sponsors feedback on whether particular projects are eligible and the level of incentives for which they qualify. In January 2011, EPE began to allow sponsors to submit their applications. Applications are currently being accepted and reviewed in the order of receipt. Qualified EESPs will be offered contracts to implement projects. After contract execution, the EESP can begin implementation and reporting of measures. All projects must be completed and results reported to EPE before December 1 of the program year.

Program Tracking

EPE uses an online database to record all program activity for the energy efficiency standard offer programs. The online database is accessible to project sponsors, implementers and administrators alike. All program data can be entered in real-time, capturing added customer information (class, location by county, utility account), installed measures (quantity, deemed or measured savings, serial numbers, and paid incentives), authorized incentives, inspection results (including adjustments), invoice requests, and payments. The database allows EPE to guard against duplicate incentive requests among all of EPE's programs.

Measurement and Verification

Many of the projects implemented under these programs will report demand and energy savings utilizing "deemed savings estimates" already approved by the PUCT. If deemed savings have not been approved for a particular installation, such savings will be reported using an approved measurement and verification approach.

Guidelines within the International Performance Measurement and Verification Protocol (IPMVP) will be used in the following situations:

- a PUCT-approved deemed savings estimate is not available for the energy efficiency measures included in an eligible project; or
- an EESP has elected to follow the protocol because it believes that measurement and verification activities will result in a more accurate estimate of the savings associated with the project than would application of the PUCT-approved deemed savings value.

The IPMVP is voluminous and is not included with this plan.

E. Outreach and Research Activities

EPE anticipates that outreach to a broad range of EESPs and market segments will be necessary in order to meet the savings goals required by PURA § 39.905. EPE markets the availability of its programs in the following manner:

- EPE maintains www.epelectricityefficiency.com and www.epelectric.com. EPE's websites are the primary method of communication used to provide potential project sponsors with program updates and information. It contains detailed information regarding requirements for project participation, project eligibility, end-use measure eligibility, incentive levels, application procedures, and current available funding. All application forms required for project submission are available for download on the sites.
- EPE offers outreach workshops either physically or through webinars for SOPs and MTPs. EPE invites members of the air conditioner contractor community, weatherization service providers, lighting vendors, energy efficiency vendors/contractors and national energy

service companies to participate in the workshops. These workshops explain elements such as responsibilities of the project sponsor, project requirements, incentive information, and the application and reporting processes.

- As part of EPE's outreach efforts, EPE will also continue to coordinate with the National Association of Energy Service Companies (NAESCO) and the Association of Energy Service Professionals to notify all its members about EPE's Standard Offer Programs and Market Transformation Programs.
- EPE gauges EESP interest in its workshops by the amount of participation. If warranted, EPE will offer workshops dedicated to specific programs.
- EPE coordinates the timing of its various workshops so as to avoid overlapping schedules with other utilities. This will increase accessibility to EESPs who may work in several areas.
- EPE, utilizes mass electronic mail (e-mail and webinars) notifications to keep potential project sponsors interested and informed.
- EPE participates in state-wide outreach activities as may be available and attends appropriate industry-related meetings to generate awareness and interest.

F. Existing DSM Contracts or Obligations

EPE is in the process of contracting with the Texas Department of Housing Community Affairs (TDHCA) to provide Energy Star® refrigerators to low-income customers and low-income weatherization services and to pay for administration costs associated with those. EPE's past contract with the TDHCA specified that unspent funds would continue to be rolled over into subsequent years until the contract with TDHCA expires. The new contract will have similar requirements.

EPE also has a contract with CLEAResult to implement EPE's Texas SCORE MTP and the four "Solutions" Pilot MTPs.

EPE has an agreement with Frontier Associates to continue the implementation of its PV/Solar Pilot MTP.

In addition, EPE has a contract with Resource Action Programs to implement its LivingWise MTP. The contract is for the 2010-2011 school year; the program will be implemented in the spring of 2011.

II. Customer Classes

There are approximately 252,528 residential accounts in the EPE service area (2010 data). In 2010, residential accounts, including hard-to-reach accounts, contributed 31% of residential and commercial peak demand and 37% of residential and commercial revenues. The commercial

segment consists of 31,193 accounts contributed 69% of residential and commercial peak demand in 2010. The small commercial segment, which includes common-ownership meters serving commercial and governmental customers with multiple accounts using equal to or less than 250 kW and individual commercial/governmental accounts equal or less than 100 kW, is composed of approximately 23,470 accounts. This group contributed 9% of residential and commercial revenues in 2010. Another 7,723 accounts are included in the large commercial segment. This group contributed 54% of residential and commercial revenues.

Customer classes targeted by EPE’s energy efficiency programs are the Commercial, Residential, and Hard-to-Reach customer classes. Table 3 summarizes the number of customers in each of the customer classes and each class’s percent contribution to system peak and revenues. Program budgets are set and then allocated to customer classes by examining this customer data, historical program results, economic trends, and the requirements of the PUCT Substantive Rule 25.181 requirements. Among other things, the Rule 25.181 establishes annual energy efficiency goals, requires that no less than 5% of the utility’s total demand goal should be achieved through programs for hard-to-reach customers and states that funding for SOP and MTP programs must be allocated in an equitable manner. For a more detailed discussion of these and additional factors that went into the budget allocation process, see *Program Budgets* in Section IV.

Table 3: Summary of Texas Customer Classes

Customer Class	Contribution to Texas System Peak (%)	Contribution to Texas Revenues (%)	Number of Texas Customers
Total Commercial	69%	63%	31,193
Small Commercial	7%	9%	23,470
Total Residential	31%	37%	252,528
Hard-to-Reach ⁴	14%	19%	131,315

III. Projected Energy Efficiency Savings and Goals

As prescribed by PUCT Substantive Rule 25.181, EPE’s demand goal is specified as a percent of its historical five-year average growth in demand. As an example, the 2011 goal reflects the average annual growth in peak demand from 2006 to 2010. The demand goal for 2011 is based on meeting 20% of the electric utility’s average annual growth in demand of residential and commercial customers by December 31, 2011. The demand goal for 2012 is based on meeting 25% of the electric utility’s average annual growth in demand of residential and commercial customers by December 31, 2012. The corresponding energy savings goals are determined by applying a 20% capacity factor to the applicable demand goals.

⁴ According to the U.S. Census Bureau’s 2009 Current Population Survey (CPS), 52% of El Paso County’s families fall below 200% of the poverty threshold. Applying that percentage to EPE’s residential customer base of 252,528, the number of HTR customers is estimated at 131,315.

Table 4 presents historical annual growth in demand for the previous five years that is used to calculate demand and energy goals which are identified in Table 5. The projected demand and energy savings broken out by program for each customer class for 2011 and 2012 are presented in Table 6. Projected savings for 2011 and 2012 reflect the budget allocations designed to meet EPE's goals required by Rule 25.181.

Table 4: Annual Growth in Demand and Energy Consumption (at Meter)

Calendar Year	Peak Demand (MW)		Energy Consumption (MWh)				Growth (MW)	Average Growth (MW) ⁵
	Residential & Commercial		Total System		Residential & Commercial			
	Actual	Weather Adjusted ⁶	Actual	Weather Adjusted ⁶	Actual	Weather Adjusted ⁶	Actual	Weather Adjusted ⁶
2005	931	876	5,172,749	5,172,749	4,715,347	4,715,347	NA	NA
2006	949	888	5,256,908	5,256,908	4,774,249	4,774,249	12	NA
2007	1,029	964	5,441,567	5,441,567	4,927,769	4,927,769	76	NA
2008	1,029	967	5,315,521	5,315,521	4,824,984	4,824,984	3	NA
2009	1,126	1,031	5,519,565	5,519,565	4,910,662	4,910,662	64	NA
2010	1,245	1,155	5,781,548	5,781,548	5,210,091	5,210,091	124	NA
2011	NA	NA	NA	NA	NA	NA	124	55.8
2012	NA	NA	NA	NA	NA	NA	124	78.2

“NA” = Not Applicable; Growth for 2005 over 2004 and average growth for 2005-2010 are not applicable to any of the calculations or goals in this EEPR. Energy efficiency goals are calculated based upon the actual historical growth in demand for the five most recent years, so peak demand and energy consumption forecasts for 2011 and 2012 are not applicable. The Average growth in MW for 2011 and 2012 are projected growth rates.

⁵ Average historical growth in demand over the prior five years for residential and commercial customers.

⁶ Orders in PUCT Docket Nos. 1981, 5700, 6350, 7460, 9945, and 12700 have established that EPE’s consumption is unaffected by weather and that weather normalization is not required. Calculations used to produce the following goals reflect these rulings.

Table 5. Calculation of the Demand and Energy Goals

2011 Goal Calculation					
Year	Peak Demand MW	Growth MW	Avg. Growth Prev. 5 Yr.	Demand Reduction Goal MW	Energy Savings Goal MWh
2005	876				
2006	888	12			
2007	964	76			
2008	967	3			
2009	1,031	64	28.4	5.68	
2010	1,155	124	37.8	7.56	
2011*		124	55.8	11.16	19,552
2012†			78.2	19.55	34,252

* Goal calculated at 20% of average growth over the past 5 years.

† Estimated growth and goal, growth remains constant and percent of growth increases to 25%.

Table 6: Projected Demand and Energy Savings Broken Out by Program for Each Customer Class (at Meter)

2011	Projected Savings	
Customer Class and Program	kW	kWh
Commercial	9,723	14,379,540
Commercial SOP	593	2,597,340
Small Commercial Solutions MTP	730	3,197,400
Large C&I Solutions Pilot MTP	1,400	6,132,000
Texas SCORE Pilot MTP	1,000	2,452,800
Load Management SOP	6,000	0
Residential	1,251	7,258,010
Residential Solutions MTP	300	788,400
LivingWise MTP	36	958,694
Appliance Recycling MTP	690	5,077,296
PV/Solar Pilot MTP	225	433,620
Hard-to-Reach	558	1,466,424
Hard-to-Reach Solutions MTP	558	1,466,424
Subtotal	11,532	23,103,974
Energy Saver (TDHCA)	55	269,808
Total	11,587	23,373,782
2012	Projected Savings	
Customer Class and Program	kW	kWh
Commercial	17,300	25,281,360
Commercial SOP	1,000	4,380,000
Small Commercial Solutions MTP	1,600	7,008,000
Large C&I Solutions Pilot MTP	2,500	10,950,000
Texas SCORE Pilot MTP	1,200	2,943,360
Load Management SOP	11,000	0
Residential	1,451	7,783,610
Residential Solutions MTP	500	1,314,000
LivingWise MTP	36	958,694
Appliance Recycling MTP	690	5,077,296
PV/Solar Pilot MTP	225	433,620
Hard-to-Reach	1,000	2,628,000
Hard-to-Reach Solutions MTP	1,000	2,628,000
Subtotal	19,751	35,692,970
Energy Saver (TDHCA)	55	269,808
Total	19,806	35,962,778

IV. Program Budgets

Table 7 presents total proposed budget allocations required to achieve the projected demand and energy savings shown in Table 6. The budget allocations are broken down by customer class, program, and the different budget categories: incentive payments, administration, and research and development (R&D).

The number of customers in each of the customer classes and each class's percent contribution to system peak and revenues shown in Table 3 were primary determinants in budget allocations for those classes. EPE first ensured that the 5% goal for hard-to-reach customers was met and then allocated the remaining funding between the residential, hard-to-reach, and commercial classes at levels that fell between those that would match the allocation of funds to the contribution, to revenues by class and those that would match the contribution, and to demand savings by each class to the contribution to system peak by class. A variety of additional factors and assumptions also went into the decision process.

Hard-to-reach customers are residential customers at or below 200% of the federal poverty guidelines. This is estimated to be approximately 52% of EPE's total residential load in Texas (see Footnote 4).

Avoided costs for all utilities are set at \$80 per kW per year and 6.4 cents per kWh (these costs include reserve margins and line losses).

EPE will limit administrative costs to 15% of the utility's total program costs.

EPE will limit the cost of research and development to 10% of the utility's total program costs.

The cumulative cost of administration, research and development will not exceed 20% of EPE's total program costs.

EPE used a 9.2% discount rate to calculate the present value of the avoided cost associated with a project over a 10-year life and assumed a 2% escalation rate.

Unless otherwise prescribed by rule, each energy efficiency project is assumed to have a 10-year life. The impacts associated with a particular project are equal in each of the 10 years.

For simplicity, it is assumed that an EESP that completes an energy efficiency project in a given year receives all the incentives associated with that project in the same year.

It should be noted, however, that the actual distribution of the goal and budget must remain flexible based upon the response of the marketplace, the potential interest that a customer class may have toward a specific program and the overriding objective of meeting the legislative goal. EPE will offer a portfolio of SOPs and MTPs that will be available to all customer classes.

Should funds not be reserved and used as prescribed by program milestones, EPE will reallocate those unused funds to maximize contributions towards EPE's energy efficiency goal.

Table 7: Proposed Annual Budget Broken Out by Program for Each Customer Class (000's)⁷

2011	Incentives	Admin	R&D	Total Budget
Commercial	\$2,376,073	\$28,000	\$26,000	\$2,430,073
Commercial SOP	\$252,025	\$28,000	\$0	\$280,025
Small Commercial Solutions MTP	\$482,399	\$0	\$0	\$482,399
Large C&I Solutions Pilot MTP	\$686,950	\$0	\$26,000	\$712,950
Texas SCORE MTP	\$594,699	\$0	\$0	\$594,699
Load Management SOP	\$360,000	\$0	\$0	\$360,000
Residential	\$1,352,499	\$50,000	\$35,000	\$1,437,499
Residential Solutions MTP	\$190,010	\$0	\$35,000	\$225,010
LivingWise MTP	\$326,989	\$0	\$0	\$326,989
Appliance Recycling MTP	\$385,500	\$0	\$0	\$385,500
PV/Solar Pilot MTP	\$450,000	\$50,000	\$0	\$500,000
Hard-to-Reach	\$517,078	\$0	\$0	\$517,078
Hard-to-Reach Solutions MTP	\$517,078	\$0	\$0	\$517,078
Subtotal	\$4,245,650	\$78,000	\$61,000	\$4,384,650
Energy Saver (TDHCA)	\$306,000	\$34,000	\$0	\$340,000
Total Budgets	\$4,551,650	\$112,000	\$61,000	\$4,724,650
2012	Incentives	Admin	R&D	Total Budget
Commercial	\$4,083,900	\$47,200	\$0	\$4,131,100
Commercial SOP	\$424,800	\$47,200	\$0	\$472,000
Small Commercial Solutions MTP	\$1,057,600	\$0	\$0	\$1,057,600
Large C&I Solutions Pilot MTP	\$1,227,500	\$0	\$0	\$1,227,500
Texas SCORE MTP	\$714,000	\$0	\$0	\$714,000
Load Management SOP	\$660,000	\$0	\$0	\$660,000
Residential	\$1,528,989	\$0	\$0	\$1,528,989
Residential Solutions SOP	\$316,500	\$0	\$0	\$316,500
LivingWise MTP	\$326,989	\$0	\$0	\$326,989
Appliance Recycling MTP	\$385,500	\$0	\$0	\$385,500
PV/Solar Pilot MTP	\$500,000	\$0	\$0	\$500,000
Hard-to-Reach	\$1,051,000	\$0	\$0	\$1,051,000
Hard-to-Reach Solutions MTP	\$1,051,000	\$0	\$0	\$1,051,000
Subtotal	\$6,663,889	\$47,200	\$0	\$6,711,089
Energy Saver (TDHCA)	\$306,000	\$34,000	\$0	\$340,000
Total Budgets	\$6,969,889	\$81,200	\$0	\$7,051,089

ENERGY EFFICIENCY REPORT

V. Historical Demand Goals and Energy Targets for Previous Five Years

Table 8 documents EPE's actual demand goals and energy targets for the previous five years (2006-2010) calculated in accordance with P.U.C. SUBST. R. 25.181.

Table 8: Historical Demand Savings Goals and Energy Targets (at Meter)

Calendar Year	Demand Goals (MW)	Energy Targets (MWh)
2010 ⁸	7.56	13,245
2009 ⁹	5.68	9,945
2008 ¹⁰	3.79	6,634
2007 ¹¹	2.7	10,970
2006 ¹¹	1.63	5,005

VI. Projected, Reported and Verified Demand and Energy Savings

Table 9 presents EPE's projected and actual savings for the 2009 and 2010 program years. EPE's 2009 programs produced annual savings of 5.845 MW and 17,908 MWh and the 2010 programs produced annual savings of 9.857 MW and 21,404 MWh.

The demand and energy savings from EPE's programs increased considerably from 2009 to 2010, so much so that the programs exceeded EPE's goal of 13,245 MWh of energy savings and 7.56 MW of demand reduction. EPE surpassed its goal for demand reduction by approximately 2.297 MW, or 30% over the goal.

⁸ MW and MWh goals as reported in EPE's EEPR filed April 1, 2010 under Project No. 37982.

⁹ MW and MWh goals as reported in EPE's EEPR filed in April of 2009 under Project No. 36689.

¹⁰ MW and MWh goals as reported in EPE's EEPR filed in June of 2008 under Project No. 35440.

¹¹ MW and MWh goals as reported in EPE's EE Plan filed April 1, 2006 under Project No. 32107.

Table 9: Projected versus Reported and Verified Savings for 2009 and 2010 (at Meter)

2009	Projected Savings		Reported and Verified Savings	
Customer Class and Program	MW	MWh	MW	MWh
Commercial	4.090	18,113	5.108	14,270
Commercial SOP	1.878	11,752	1.677	6,824
Small Commercial SOP	0.210	900	0.000	0
Large C&I Solutions Pilot MTP	0.650	2,848	0.642	4,049
Texas SCORE Pilot MTP	1.352	2,614	1.408	3,397
Load Management SOP	0	0	1.381	0
Residential	1.152	3,625	0.460	2,624
Residential SOP	0.395	1,077	0.139	745
Statewide CFL	0.087	874	0.089	886
Res. & Small Comm. Solutions MTP	0.670	1,675	0.232	993
LivingWise MTP	0	0	0	0
Hard-to-Reach	0.362	704	0.118	386
Hard-to-Reach Solutions MTP	0.285	446	0.064	77
Hard-to-Reach SOP	0.077	258	0.054	309
Subtotal	5.604	22,442	5.686	17,280
Energy Saver (TDHCA)	0.085	557	0.159	628
Total	5.689	23,000	5.845	17,908
2010	Projected Savings		Reported and Verified Savings	
Customer Class and Program	MW	MWh	MW	MWh
Commercial	6.955	8,364	8.279	14,089
Commercial SOP	1.007	4,100	0.376	1,917
Small Commercial SOP	0.131	563	0.022	70
Large C&I Solutions Pilot MTP	1.000	438	1.390	7,554
Texas SCORE MTP	1.352	3,263	1.937	4,543
Load Management SOP	3.465	0	4.554	5
Residential	1.727	8,183	1.068	5,664
Residential SOP	0.190	1,016	0	0
Res. & Small Comm. Solutions MTP	0.800	2,000	0.821	3,290
LivingWise MTP	0	0	0.035	1,217
Appliance Recycling MTP	0.690	5,077	0.138	1,015
PV/Solar Pilot MTP	0.047	90	0.074	142
Hard-to-Reach	0.351	763	0.436	1,287
Hard-to-Reach SOP	0.051	293	0.045	248
Hard-to-Reach Solutions MTP	0.300	470	0.391	1,039
Subtotal	9.033	17,310	9.783	21,040
Energy Saver (TDHCA)	0.065	0	0.074	364
Total	9.098	17,310	9.857	21,404

VII. Historical Program Expenditures

Table 10 documents EPE's incentive and administration expenditures for the previous five years (2006-2010) broken out by program for each customer class. Note that this table does not present R&D expenditures and administration costs not allocated to particular programs; as a result, spending for the Energy Star New Homes Study is not included here. R&D expenditures and administration costs not associated with particular programs for 2010 can be found in Table 11.

Table 10: Historical Program Incentive and Administrative Expenditures for 2006 through 2010 (000's)¹²

Programs	2010			2009			2008			2007			2006		
	Incent.	Admin		Incent.	Admin		Incent.	Admin		Incent.	Admin		Incent.	Admin	
Commercial	\$1,777,679	\$31,441		\$1,611,899	\$73,654		\$886,295	\$20,194		\$371,602	\$22,943		\$95,288	\$10,588	
Comm. SOP	\$150,271	\$17,823		\$558,906	\$21,367		\$377,418	\$15,522		\$315,694	\$19,291		\$95,288	\$10,588	
Small Comm. SOP	\$8,337	\$7,287		\$0	\$15,597		\$0	\$4,672		\$0	\$3,652		see RES SOP	see RES SOP	
Large C&I Solutions	\$685,167	\$0		\$427,432	\$0		NA	NA		NA	NA		NA	NA	
SCORE MTP	\$715,829	\$0		\$560,761	\$0		\$508,877	\$0		\$55,908	\$0		NA	NA	
Load Management SOP	\$218,075	\$6,331		\$64,800	\$36,690		NA	NA		NA	NA		NA	NA	
Residential	\$1,275,458	\$35,518		\$713,381	\$45,162		\$157,573	\$9,814		\$0	\$7,321		\$131,868	\$14,652	
Residential SOP	\$0	\$5,921		\$108,391	\$18,019		\$101,055	\$9,814		\$0	\$7,321		\$131,868	\$14,652	
Statewide CFL MTP	NA	NA		\$38,794	\$27,143		\$56,519	\$0		NA	NA		NA	NA	
Res & Small Comm. Solutions	\$564,191	\$0		\$299,553	\$0		NA	NA		NA	NA		NA	NA	
LivingWise MTP	\$336,890	\$0		\$266,643	\$0		NA	NA		NA	NA		NA	NA	
Appliance Recycling MTP	\$153,615	\$0		NA	NA		NA	NA		NA	NA		NA	NA	
PV/Solar MTP	\$220,762	\$29,597		NA	NA		NA	NA		NA	NA		NA	NA	
Hard-to-Reach	\$432,824	\$8,191		\$205,333	\$19,295		\$457,291	\$41,699		\$98,983	\$60,977		\$305,549	\$33,950	
HTR Solutions	\$370,328	\$0		\$130,382	\$0		NA	NA		NA	NA		NA	NA	
Hard-to-Reach SOP	\$62,496	\$8,191		\$74,951	\$19,295		\$124,863	\$15,699		\$98,983	\$11,977		\$305,549	\$33,950	
Subtotal	\$3,485,961	\$75,150		\$2,530,613	\$138,111		\$1,501,159	\$71,707		\$470,585	\$91,241		\$532,705	\$59,190	
Energy Saver Program	\$399,483	\$56,824		\$679,930	\$27,000		\$332,428	\$26,000		\$553,612	\$49,000		NA	NA	
Total	\$3,885,444	\$131,974		\$3,210,543	\$165,111		\$1,833,587	\$97,707		\$1,024,197	\$140,241		\$532,705	\$59,190	

¹² 2010 expenditures are from Table 10 in the current EEPR; 2009 expenditures are from EEPR filed in Project No. 37982; 2008 expenditures are from EEPR filed in Project No. 36689; 2007 expenditures are from EPE's EEPR filed in Project No. 35440; 2006 expenditures are from EPE's Energy Efficiency Report (EER) filed in Project No. 33884.

VIII. Program Funding for Calendar Year 2010

As shown in Table 11, EPE spent a total of \$4,166,737 on all of its energy efficiency programs in 2010, which was 2.6% less than the total forecasted budget for 2010 of \$4,277,000. The basis of this difference is attributed to the following factors:

- Weatherization, duct efficiency and infiltration measures are not viable options in the Residential and Small Commercial and Hard-to-Reach Standard Offer Programs for the vast majority of customers because of the predominance of evaporative cooling in the region. Project Sponsors have not found a sufficient number of qualified homes with refrigerated air conditioning to install these measures.
- The Residential SOP was not able to attract any project sponsors and the Small Commercial SOP only attracted one project sponsor for one project.
- TDHCA funds are included in the budget numbers above.

Table 11: Program Funding for Calendar Year 2010

	Total Projected Budget ¹³	Numbers of Customers Participating	Actual Funds Expended (Incentives)	Actual Funds Expended (Admin)	Actual Funds Expended (R & D)	Total Funds Expended	Funds Committed (Not Expended)	Funds Remaining (Not Committed)
Commercial	\$1,762,000	209	\$1,777,679	\$31,441	\$2,596	\$1,811,716	\$ -	\$(49,716)
Commercial SOP	\$324,000	6	\$150,271	\$17,823	\$ -	\$168,094	\$ -	\$155,906
Small Commercial SOP	\$90,000	1	\$8,337	\$7,287	\$ -	\$15,624	\$ -	\$74,376
Large C&I Solutions Pilot MTP	\$542,000	63	\$685,167	\$ -	\$ -	\$685,167	\$ -	\$(143,167)
Texas SCORE Pilot MTP	\$598,000	133	\$715,829	\$ -	\$ -	\$715,829	\$ -	\$(117,829)
Load Management	\$208,000	6	\$218,075	\$6,331	\$2,596	\$227,002	\$ -	\$(19,002)
Residential	\$1,556,000	8,865	\$1,275,458	\$36,451	\$69,069	\$1,380,978	\$ -	\$175,022
Residential SOP	\$149,000	0	\$ -	\$5,921	\$ -	\$5,921	\$ -	\$143,079
Residential & Small Commercial Solutions MTP	\$553,000	290	\$564,191	\$ -	\$ -	\$564,191	\$ -	\$(11,191)
EnergyStar® New Homes Study	\$ -	0	\$ -	\$933	\$69,069	\$70,002	\$ -	\$(70,002)
LivingWise MTP	\$327,000	7,385	\$336,890	\$ -	\$ -	\$336,890	\$ -	\$(9,890)
Appliance Recycling MTP	\$386,000	1,172	\$153,615	\$ -	\$ -	\$153,615	\$ -	\$232,385
PV/Solar Pilot MTP	\$141,000 ¹⁴	18	\$220,762	\$29,597	\$ -	\$250,359	\$ -	\$(109,359)
Hard-to-Reach	\$959,000	1,336	\$832,307	\$65,015	\$ -	\$897,322	\$ -	\$61,678
Hard-to-Reach Solutions MTP	\$326,000	831	\$370,328	\$ -	\$ -	\$370,328	\$ -	\$(44,328)
Hard-to-Reach SOP	\$76,000	72	\$62,496	\$8,191	\$ -	\$70,687	\$ -	\$5,313
Energy Saver (TDHCA)	\$557,000	433	\$399,483	\$56,824	\$ -	\$456,307	\$ -	\$100,693
Admin. Expenses	\$ -			\$76,721		\$76,721	\$ -	\$(76,721)
Total	\$4,277,000	10,410	\$3,885,444	\$209,628	\$71,665	\$4,166,737	\$ -	\$110,263

¹³ Projected Budget from April 2010 EEPR filed in Project No. 37982.

¹⁴ Budget increased to \$250,000 from original \$141,000 in rate case settlement.

Table 12: Program Comparison – Budget to Actual Expenditures

Programs	2010 Budget	2010 Expenditures	Percent	>10 % Variance Explanation
Commercial	\$1,762,000	\$1,811,716	103%	
Commercial SOP	\$324,000	\$168,094	52%	Lack of EESPs, reallocated funds to performing programs
Small Commercial SOP	\$90,000	\$15,624	17%	Lack of EESPs, reallocated funds to performing programs
Large C&I Solutions Pilot MTP	\$542,000	\$685,167	126%	Increased funding from under-performing programs
Texas SCORE Pilot MTP	\$598,000	\$715,829	120%	Increased funding from under-performing programs
Load Management	\$208,000	\$227,002	109%	
Residential	\$1,556,000	\$1,380,978	89%	
Residential SOP	\$149,000	\$5,921	4%	Lack of EESPs, reallocated funds to performing programs
Residential & Small Commercial Solutions MTP	\$553,000	\$564,191	102%	
EnergyStar® New Homes Study	-	\$70,002		R&D Expenditures
Living Wise MTP	\$327,000	\$336,890	103%	
Appliance Recycling MTP	\$386,000	\$153,615	40%	Program took longer to initiate than anticipated
PV/Solar Pilot MTP	\$141,000	\$250,359	178%	Rate Case settlement increased budget to \$250,000
Hard-to-Reach	\$959,000	\$897,322	94%	
Hard-to-Reach Solutions MTP	\$326,000	\$370,328	114%	Increased funding from under-performing programs
Hard-to-Reach SOP	\$76,000	\$70,687	93%	
Energy Saver (TDHCA)	\$557,000	\$456,307	82%	Project Bravo slow in getting projects implemented
Admin. Expenses	-	\$76,721		Not allocated to specific programs
Total	\$4,277,000	\$4,166,737	97%	

IX. Market Transformation Program Results

Texas SCORE MTP

EPE introduced the Texas SCORE Pilot MTP in 2007 as a pilot MTP that promotes a structured process to public school district and local governments to identify opportunities and implement energy efficiency measures. The program pays incentives to school districts and local government entities for the installation of energy efficiency measures that reduce peak demand and energy use as well as non-cash incentive tools that identify their critical needs and promote best business practices.

As each entity commits to participating in the Texas SCORE Pilot MTP, benchmarking analysis is conducted for each facility identified. The benchmarking data compares energy performance within school district campuses and government facilities against a national average and state average. This data also serves as the program baseline data.

Opinion Dynamics Corporation conducted a “Market Assessment and Baseline Study of the School and Local Government Markets” to assist with the implementation and evaluation of the Texas SCORE Pilot MTP. Specifically, the objective of the study was to “document the current status of school and local government energy density, key equipment, practices, and management within the aforementioned utility service territories.”¹⁵

Results from the baseline study clearly indicate that there is a strong interest in energy efficiency opportunities across these markets; approximately 80% of respondents noted that they were interested in learning how to save energy. However, the study also noted that although there was interest in efficiency, several market barriers prevented cities and schools from undertaking projects that would save both energy and money. The major market barriers identified by the study were (1) cost of energy efficient technologies, (2) difficulties with the budgeting and procurement processes for planning efficiency improvements, and (3) a lack of time, knowledge and resources to plan and execute such improvements. The baseline study also identified several opportunities for efficiency upgrades specific to local governments and schools. From specific measures such as lighting and HVAC system upgrades to improvements in operation and management, opportunities to provide information, resources and funding exist in both markets.

The Texas SCORE Pilot MTP was designed to help schools and cities break through these types of market barriers. School administrators and city employees who are interested in energy efficiency, but simply lacking the technical expertise and time to implement projects can utilize the incentives and technical assistance provided by the program to implement efficiency upgrades.

The 2009 Texas SCORE Pilot MTP had 99 projects with participating districts and local government agencies in the EPE service territory. 1.4 MW of peak demand reductions were achieved through the implemented energy efficiency measures.

¹⁵ Opinion Dynamics Corporation, “Texas School and Local Government Energy Efficiency Market Assessment and Baseline Study.” February 2010.

The 2010 Texas SCORE Pilot MTP had 133 projects with participating districts and local government agencies in the EPE service territory. 1.9 MW of peak demand reductions were achieved through the implemented energy efficiency measures.

In 2011, the Texas SCORE Pilot MTP will continue working with school districts and governmental entities to expand the scope of energy efficiency opportunity areas to include measurement and verification measures. The program will also aim to consolidate the identification of opportunities, recommended technologies, and the financial benefits, by creating and disseminating encompassing reports. The C&I Solutions Pilot Program will also expand outreach to active contractors, architectural firms, engineering firms, and other building industry players, to raise overall energy efficiency practices across the marketplace.

Large C&I Solutions Pilot MTP

Though SOPs can be useful to initiate energy efficiency projects, they often do not create sustained energy efficiency activity and permanent changes in the marketplace. This is because SOPs are geared toward incentivizing vendors to sell and install projects, instead of providing customers the direct support, tools, and training necessary to independently evaluate energy efficiency opportunities, secure budgets through their internal financial planning processes, or oversee those opportunities to their completion. This absence of direct intervention to address market barriers is one of the reasons why SOPs are not as successful in some markets, such as the El Paso Market, as others.

To address these barriers, EPE offered its commercial and industrial customers the Large C&I Solutions Pilot MTP in addition to its SOP starting in 2009. This Program offered commercial electric distribution customers both cash and non-cash incentives for implementing energy efficiency improvements in 2010. Specifically, the Program includes technical assistance to help identify and evaluate energy-efficiency opportunities and administrative program management, cash incentive equal to \$250.00 per reduced peak kW) for new construction and retrofit projects that reduce peak demand, and communication support to help publicize community leadership and accomplishments in energy efficiency. EPE has partnered with CLEAResult Consulting, Inc. (CLEAResult) to administer the Program.

This Program was established to test a solutions-based approach toward garnering peak kW savings among large commercial customers. Key components of the solutions approach included: acting as a third-party unbiased player to assist business customers in identifying energy efficiency opportunities, realizing the financial benefits associated with such opportunities, evaluating contractor bids, and conveying the social and financial benefits by way of internal and community-wide communications efforts. Results of the program were substantial, as not only did the Program meet and exceed its established kW goal, but it also realized success in reaching out to the contracting community, along with affiliated architectural and engineering firms.

Thirty projects were completed under the Large C&I Solutions Pilot MTP in 2009. Approximately 642 kW of peak demand reductions and 4 million kWh of energy savings were achieved as a result of the program.

Sixty-three projects were completed under the Large C&I Solutions Program in 2010. Approximately 1,390 kW of peak demand reductions and 7.5 million kWh of energy savings were achieved as a result of the program.

In 2011, the Large C&I Solutions Pilot Program will continue working with business owners, expanding the scope of energy efficiency opportunity areas to include measurement and verification measures. The program will also aim to consolidate the identification of opportunities, recommended technologies, and the financial benefits, by creating and disseminating encompassing reports. The Large C&I Solutions Pilot MTP will also expand outreach to active contractors, architectural firms, engineering firms, and other building industry players, to raise overall energy efficiency practices across the marketplace.

Residential & Small Commercial Solutions Pilot MTP

Similar to the Large C&I Solutions Pilot Program, starting in 2009, EPE offered its residential and small commercial customers a Residential and Small Commercial Solutions Pilot Program in order to account for the gaps associated with SOPs. The Residential and Small Commercial Solutions Pilot Program offers customers both cash and non-cash incentives. The cash incentives are at a lower \$/kW than the SOP, with the difference used to provide non-cash incentives for technical assistance, education on financing energy efficiency projects, and communications services. Specifically, the Program offers direct support, tools, and training necessary for participating contractors and their customers to identify, evaluate and undertake efficiency improvements; determine which improvements will have the greatest impact on energy consumption, comfort and durability; and help participants to better understand how to leverage energy savings to finance projects. Cash incentives were offered at \$425.00 per reduced peak kW directly to the contractor for new construction and retrofit projects that reduce peak demand in 2010. El Paso Electric has partnered with CLEAResult to administer the program.

Eighty-three projects were completed under the Residential and Small Commercial Solutions Pilot MTP in 2009. Approximately 232 kW of peak demand reductions and 993,000 kWh of energy savings were achieved as a result of the program.

Two hundred ninety projects were completed under the Residential and Small Commercial Solutions Pilot MTP in 2010. Approximately 821 kW of peak demand reductions and 3,289,603 kWh of energy savings were achieved as a result of the program.

Looking toward 2011, the Residential and Small Commercial Solutions Pilot MTP will be split into two stand-alone programs; the Residential Solutions Pilot MTP and the Small Commercial Solutions MTP as described previously in the Plan portion of this document. Both of these programs will continue working with established program contractors, as well as bringing additional contractors into the fold, to train and support these entities in expanding the breadth of energy

conservation measures installed per each customer transaction. Similarly, through expanded training on best practices and applicable business models, the program will gauge the manner by which overall energy efficiency practices and installations are affected across the marketplace.

Hard-to-Reach Solutions Pilot MTP

This program mirrors the Residential and Small Solutions Commercial Pilot Program described above. The low participation in the Hard-to-Reach SOP program offered by EPE is a direct reflection of the same issues affecting the Residential and Small Commercial SOPs. The program offers residential electric customers both cash and non-cash incentives for implementing energy efficiency improvements. Designed for residential customers whose households' total income is at or below 200% of the federal poverty guidelines, the hard-to-reach program will assist customers by identifying, evaluating and undertaking efficiency improvements, properly evaluating energy efficiency proposals from vendors, overseeing opportunities to their completion and understanding how to leverage their energy savings to finance projects.

EPE will provide: the direct support, tools, and training necessary for low-income customers to independently evaluate energy efficiency opportunities; training for contractors on which efficiency options to recommend and the proper installation procedures; and information on how to finance projects so that customers and contractors understand the value of positive monthly cash flow from energy efficiency projects. The program will help customers that do not have the capacity or expertise to: 1) identify, evaluate, and undertake efficiency improvements, 2) properly evaluate energy efficiency proposals from vendors, and/or 3) understand how to leverage their energy savings to finance projects.

Through the Hard-to-Reach Solutions Pilot MTP, a substantial amount of information is gathered during implementation for the purposes of determining; 1) the total opportunity for energy efficiency among low-income customers; 2) the pace at which the program is able to influence energy efficiency investment actions by low-income customers; 3) what the key determinants are for energy efficiency investment decisions; 4) the funding mechanisms that consumers and businesses use to pay for energy efficiency projects; and 5) the metrics for energy efficiency projects (dollars saved, technologies installed, peak kW and kWh reduction, installation time, etc).

EPE has partnered with CLEAResult to administer the program. Cash incentives are offered at \$576 per reduced peak kW for new construction and retrofit projects that reduce demand.

Forty-four projects were completed under the Residential and Small Commercial Solutions Program in 2009. Approximately 64 kW of peak demand reductions and 77,000 kWh of energy savings were achieved as a result of the program.

Eight hundred thirty one projects were completed under the Residential and Small Commercial Solutions Program in 2010. Approximately 391 kW of peak demand reductions and 1,039,413 kWh of energy savings were achieved as a result of the program.

LivingWise MTP

EPE implemented the LivingWise program as part of its 2009 energy efficiency portfolio. Fully implemented by Resource Action Programs (RAP) of Modesto, CA, the program is designed to generate immediate and long term energy savings for the participants. The program uses a school-based method that builds student knowledge, provides high efficiency devices to families and serves as an effective community outreach program.

The program identifies and enrolls students and teachers within the EPE Texas service territory. The enrolled participants receive educational materials designed to build participant knowledge and demonstrate simple ways to save energy by not only changing habits but also changing devices. Materials meet state and national educational standards, which allow the Program to easily fit into teachers' existing schedules and requirements.

In 2010, EPE's LivingWise MTP was used by 7,385 sixth grade students and 145 sixth grade teachers in the El Paso area. Energy savings were estimated by RAP; however a full measurement and verification of the program was not conducted for the Texas 2010 program. EPE has also contracted with RAP to administer the identical program in its New Mexico service area. In New Mexico, the New Mexico Public Regulation Commission has selected an independent evaluator, ADM Associates Inc. to perform measurement and verification of the energy efficiency programs for all the Investor Owned Utilities in New Mexico. The New Mexico statewide evaluator has verified that the savings per kit is .0047 kW in demand and 164.85 kWh in energy. EPE has included these savings values in Table 9 above for program year 2010.

Appliance Recycling Pilot MTP

This Appliance Recycling Pilot Program provides incentives to encourage EPE residential customers to recycle their older, less efficient refrigerators or freezers rather than use them as secondary or backup units. Unlike other appliances, where the old units are usually scrapped when these are replaced, older refrigerators or freezers can stay connected for years after they have been removed from the kitchen and transferred to the basement or garage or to a used appliance dealer. Utility programs targeted at reducing the number of households with secondary refrigerators or freezers have proven to be cost-effective when properly administered. The Program offers an eligible customer a \$30 incentive to permit EPE to remove and recycle one secondary refrigerator or freezer from his or her property. Though EPE's existing SOPs and MTPs have been effective in reducing demand and educating customers about the benefits of adopting efficient energy use practices, EPE believes that this cost-effective appliance recycling program provides additional demand reduction and energy savings to members of this customer class as well as reduce system-wide load and peak demand.

One thousand one hundred seventy two appliances (refrigerators or freezers) were removed and recycled under the Appliance Recycling Pilot MTP in 2010. Approximately 138 kW of peak demand reductions and 1,014,952 kWh of energy savings were achieved as a result of the program.

PV/Solar Pilot MTP

The high up-front costs of installing large solar generation systems are a barrier to customers installing energy-efficient solar generation. EPE encourages the installation of smaller residential or commercial solar photovoltaic (PV) distributed generation systems. The PV/Solar Pilot MTP encourages EPE customers to install solar PV distributed generation systems at their homes or businesses by offering incentives to off-set a portion of the up-front costs. In coordination with Frontier Associates and Clean Energy Associates (the Implementer), EPE implemented the program with an incentive level of \$2.50/watt. This resulted in 18 participants with 74 kW in demand savings and 141,930 kWh in energy savings. Looking forward to 2011, this program will gain participants primarily due to the influx of additional funding from the City of El Paso. EPE intends to report the demand and energy savings for customers receiving incentives from both the city funds and EPE as savings in future Energy Efficiency Plans and Reports.

X. Current Energy Efficiency Cost Recovery Factor (EECRF)

In Docket No. 37690, EPE requested authorization to implement for the first time an EECRF under PUCT Substantive Rule 25.181(f). EPE proposed that it be permitted to recover all of its energy efficiency costs through the cost recovery factor tariff. In addition, EPE requested that the costs it recovers through its EECRF include the energy efficiency costs it was allowed to defer for future recovery in Docket No. 35612.¹⁶ EPE requested that the deferred costs, as well as associated carrying costs, be amortized over a three-year period. EPE requested recovery through its EECRF of (a) \$1,915,000 in energy efficiency costs projected to be incurred from July 1 through December 31, 2010, and (b) the portion of the annual amortization expense pertaining to the period from July 1 through December 31, 2010 in the amount of \$1,233,389 for the reasonable costs for energy efficiency during the period from September 1, 2007 through June 30, 2010, which were deferred pursuant to Commission authorization. To coincide with the implementation of the EECRF with the end of its rate freeze, EPE requested that the EECRF be applicable beginning July 1, 2010. The final order concluded that the agreement reached by the Signatories conformed to the requirements of PUCT Substantive Rule 25.181 and that the forecast of EECRF costs was reasonable, the assignments and allocations were appropriate, and the calculations of the EECRF were in accordance with PUCT Substantive Rule 25.181(f). The agreed upon EECRF amount of \$2,594.665 was allocated to eligible customer classes on a program-by-program basis using energy as the allocator. The cost recovery factors by rate were:

¹⁶ Application of El Paso Electric Company to Defer Energy Efficiency Costs Under PURA § 39.905 and P.U.C. Substantive Rule § 25.181(f), Docket No. 35612 (Sept. 12, 2008). The deferral of such costs by a utility with a rate freeze, together with the recovery of such costs on the expiration of the rate freeze, is expressly allowed by P.U.C. SUBST. R. 25.181(f)(7).

Table 13: 2010 Monthly Rates

Rate No.	Description	Energy Efficiency Cost Recovery Factor (\$/kWh)
01	Residential Service Rate	\$0.00093
02	Small Commercial Service Rate	\$0.00083
07	Outdoor Recreational Lighting Service Rate	\$0.00049
08	Governmental Street Lighting and Signal Service Rate	\$0.00049
11	Municipal Pumping Service Rate	\$0.00120
11-TOU	Time-Of-Use Municipal Pumping Service Rate	\$0.00120
WH	Water Heating	\$0.00122
22	Irrigation Service Rate	\$0.00070
24	General Service Rate	\$0.00132
25	Large Power Service Rate (excludes transmission)	\$0.00070
34	Cotton Gin Service Rate	\$0.00049
41	City and County Service Rate	\$0.00128
43	University Service Rate	\$0.00116
46	Maintenance Power Service For Cogeneration And Small Power Production Facilities	\$0.00057
47	Backup Power Service For Cogeneration And Small Power Production Facilities	\$0.00057

Revenue Collected

In 2010, EPE collected a total of \$2,420,428 from the EECRF.

Over- or Under-recovery

In 2010, EPE under-recovered \$174,237.

Authorized Recovery Amounts

July 1 – Dec. 31, 2010 Projected Energy Efficiency Costs	\$1,915,000
Sept.1, 2007 – June 30, 2010 amortized expense	\$1,233,389
Sub -Total	\$3,148,389
Per Book Charges for Energy Saver Program	(\$ 553,724)
Total	\$2,594,665

In Docket No. 38226, EPE requested the authority to revise its 2011 EECRF to reflect the following three components:

- 1) \$4,173,000 in energy efficiency costs projected to be incurred in 2011;

- 2) a performance bonus of \$83,849 for the Company's 2009 program performance; and
- 3) \$2,307,640 in annual amortization of the energy efficiency costs that were deferred pursuant to the final order in Docket No. 35612.

The total amount that EPE requested to be included in its 2011 EECRF was \$6,564,490. The Commission approved EPE's application to revise its EECRF on October 4, 2010, effective January 1, 2011.

XI. Underserved Counties

EPE serves customers in three counties: Culberson, Hudspeth, and El Paso. The large majority of EPE's customers (approximately 92%) live in El Paso County, and as such, it is to be expected that the energy efficiency projects performed in El Paso would outnumber those performed in Culberson or Hudspeth.

Table 14: 2010 Energy Efficiency Activities by County

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	10,491	9,856.53	21,400,768
Hudspeth County	0	0	0
Culberson County	4	0.47	3,464
Total	10,495	9,857	21,404,232

XII. Bonus Calculation

EPE achieved a 9.857 MW reduction in peak demand from its energy efficiency programs offered in 2010. EPE's demand reduction goal for 2010 was 7.56 MW. EPE's achievement represents 130% of its goal, qualifying it for a performance bonus. Per Substantive Rule 25.181, EPE is eligible for a Performance Bonus of \$833,347, which it will be requesting in its 2011 EECRF filing.

Table 15: 2010 Bonus Calculation

	kW	kWh
Demand and Energy Goals	7,560	13,245,120
Demand and Energy Savings		
<i>Reported/Verified Total (including HTR, measures with 10yr EUL, and measures with EULs < or > 10 years)</i>	9,857	21,404,232
<i>Reported/Verified Hard-to-Reach</i>	436	
Program Costs	\$4,166,737	
Performance Bonus	\$833,347	

Table 16: Bonus Details

130.38%	Percentage of Demand Reduction Goal Met (Reported kW/Goal kW)
161.60%	Percentage of Energy Reduction Goal Met (Reported kWh/Goal kWh)
TRUE	Met Requirements for Performance Bonus?
\$12,460,398	Total Avoided Cost (Reported kW * PV(Avoided Capacity Cost) + Reported kWh * PV(Avoided Energy Cost), except for measures with measure life other than 10 years for which PV(Avoided Capacity Cost) and PV(Avoided Energy Cost) are calculated using the specific measure lives)
\$4,166,737	Total Program Costs
\$8,293,661	Net Benefits (Total Avoided Cost - Total Expenses)
Bonus	
\$1,252,956	Calculated Bonus (Achieved Demand Reduction/Demand Goal - 100%) / 2) * Net Benefits)
\$833,347	Maximum Bonus Allowed (20% of Program Costs)
\$833,347	<i>Bonus (Minimum of Calculated Bonus and Bonus Limit)</i>

ACRONYMS

C&I	Commercial and Industrial
CCET	Center for the Commercialization of Electric Technologies
CFL	Compact Fluorescent Lamp
DR	Demand Response
DSM	Demand Side Management
EEP	Energy Efficiency Plan, which was filed as a separate document prior to April 2008
EEPR	Energy Efficiency Plan and Report
EER	Energy Efficiency Report, which was filed as a separate document prior to April 2008
EE Rule	Energy Efficiency Rule, PUCT Substantive Rules § 25.181 and § 25.183
EPE	El Paso Electric Company
ERCOT	Electric Reliability Council of Texas
HTR	Hard-To-Reach
M&V	Measurement and Verification
MTP	Market Transformation Program
PUCT	Public Utility Commission of Texas
REP	Retail Electrical Provider
RES	Residential
SCORE	Schools Conserving Resources
SOP	Standard Offer Program

GLOSSARY

Actual Weather Adjusted – “Actual Weather Adjusted” peak demand and energy consumption is the historical peak demand and energy consumption adjusted for weather fluctuations using weather data for the most recent ten years.

At Meter – Demand (kW/MW) and Energy (kWh/MWh) figures reported throughout the EEPR are reflective of impacts at the customer meter. This is the original format of the measured and deemed impacts which the utilities collect for their energy efficiency programs. Goals are necessarily calculated “at source” (generator) using utility system peak data at the transmission level. In order to accurately compare program impacts, goals and projected savings have been adjusted for the line losses (7%) that one would expect going from the source to the meter.

Average Growth – Average historical growth in demand (kW) over the prior 5 years for residential and commercial customers adjusted for weather fluctuations.

Capacity Factor – The ratio of the annual energy savings goal, in kWh; to the peak demand goal for the year, measured in kW, multiplied by the number of hours in the year, or the ratio of the actual annual energy savings, in kWh, to the actual peak demand reduction for the year, measured in kW, multiplied by the number of hours in the year.

Commercial customer – A non-residential customer taking service at a metered point of delivery at a distribution voltage under an electric utility’s tariff during the prior calendar year and a non-profit customer or government entity, including an educational institution. For purposes of this section, each metered point of delivery shall be considered a separate customer.

Deemed savings – A pre-determined, validated estimate of energy and peak demand savings attributable to an energy efficiency measure in a particular type of application that an electric utility may use instead of energy and peak demand savings determined through measurement and verification activities.

Demand – The rate at which electric energy is used at a given instant, or averaged over a designated period, usually expressed in kilowatts (kW) or megawatts (MW).

Demand savings – A quantifiable reduction in demand.

Energy efficiency – Improvements in the use of electricity that are achieved through facility or equipment improvements, devices, or processes that produce reductions in demand or energy consumption with the same or higher level of end-use service and that do not materially degrade existing levels of comfort, convenience, and productivity.

Energy efficiency measures – Equipment, materials, and practices at a customer’s site that result in a reduction in electric energy consumption, measured in kilowatt-hours (kWh), or peak demand, measured in kilowatts (kW), or both. These measures may include thermal energy storage and removal of an inefficient appliance so long as the customer need satisfied by the appliance is still met.

Energy efficiency program – The aggregate of the energy efficiency activities carried out by an electric utility under this section or a set of energy efficiency projects carried out by an electric utility under the same name and operating rules.

Energy Efficiency Rule (EE Rule) – P.U.C. SUBST. R. 25.181 and 25.183, which are the sections of the PUCY’s Substantive Rules that implement PURA § 39.905.

Energy savings – A quantifiable reduction in a customer’s consumption of energy that is attributable to energy efficiency measures.

Growth in demand – The annual increase in demand in the Texas portion of an electric utility’s service area at time of peak demand, as measured in accordance with the Energy Efficiency Rule.

Hard-to-reach (HTR) customers – Residential customers with an annual household income at or below 200% of the federal poverty guidelines.

Incentive payment – Payment made by a utility to an energy efficiency service provider under an energy-efficiency program.

Inspection – Examination of a project to verify that an energy efficiency measure has been installed, is capable of performing its intended function, and is producing an energy saving or demand reduction.

Load control – Activities that place the operation of electricity-consuming equipment under the control or dispatch of an energy efficiency service provider, an independent system operator or other transmission organization or that are controlled by the customer, with the objective of producing energy or demand savings.

Load management – Load control activities that result in a reduction in peak demand on an electric utility system or a shifting of energy usage from a peak to an off-peak period or from high-price periods to lower price periods.

Market transformation program (MTP) – Strategic programs to induce lasting structural or behavioral changes in the market that result in increased adoption of energy efficient technologies, services, and practices, as described in this section.

Measurement and verification (M&V) – Activities intended to determine the actual energy and demand savings resulting from energy efficiency projects as described in this section.

Peak demand – Electrical demand at the times of highest annual demand on the utility's system.

Peak demand reduction – Reduction in demand on the utility system throughout the utility system's peak period.

Peak period – For the purpose of this section, the peak period consists of the hours from one p.m. to seven p.m., during the months of June, July, August, and September, excluding weekends and Federal holidays.

Project sponsor – An energy efficiency service provider or customer who installs energy efficiency measures or performs other energy efficiency services under the Energy Efficiency Rule. An energy efficiency service provider may be a retail electric provider or commercial customer, provided that the commercial customer has a peak load equal to or greater than 50kW.

Renewable demand side management (DSM) technologies – Equipment that uses a renewable energy resource (renewable resource), as defined in §25.173(c) of this title (relating to Goal for Renewable Energy) that, when installed at a customer site, reduces the customer's net purchases of energy, demand, or both.

Standard offer program (SOP) – A program under which a utility administers standard offer contracts between the utility and energy efficiency service providers.

APPENDICES

APPENDIX A: REPORTED DEMAND AND ENERGY REDUCTION BY COUNTY

Table 17: Program Savings by County

Large Commercial & Industrial SOP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	6	376	1,916,768
Total	6	376	1,916,768

Small Commercial SOP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	1	22	70,012
Total	1	22	70,012

Load Management SOP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	6	4,554	4,554
Total	6	4,554	4,554

Residential SOP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	0	0	0
Total	0	0	0

Hard-to-Reach SOP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	72	45	247,826
Total	72	45	247,826

LivingWise

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	7,470	35	1,217,000
Total	7,470	35	1,217,000

Appliance Recycling

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	1,172	138	1,014,952
Total	1,172	138	1,014,952

PV/Solar Pilot MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	18	74	141,930
Total	18	74	141,930

Large C&I Solutions Pilot MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	63	1,390	7,554,345
Total	63	1,390	7,554,345

Residential & Small Commercial Solutions Pilot MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	290	821	3,289,603
Total	290	821	3,289,603

Hard-to-Reach Solutions Pilot MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	831	391	1,039,413
Total	831	391	1,039,413

Texas SCORE Pilot MTP

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	133	1,937	4,543,048
Total	133	1,937	4,543,048

Energy Saver TDHCA Refrigerator Replacement

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	383	45.194	331,678
Hudspeth	0	0	0
Culberson	4	0.472	3,464
Total	387	45.666	335,142

***Based on PUCT approved Deemed Savings Figures**
866 kWh / Unit Savings Single Family Housing
.118 kW / Unit Savings Single Family Housing
728 kWh / Unit Savings Multi-Family Housing
.099 kW / Unit Savings Multi-family Housing

Energy Saver TDHCA Weatherization

County	# of Customers	Reported Savings	
		kW	kWh
El Paso County	46	28.15	28,930
Hudspeth	0	0	0
Culberson	0	0	0
Total	46	28.15	28,930

***Based on PUCT approved Deemed Savings Figures**
630 kWh / Unit Savings Single Family Housing- Gas Heat
4,258 kWh / Unit Savings Single Family Housing- Electric Resistance heat
.612 kW / Unit Savings Single Family Housing- Gas Heat
.612 kW / Unit Savings Single Family Housing- Electric Resistance heat
212 kWh / Unit Savings Multi-family Housing- Gas Heat
1,154 kWh / Unit Savings Multi-Family Housing- Electric Resistance Heat
.18 kW / Unit Savings Multi-family Housing- Gas Heat
.18 kW / Unit Savings Multi-Family Housing- Electric Resistance Heat

APPENDIX B: PROGRAM TEMPLATES

No additional information on new programs to report.

APPENDIX C: EXISTING CONTRACTS AND OBLIGATIONS

EPE has the following contracts in place for the execution of the Energy Efficiency Programs for the 2011 Program Year:

- EPE is in the process of contracting with the Texas Department of Housing Community Affairs (TDHCA) to provide energy-saver refrigerators to low-income customers and low-income weatherization services and to pay for administration costs associated with those. EPE's past contract with the TDHCA specified that unspent funds would continue to be rolled over into subsequent years until the contract with TDHCA expires. The new contract will have similar requirements.
- EPE also has a contract with CLEAResult to implement EPE's Texas SCORE MTP and the four "Solutions" Pilot MTPs.
- EPE has an agreement with Frontier Associates to continue the implementation of its PV/Solar Pilot MTP.
- In addition, EPE has a contract with Resource Action Programs to implement its LivingWise MTP. The contract is for the 2010-2011 school year; the program will be implemented in the spring of 2011.

APPENDIX D: OPTIONAL SUPPORT DOCUMENTATION

The following table provides a demonstration of the cost-effectiveness of the energy efficiency programs offered to customers in EPE's Texas service territory. This analysis uses the 2010 energy savings, demand reductions and expenditures in this report and the projected energy savings, demand reductions, and expenditures for 2011 in this report. Benefits are conservatively capped at 10 years of measure life, except in the case of the Load Management SOP which is capped at 1 Year. The benefits calculation used avoided capacity costs of \$80 per KW and avoided energy costs of \$0.064 per kWh. An escalation rate of 2% and a discount rate of 9.221% were used in the benefits calculation.

2010 Customer Class and Program	Savings		Costs				Benefits				Benefit- Cost Ratio
	kW	kWh	Incentives	Admin.	R&D	Total	Avoided Capacity Costs	Avoided Energy Costs	Total	Net Benefits	
Commercial	8,279	14,089,000	\$1,777,679	\$31,441	\$2,596	\$1,811,716	\$2,425,599	\$6,308,012	\$8,733,612	\$6,921,896	4.82
Commercial SOP	376	1,917,000	\$150,271	\$17,823	\$ -	\$168,094	\$210,496	\$858,555	\$1,069,051	\$900,957	6.36
Small Commercial SOP	22	70,000	\$8,337	\$7,287	\$ -	\$15,624	\$12,316	\$31,351	\$43,667	\$28,043	2.79
Large C&I Solutions Program	1390	7,554,000	\$685,167	\$ -	\$ -	\$685,167	\$778,163	\$3,383,163	\$4,161,326	\$3,476,159	6.07
Texas SCORE Pilot MTP	1,937	4,543,000	\$715,829	\$ -	\$ -	\$715,829	\$1,084,390	\$2,034,645	\$3,119,035	\$2,403,206	4.36
Load Management SOP	4,554	5,000	\$218,075	\$6,331	\$2,596	\$227,002	\$340,234	\$299	\$340,532	\$113,530	1.50
Residential	1,068	5,664,000	\$1,275,458	\$36,451	\$69,069	\$1,380,978	\$597,898	\$2,536,699	\$3,134,597	\$1,753,619	2.27
Residential SOP	0	0	\$ -	\$5,921	\$ -	\$5,921	\$ -	\$ -	\$ -	\$(5,921)	0.00
Res & Small Comm Solutions MTP	821	3,290,000	\$564,191	\$ -	\$ -	\$564,191	\$459,620	\$1,473,472	\$1,933,092	\$1,368,901	3.43
Energy Star New Homes Study	0	0	\$ -	\$933	\$69,069	\$70,002	\$ -	\$ -	\$ -	\$(70,002)	0.00
Appliance Recycling MTP	138	1,015,000	\$153,615	\$ -	\$ -	\$153,615	\$77,257	\$454,581	\$531,838	\$378,223	3.46
PV/Solar Pilot MTP	74	142,000	\$220,762	\$29,597	\$ -	\$250,359	\$41,427	\$63,596	\$105,024	\$(145,335)	0.42
LivingWise	35	1,217,000	\$336,890	\$ -	\$ -	\$336,890	\$19,594	\$545,050	\$564,644	\$227,754	1.68
Hard-to-Reach	436	1,287,000	\$432,824	\$8,191	\$ -	\$441,015	\$244,086	\$576,401	\$820,487	\$379,471	1.86
HTR Solutions	391	1,039,000	\$370,328	\$ -	\$ -	\$370,328	\$218,894	\$465,331	\$684,225	\$313,896	1.85
Hard-to-Reach SOP	45	248,000	\$62,496	\$8,191	\$ -	\$70,687	\$25,192	\$111,070	\$136,262	\$65,576	1.93
Subtotal	9,783	21,040,000	\$3,485,961	\$76,083	\$71,665	\$3,633,709	\$3,267,583	\$9,421,113	\$12,688,696	\$9,054,987	3.49
Energy Saver (TDHCA)	74	364,000	\$399,483	\$56,824	\$ -	\$456,307	\$41,428	\$163,023	\$204,450	\$(251,857)	0.45
Admin. Expenses	0	0	\$ -	\$76,721	\$ -	\$76,721	NA	NA	\$ -	\$(76,721)	0.00
Totals	9,857	21,404,000	\$3,885,444	\$209,628	\$71,665	\$4,166,737	\$3,309,011	\$9,584,136	\$12,893,147	\$8,726,410	3.09

2011 Customer Class and Program	Projected Savings		Projected Costs				Benefits			Benefit- Cost Ratio	
	kW	kWh	Incentives	Admin.	R&D	Total	Avoided Capacity Costs	Avoided Energy Costs	Total		Net Benefits
Commercial	9,723	14,379,540	\$2,376,073	\$28,000	\$26,000	\$2,430,073	\$2,532,512	\$6,440,075	\$8,972,587	\$6,542,514	3.69
Commercial SOP	593	2,597,340	\$252,025	\$28,000	\$ -	\$280,025	\$331,979	\$1,163,254	\$1,495,234	\$1,215,209	5.34
Small Commercial Solutions MTP	730	3,197,400	\$482,399	\$ -	\$ -	\$482,399	\$408,676	\$1,432,000	\$1,840,675	\$1,358,276	3.82
Large C&I Solutions Program	1,400	6,132,000	\$686,950	\$ -	\$26,000	\$712,950	\$783,762	\$2,746,301	\$3,530,062	\$2,817,112	4.95
Texas SCORE Pilot MTP	1,000	2,452,800	\$594,699	\$ -	\$ -	\$594,699	\$559,830	\$1,098,520	\$1,658,350	\$1,063,651	2.79
Load Management SOP	6,000	0	\$360,000	\$ -	\$ -	\$360,000	\$448,265	\$ -	\$448,265	\$88,265	1.25
Residential	1,251	7,258,010	\$1,352,499	\$50,000	\$35,000	\$1,437,499	\$700,347	\$3,250,600	\$3,950,947	\$2,513,448	2.75
Res. Solutions MTP	300	788,400	\$190,010	\$ -	\$35,000	\$225,010	\$167,949	\$353,096	\$521,045	\$296,035	2.32
Appliance Recycling MTP PV/Solar Pilot MTP	690	5,077,296	\$385,500	\$ -	\$ -	\$385,500	\$386,282	\$2,273,937	\$2,660,220	\$2,274,720	6.90
LivingWise	225	433,620	\$450,000	\$50,000	\$ -	\$500,000	\$125,962	\$194,203	\$320,164	\$(179,836)	0.64
	36	958,694	\$326,989	\$ -	\$ -	\$326,989	\$20,154	\$429,364	\$449,518	\$122,529	1.37
Hard-to-Reach	558	1,466,424	\$517,078	\$ -	\$ -	\$517,078	\$312,385	\$656,758	\$969,143	\$452,065	1.87
HTR Solutions	558	1,466,424	\$517,078	\$ -	\$ -	\$517,078	\$312,385	\$656,758	\$969,143	\$452,065	1.87
Subtotal	11,532	23,103,974	\$4,245,650	\$78,000	\$61,000	\$4,384,650	\$3,545,244	\$10,347,433	\$13,892,677	\$9,508,027	3.17
Energy Saver (TDHCA)	55	269,808	\$306,000	\$34,000	\$ -	\$340,000	\$30,791	\$120,837	\$151,628	\$(188,372)	0.45
Totals	11,587	23,373,782	\$4,551,650	\$112,000	\$61,000	\$4,724,650	\$3,576,035	\$10,468,270	\$14,044,305	\$9,319,655	2.97

2010 EEPB Appendices

D-2

El Paso Electric Company

EL PASO ELECTRIC COMPANY
2011/ 2012 Energy Efficiency Projected Program Costs and 2010 Actual Costs

2011	Incentives	Admin	R&D	Total Budget
Commercial	\$2,376,073	\$28,000	\$26,000	\$2,430,073
Commercial SOP	\$252,025	\$28,000	\$0	\$280,025
Small Commercial Solutions MTP	\$482,399	\$0	\$0	\$482,399
Large C&I Solutions Pilot MTP	\$686,950	\$0	\$26,000	\$712,950
Texas SCORE MTP	\$594,699	\$0	\$0	\$594,699
Load Management SOP	\$360,000	\$0	\$0	\$360,000
Residential	\$1,352,499	\$50,000	\$35,000	\$1,437,499
Residential Solutions MTP	\$190,010	\$0	\$35,000	\$225,010
LivingWise MTP	\$326,989	\$0	\$0	\$326,989
Appliance Recycling MTP	\$385,500	\$0	\$0	\$385,500
PV/Solar Pilot MTP	\$450,000	\$50,000	\$0	\$500,000
Hard-to-Reach	\$517,078	\$0	\$0	\$517,078
Hard-to-Reach Solutions MTP	\$517,078	\$0	\$0	\$517,078
Subtotal	\$4,245,650	\$78,000	\$61,000	\$4,384,650
Energy Saver (TDHCA)	\$306,000	\$34,000	\$0	\$340,000
Total Budgets	\$4,551,650	\$112,000	\$61,000	\$4,724,650

2012	Incentives	Admin	R&D	Total Budget
Commercial	\$4,083,900	\$47,200	\$0	\$4,131,100
Commercial SOP	\$424,800	\$47,200	\$0	\$472,000
Small Commercial Solutions MTP	\$1,057,600	\$0	\$0	\$1,057,600
Large C&I Solutions Pilot MTP	\$1,227,500	\$0	\$0	\$1,227,500
Texas SCORE MTP	\$714,000	\$0	\$0	\$714,000
Load Management SOP	\$660,000	\$0	\$0	\$660,000
Residential	\$1,528,989	\$0	\$0	\$1,528,989
Residential Solutions SOP	\$316,500	\$0	\$0	\$316,500
LivingWise MTP	\$326,989	\$0	\$0	\$326,989
Appliance Recycling MTP	\$385,500	\$0	\$0	\$385,500
PV/Solar Pilot MTP	\$500,000	\$0	\$0	\$500,000
Hard-to-Reach	\$1,051,000	\$0	\$0	\$1,051,000
Hard-to-Reach Solutions MTP	\$1,051,000	\$0	\$0	\$1,051,000
Subtotal	\$6,663,889	\$47,200	\$0	\$6,711,089
Energy Saver (TDHCA)	\$306,000	\$34,000	\$0	\$340,000
Total Budgets	\$6,969,889	\$81,200	\$0	\$7,051,089

EL PASO ELECTRIC COMPANY
2011/ 2012 Energy Efficiency Projected Program Costs and 2010 Actual Costs

Programs	2010	
	Incent.	Admin
Commercial	\$1,777,679	\$31,441
Comm. SOP	\$150,271	\$17,823
Small Comm. SOP	\$8,337	\$7,287
Large C&I Solutions	\$685,167	\$0
SCORE MTP	\$715,829	\$0
Load Management SOP	\$218,075	\$6,331
Residential	\$1,275,458	\$35,518
Residential SOP	\$0	\$5,921
Statewide CFL MTP	NA	NA
Res & Small Comm. Solutions	\$564,191	\$0
LivingWise MTP	\$336,890	\$0
Appliance Recycling MTP	\$153,615	\$0
PV/Solar MTP	\$220,762	\$29,597
Hard-to-Reach	\$432,824	\$8,191
HTR Solutions	\$370,328	\$0
Hard-to-Reach SOP	\$62,496	\$8,191
Subtotal	\$3,485,961	\$75,150
Energy Saver Program	\$399,483	\$56,824
Total	\$3,885,444	\$131,974

EL PASO ELECTRIC COMPANY
 Calculation of
 2010 Energy Efficiency Performance Bonus

Energy Efficiency Performance Bonus Calculator			
	kW	kWh	
2010 Goals	7,560	13,245,120	
2010 Savings			
<i>Reported/Verified Total (including HTR and measures with <10yr EUL)</i>	9,857	21,404,232	
<i>Reported/Verified Hard-to-Reach</i>	436		
2010 Program Costs	\$4,166,737		
2010 Performance Bonus	\$833,347		

Savings due to Measures with less than 10 year EUL			
Measure/Program	Reported/Verified kW	Reported/Verified kWh	EUL
Load Management	1,381	-	1

Weighted Average Cost of Capital	9.221%
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EL PASO ELECTRIC COMPANY
Rate Calculation Based on the Regulatory Cap
2012 Energy Efficiency Cost Recovery Factor (EECRF)
Applicable January through December 2012

Rate	Rate Class	(a) 2012 Projected Metered kWh	(c) Regulatory Efficiency Cap	(b) Regulatory Efficiency Cap Revenues	(d) 2010 (Over)/Under Recovery	(e) 2010 Energy Efficiency Performance Bonus	(f) Funds Available for EE Programs	2012 Energy Efficiency Deferred Costs	Total Energy Efficiency Costs to be Recovered	Total Rate per kWh
01	Residential Service	1,818,270,978	\$ 0.00100	\$ 1,818,271	\$ 402,260	\$ 313,410	\$ 1,102,601	\$ 706,578	\$ 2,524,849	\$ 0.00139
02	Small Commercial Service	321,148,291	0.00050	160,574	(1,515)	37,938	124,251	69,826	230,400	0.00072
07	Outdoor Recreational Lighting Service	5,625,533	0.00050	2,813	368	937	1,507	1,219	4,032	0.00072
08	Government Street Lighting and Signal Service	46,020,026	0.00050	23,010	5,480	8,363	9,167	10,874	33,884	0.00074
11	Municipal Pumping Service (Includes 11 - TOU)	156,531,941	0.00050	78,266	34,350	27,472	16,444	75,757	154,023	0.00098
15	Electrolytic Refining Service	0	0.00050	-	-	-	-	-	-	NA
WH	Water Heating	21,463,569	0.00050	10,732	5,845	3,769	1,117	8,736	19,467	0.00091
22	Irrigation Service	2,612,532	0.00050	1,306	(208)	413	1,101	573	1,879	0.00072
24	General Service	1,436,115,969	0.00050	718,058	428,234	266,076	23,749	752,090	1,470,148	0.00102
25	Large Power Service (Secondary & Primary Voltage)	516,549,710	0.00050	258,275	94,430	103,310	60,534	151,947	410,222	0.00079
26	Petroleum Refinery Service	0	0.00050	-	-	-	-	-	-	NA
28	Area Lighting Service	0	0.00050	-	-	-	-	-	-	NA
30	Electric Furnace	0	0.00050	-	-	-	-	-	-	NA
31	Military Reservation Service	0	0.00050	-	-	-	-	-	-	NA
34	Cotton Gin Service	1,840,094	0.00050	920	131	346	443	480	1,400	0.00076
41	City & County Service	333,313,816	0.00050	166,657	84,986	58,792	22,879	166,182	332,839	0.00100
43	University Service Rate	68,159,886	0.00050	34,080	12,571	11,093	10,416	29,668	63,748	0.00094
46/47	Cogeneration	12,764,563	0.00050	6,382	1,933	1,528	2,922	2,247	8,629	0.00068
Texas Total		4,740,416,907	\$	3,279,344	\$ 1,068,865	\$ 833,347	\$ 1,377,131	\$ 1,976,177	\$ 5,255,521	\$ 0.00111
					2012 Program Costs		\$ 6,711,089.00			
					2012 kW Goal		19.75			
					Revised 2012 MW Goal		4.05			
					5 Year Average Growth		78.2			
					New Goal Percent		5%			

EL PASO ELECTRIC COMPANY
Rate Calculation to Meet 2012 Goal
2012 Energy Efficiency Cost Recovery Factor (EECRF)
Applicable January through December

Rate	Rate Class	(a) 2012 Projected Metered kWh	(c) 2012 Proposed Program Costs	(b) Program Costs Rate per kWh	(d) 2012 Energy Efficiency Deferred Costs	(e) Deferred Costs Rate per kWh	(f) 2010 Energy Efficiency Bonus	(g) Bonus Rate per kWh	(h) 2010 (Over)/Under Recovery	(i) (Over)/ Under Recovery Rate per kWh	Total Energy Efficiency Costs to be Recovered	Total Rate per kWh									
01	Residential Service	1,818,270,978	\$ 2,285,758	\$ 0.00126	\$ 706,578	\$ 0.00039	\$ 313,410	\$ 0.00017	\$ 402,260	\$ 0.00022	\$ 3,708,006	\$ 0.00204									
02	Small Commercial Service	321,148,291	202,823	\$ 0.00063	69,826	\$ 0.00022	37,838	\$ 0.00012	(1,515)	\$ (0.00000)	308,973	\$ 0.00096									
07	Outdoor Recreational Lighting Service	5,625,533	1,630	\$ 0.00029	1,219	\$ 0.00022	937	\$ 0.00017	368	\$ 0.00007	4,155	\$ 0.00074									
08	Government Street Lighting and Signal Service	46,020,026	14,544	\$ 0.00032	10,874	\$ 0.00024	8,363	\$ 0.00018	5,480	\$ 0.00012	39,260	\$ 0.00085									
11	Municipal Pumping Service (Includes 11 - TOU)	156,531,941	186,979	\$ 0.00119	75,757	\$ 0.00048	27,472	\$ 0.00018	34,350	\$ 0.00022	324,558	\$ 0.00207									
15	Electrolytic Refining Service	0	-		-		-		-	NA	-	NA									
WH	Water Heating	21,463,569	38,369	\$ 0.00179	8,736	\$ 0.00041	3,769	\$ 0.00018	5,845	\$ 0.00027	56,719	\$ 0.00264									
22	Irrigation Service	2,612,532	1,496	\$ 0.00057	573	\$ 0.00022	413	\$ 0.00016	(208)	\$ (0.00008)	2,273	\$ 0.00087									
24	General Service	1,436,115,969	2,774,481	\$ 0.00193	752,090	\$ 0.00052	266,076	\$ 0.00019	428,234	\$ 0.00030	4,220,880	\$ 0.00294									
25	Large Power Service (Secondary & Primary Voltage)	516,549,710	523,482	\$ 0.00101	151,947	\$ 0.00029	103,310	\$ 0.00020	94,430	\$ 0.00018	873,169	\$ 0.00169									
26	Petroleum Refinery Service	0	-		-		-		-	NA	-	NA									
28	Area Lighting Service	0	-		-		-		-	NA	-	NA									
30	Electric Furnace	0	-		-		-		-	NA	-	NA									
31	Military Reservation Service	0	-		-		-		-	NA	-	NA									
34	Cotton Gin Service	1,840,094	1,254	\$ 0.00068	480	\$ 0.00026	346	\$ 0.00019	131	\$ 0.00007	2,210	\$ 0.00120									
41	City & County Service	333,313,816	613,051	\$ 0.00184	166,182	\$ 0.00050	58,792	\$ 0.00018	84,986	\$ 0.00025	923,011	\$ 0.00277									
43	University Service Rate	68,159,886	59,484	\$ 0.00087	29,668	\$ 0.00044	11,093	\$ 0.00016	12,571	\$ 0.00018	112,816	\$ 0.00166									
46/47	Cogeneration	12,764,563	7,740	\$ 0.00061	2,247	\$ 0.00018	1,528	\$ 0.00012	1,933	\$ 0.00015	13,448	\$ 0.00105									
Texas Total											\$ 4,740,416,907	\$ 6,711,089	\$ 0.00142	\$ 1,976,177	\$ 0.00042	\$ 833,347	\$ 0.00018	\$ 1,068,865	\$ 0.00023	\$ 10,589,479	\$ 0.00223

EL PASO ELECTRIC COMPANY
Allocation of
Total Energy Efficiency Costs

Program Costs	Total Deferred Costs	12-Month Recovery of Deferred Costs		2010 Bonus	2012 Projected Costs	Total Costs to be Recovered	Residential			Small Commercial Service		Outdoor Recreational Lighting Service	
		Costs	Costs				Residential	Commercial Service	Outdoor Recreational Lighting Service				
Large C&I SOP	-	-	472,000	-	472,000	472,000	-	-	-	-	-	-	-
Hard-to-Reach SOP	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial SOP	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential SOP	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Solutions Program - New	-	-	316,500	-	316,500	316,500	312,739	-	-	-	-	-	-
Small Commercial Solutions - New	-	-	1,057,600	-	1,057,600	1,057,600	-	109,195	-	-	-	-	-
EPE Texas SCORE	-	-	714,000	-	714,000	714,000	-	65,802	-	-	-	-	1,630
Residential/Small Comm. Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-
HTR Solutions	-	-	1,051,000	-	1,051,000	1,051,000	1,038,510	-	-	-	-	-	-
Large C&I Solutions Program	-	-	1,227,500	-	1,227,500	1,227,500	-	-	-	-	-	-	-
Energy Star Homes	-	-	-	-	-	-	-	-	-	-	-	-	-
Load Management	-	-	660,000	-	660,000	660,000	-	-	-	-	-	-	-
Statewide CFL Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Living Wise Program - Texas	-	-	326,989	-	326,989	326,989	323,103	-	-	-	-	-	-
Energy Saver	-	-	-	-	-	-	-	-	-	-	-	-	-
EUMMOT Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-
SOP Outside Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-
Appliance Recycling	-	-	385,500	-	385,500	385,500	380,919	-	-	-	-	-	-
PV/Solar Program	-	-	500,000	-	500,000	500,000	230,488	27,827	-	-	-	-	-
2019 Performance Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	6,711,089	-	6,711,089	6,711,089	2,285,758	202,823	-	-	-	-	1,630

EL PASO ELECTRIC COMPANY
Allocation of
Total Energy Efficiency Costs

Program Costs	Govt. Street Lighting & Signal Service			Municipal Pumping Service		Electrolytic Refining Service		Curtailable Electrolytic Refining Service		Water Heating Service		Irrigation Service		General Service		Large Power Service	
Large C&I SOP	-	-	27,646	-	-	-	-	-	-	-	-	415	-	267,761	-	103,965	-
Hard-to-Reach SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Solutions Program - New	-	-	-	-	-	-	-	-	-	3,761	-	-	-	-	-	-	-
Small Commercial Solutions - New	-	-	-	-	-	-	-	-	-	10,878	-	-	-	767,860	-	-	-
EPE Texas SCORE	14,544	-	47,775	-	-	-	-	-	-	-	-	-	-	462,717	-	-	-
Residential/Small Comm. Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HTR Solutions	-	-	-	-	-	-	-	-	-	12,490	-	-	-	-	-	-	-
Large C&I Solutions Program	-	-	71,898	-	-	-	-	-	-	-	-	1,080	-	696,349	-	270,374	-
Energy Star Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Load Management	-	-	39,660	-	-	-	-	-	-	-	-	-	-	384,117	-	149,143	-
Statewide CFL Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Living Wise Program - Texas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Saver	-	-	-	-	-	-	-	-	-	3,886	-	-	-	-	-	-	-
EUMMOT Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOP Outside Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appliance Recycling	-	-	-	-	-	-	-	-	-	4,581	-	-	-	-	-	-	-
PV/Solar Program	-	-	-	-	-	-	-	-	-	2,772	-	-	-	195,677	-	-	-
2019 Performance Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	14,544	-	186,979	-	-	-	-	-	-	38,369	-	1,496	2,774,481	523,482	-	-	-

EL PASO ELECTRIC COMPANY
Allocation of
Total Energy Efficiency Costs

Program Costs	Transmission Voltage Service		Petroleum Refining Service		Interruptible Power Service		Private Area Lighting Service		Electric Furnace Rate		Military Reservation Service		Cotton Gin Service	
Large C&I SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	348
Hard-to-Reach SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential SOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Solutions Program - New	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Commercial Solutions - New	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EPE Texas SCORE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential/Small Comm. Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HTR Solutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large C&I Solutions Program	-	-	-	-	-	-	-	-	-	-	-	-	-	905
Energy Star Homes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Load Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Statewide CFL Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Living Wise Program - Texas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Saver	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EUMMOT Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outside Services Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOP Outside Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appliance Recycling	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PV/Solar Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019 Performance Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	1,254

EL PASO ELECTRIC COMPANY
Allocation of
Total Energy Efficiency Costs

Program Costs	Interruptible Service Rate - Large Power		City and County Service		University Service		Supplemental Power Service		Maintenance & Backup Power Service		Total
Large C&I SOP	-	-	59,165	-	11,163	-	-	-	1,537	-	472,000
Hard-to-Reach SOP	-	-	-	-	-	-	-	-	-	-	-
Small Commercial SOP	-	-	-	-	-	-	-	-	-	-	-
Residential SOP	-	-	-	-	-	-	-	-	-	-	-
Residential Solutions Program - New	-	-	-	-	-	-	-	-	-	-	316,500
Small Commercial Solutions - New	-	-	169,667	-	-	-	-	-	-	-	1,057,600
EPE Texas SCORE	-	-	102,242	-	19,290	-	-	-	-	-	714,000
Residential/Small Comm. Solutions	-	-	-	-	-	-	-	-	-	-	-
HTR Solutions	-	-	-	-	-	-	-	-	-	-	1,051,000
Large C&I Solutions Program	-	-	153,866	-	29,030	-	-	-	3,998	-	1,227,500
Energy Star Homes	-	-	-	-	-	-	-	-	-	-	-
Load Management	-	-	84,875	-	-	-	-	-	2,205	-	660,000
Statewide CFL Program	-	-	-	-	-	-	-	-	-	-	-
Living Wise Program - Texas	-	-	-	-	-	-	-	-	-	-	326,989
Energy Saver	-	-	-	-	-	-	-	-	-	-	-
EUMMOT Consulting	-	-	-	-	-	-	-	-	-	-	-
Outside Services Consulting	-	-	-	-	-	-	-	-	-	-	-
SOP Outside Consulting	-	-	-	-	-	-	-	-	-	-	-
Appliance Recycling	-	-	-	-	-	-	-	-	-	-	385,500
PV/Solar Program	-	-	43,237	-	-	-	-	-	-	-	500,000
2019 Performance Bonus	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	613,051	-	59,484	-	-	-	7,740	-	6,711,089

EL PASO ELECTRIC COMPANY
 Projected Energy Efficiency Costs
 January 1 - December 31, 2012

Program	Workorder	Projected 2012
Large C&I SOP	XR7501901755	\$ 472,000
Hard-toReach SOP	XR7501901756	-
Small Commercial SOP	XR7501901757	-
Residential SOP	XR7501901771	-
Residential Solutions Program (Added)		316,500
Small Commercial Solutions (Added)		1,057,600
EPE Texas SCORE	XR7501901761	714,000
Residential/Small Comm. Solutions	XR7501901766	-
HTR Solutions	XR7501901767	1,051,000
Large C&I Solutions Program	XR7501901768	1,227,500
Energy Star Homes	XR7501901769	-
Load Management	XR7501901770	660,000
Statewide CFL Program	XR7501901763	-
Living Wise Program - Texas	XR7501901765	326,989
Energy Saver - Weatherization	CT7501600754	-
EUMMOT Consulting	CT7501600755	-
Outside Services Consulting	CT7501600756	-
SOP Outside Consulting	XR7501901759	-
Appliance Recycling	XR7501901773	385,500
PV/Solar Program	XR7501901772	500,000
Total		<u>\$ 6,711,089</u>

EL PASO ELECTRIC COMPANY
 Allocator Development for
 Energy Efficiency Costs
 Test-Year kWh at Source

Description	Residential	Small			Outdoor			Curtable		
		Commercial Service	Recreational Lighting Service	Govt. Street Lighting & Signal Service	Municipal Pumping Service	Electrolytic Refining Service	Electrolytic Refining Service	Electrolytic Refining Service		
Total Test-Year kWh	1,765,374,003	213,132,565	5,280,686	47,107,598	154,744,612	57,431,788	31,159,506			
Total EE Applicable kWh	1,765,374,003	213,132,565	5,280,686	47,107,598	154,744,612	57,431,788	31,159,506			
Total EE Applicable %	37.6%	4.5%	0.1%	1.0%	3.3%	0.0%	0.0%			
Residential kWh	1,765,374,003	0	0	0	0	0	0			
Residential %	98.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Res. & Small Comm. kWh	1,765,374,003	213,132,565	0	0	0	0	0			
Res. & Small Comm. %	88.3%	10.7%	0.0%	0.0%	0.0%	0.0%	0.0%			
Res., Commercial & Gov kWh	1,765,374,003	213,132,565	0	0	0	0	0			
Res. & Small Comm. %	46.1%	5.6%	0.0%	0.0%	0.0%	0.0%	0.0%			
Small Commercial kWh	0	213,132,565	0	0	0	0	0			
Commercial %	0.0%	10.3%	0.0%	0.0%	0.0%	0.0%	0.0%			
Governmental kWh	0	213,132,565	5,280,686	47,107,598	154,744,612	57,431,788	31,159,506			
Governmental %	0.0%	9.2%	0.2%	2.0%	6.7%	0.0%	0.0%			
Commercial & Industrial kWh	0	0	0	0	154,744,612	57,431,788	31,159,506			
Commercial & Industrial %	0.0%	0.0%	0.0%	0.0%	5.9%	0.0%	0.0%			
Large Comm. & Industrial kWh	0	0	0	0	154,744,612	57,431,788	31,159,506			
Large Comm. & Industrial %	0.0%	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%			

EL PASO ELECTRIC COMPANY
 Allocator Development for
 Energy Efficiency Costs
 Test-Year kWh at Source

Description	Water Heating		Irrigation		General		Large Power		Transmission		Petroleum		Interruptible	
	Service		Service		Service		Service		Voltage	Service	Refining	Service	Power	Service
Total Test-Year kWh	21,232,293		2,324,817		1,498,747,259		585,157,287		24,615,006		393,828,430		199,347,692	
Total EE Applicable kWh	21,232,293		2,324,817		1,498,747,259		581,924,726		0		0		0	
Total EE Applicable %	0.5%		0.0%		31.9%		12.4%		0.0%		0.0%		0.0%	
Residential kWh	21,232,293		0		0		0		0		0		0	
Residential %	1.2%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	
Res. & Small Comm. kWh	21,232,293		0		0		0		0		0		0	
Res. & Small Comm. %	1.1%		0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	
Res., Commercial & Gov kWh	21,232,293		0		1,498,747,259		0		0		0		0	
Res. & Small Comm. %	0.6%		0.0%		39.1%		0.0%		0.0%		0.0%		0.0%	
Small Commercial kWh	21,232,293		0		1,498,747,259		0		0		0		0	
Commercial %	1.0%		0.0%		72.6%		0.0%		0.0%		0.0%		0.0%	
Governmental kWh	0		0		1,498,747,259		0		0		0		0	
Governmental %	0.0%		0.0%		64.8%		0.0%		0.0%		0.0%		0.0%	
Commercial & Industrial kWh	0		2,324,817		1,498,747,259		581,924,726		0		0		0	
Commercial & Industrial %	0.0%		0.1%		56.7%		22.0%		0.0%		0.0%		0.0%	
Large Comm. & Industrial kWh	0		0		1,498,747,259		581,924,726		0		0		0	
Large Comm. & Industrial %	0.0%		0.0%		58.2%		22.6%		0.0%		0.0%		0.0%	

EL PASO ELECTRIC COMPANY
 Allocator Development for
 Energy Efficiency Costs
 Test-Year kWh at Source

Description	Private Area		Military		Interruption		City and		University
	Lighting Service	Electric Furnace Rate	Reservation Service	Cotton Gin Service	Service Rate - Large Power	County Service	Service	Service	
Total Test-Year kWh	27,140,791	17,255,466	150,094,191	1,948,897	97,904,179	331,163,895	62,482,095	62,482,095	
Total EE Applicable kWh	0	0	0	1,948,897	0	331,163,895	62,482,095	62,482,095	
Total EE Applicable %	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%	1.3%	1.3%	
Residential kWh	0	0	0	0	0	0	0	0	
Residential %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Res. & Small Comm. kWh	0	0	0	0	0	0	0	0	
Res. & Small Comm. %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Res., Commercial & Gov kWh	0	0	0	0	0	331,163,895	0	0	
Res. & Small Comm. %	0.0%	0.0%	0.0%	0.0%	0.0%	8.6%	0.0%	0.0%	
Small Commercial kWh	0	0	0	0	0	331,163,895	0	0	
Commercial %	0.0%	0.0%	0.0%	0.0%	0.0%	16.0%	0.0%	0.0%	
Governmental kWh	0	0	0	0	0	331,163,895	62,482,095	62,482,095	
Governmental %	0.0%	0.0%	0.0%	0.0%	0.0%	14.3%	2.7%	2.7%	
Commercial & Industrial kWh	0	0	0	1,948,897	0	331,163,895	62,482,095	62,482,095	
Commercial & Industrial %	0.0%	0.0%	0.0%	0.1%	0.0%	12.5%	2.4%	2.4%	
Large Comm. & Industrial kWh	0	0	0	0	0	331,163,895	0	0	
Large Comm. & Industrial %	0.0%	0.0%	0.0%	0.0%	0.0%	12.9%	0.0%	0.0%	

EL PASO ELECTRIC COMPANY
 Allocator Development for
 Energy Efficiency Costs
 Test-Year kWh at Source

Description	Supplementary Power Service		Maintenance & Backup Power Service		Total
Total Test-Year kWh	0	8,604,314	5,696,077	370	
Total EE Applicable kWh		8,604,314	4,694,067	760	
Total EE Applicable %	0.0%	0.2%		100.0%	
Residential kWh	0	0	1,786,606	296	
Residential %	0.0%	0.0%		100.0%	
Res. & Small Comm. kWh	0	0	1,999,738	861	
Res. & Small Comm. %	0.0%	0.0%		100.0%	
Res., Commercial & Gov kWh	0	0	3,829,650	015	
Res. & Small Comm. %	0.0%	0.0%		100.0%	
Small Commercial kWh	0	0	2,064,276	012	
Commercial %	0.0%	0.0%		100.0%	
Governmental kWh	0	0	2,312,658	710	
Governmental %	0.0%	0.0%		100.0%	
Commercial & Industrial kWh	0	8,604,314	2,641,940	615	
Commercial & Industrial %	0.0%	0.3%		100.0%	
Large Comm. & Industrial kWh	0	8,604,314	2,575,184	806	
Large Comm. & Industrial %	0.0%	0.3%		100.0%	

EL PASO ELECTRIC COMPANY
2009 RATE CASE FILING
SCHEDULE O-1.4: MONTHLY ADJUSTED TEST YEAR DATA BY RATE CLASS
SPONSOR: CURTIS HUTCHESON
PREPARER: ANTHONY P. LOPEZ

Line No.	Rate & Voltage	(a)	(b) Description	(c) July 2008 (all values in kWh)	(d) August 2008	(e) September 2008	(f) October 2008	(g) November 2008	(h) December 2008	(i) January 2009
Texas Energy at Meter										
1	01/01-S		Residential Service - S	177,057,143	170,797,550	156,263,135	119,320,729	101,606,886	120,779,228	137,406,787
2	01/05-S		Residential w/Qualified Space Heating - S	8,995,240	8,602,889	7,702,434	5,844,710	5,088,214	6,840,292	8,870,404
3	02/02-S		Small Commercial Service - S	17,361,043	16,439,358	15,120,429	15,120,429	15,158,201	15,728,118	17,295,518
4	07/07-S		Outdoor Recreational Lighting Service - S	325,273	315,778	387,766	469,037	482,962	436,907	386,755
5	07/07-P		Outdoor Recreational Lighting Service - P	2,200	4,000	13,870	13,450	14,560	10,790	12,080
6	08/08-S		Governmental Street Lighting & Signal Service - S	3,142,289	3,367,277	3,625,502	3,944,720	4,104,431	4,409,814	4,304,269
7	11/11-S		Municipal Pumping Service - S	9,732,653	7,176,872	7,802,720	7,465,421	7,845,623	9,029,797	8,036,719
8	11/11-P		Municipal Pumping Service - P	3,478,003	3,308,455	3,425,285	3,138,659	3,980,036	4,727,667	4,141,571
9	15/15-S		Electrolytic Refining Service - S	27,652	1,739	1,962	22,153	19,203	21,638	20,177
10	15/15-T		Electrolytic Refining Service - T	4,834,951	4,706,331	4,981,298	4,654,914	5,197,938	3,911,730	5,201,162
11	15/A-S		Curtailable Electrolytic Refining Service - S	0	0	0	0	0	0	0
12	15/A-T		Curtailable Electrolytic Refining Service - T	3,718,078	4,351,474	2,595,755	3,593,592	3,266,383	2,783,587	2,073,183
13	WH-S		Off-Peak Electric Water Heating Service - S	1,255,822	1,192,917	1,333,938	1,328,976	1,615,868	1,994,635	2,258,888
14	22/22-S		Irrigation Service - S	289,262	176,535	162,815	176,619	145,357	106,039	92,883
15	24/24-S		General Service - S	133,056,960	125,770,910	127,052,133	111,033,852	106,157,501	99,692,900	104,698,939
16	24/24-P		General Service - P	4,822,218	5,077,939	4,799,131	3,996,903	3,685,930	3,397,093	3,639,315
17	25/25-S		Large Power Service - S	46,438,016	43,895,659	39,590,432	35,862,176	35,944,677	29,842,651	30,644,303
18	25/25-P		Large Power Service - P	11,134,523	12,218,977	11,524,824	10,485,125	10,245,283	8,904,185	9,318,715
19	25/25-T		Large Power Service - T	0	0	0	0	0	0	0
20	25/25-T/69		Large Power Service - 69 KV	323,726	449,194	457,790	265,536	274,291	254,664	234,648
21	25/25-T/115		Large Power Service - 115 KV	0	0	0	0	0	0	0
22	29/29-T/115		Transmission Voltage Service - 115 KV	2,343,936	2,481,359	2,234,139	1,918,078	2,057,551	1,988,000	2,130,246
23	26/26-T/115		Petroleum Refining Service - 115 KV	32,120,595	35,054,825	31,935,252	30,916,399	29,165,734	26,081,965	34,002,428
24	27/30-T/115		Interruptible Power Service - 115 KV	14,872,927	14,403,310	14,240,350	8,171,319	50,323	222,563	5,809,643
25	27/31-T/115		Interruptible Power Service - 115 KV	9,415,483	8,488,761	8,431,983	8,176,634	8,243,110	9,037,001	9,483,882
26	28/28-S		Private Area Lighting Service - S	1,810,412	1,940,039	2,031,199	2,272,769	2,364,746	2,540,690	2,479,882
27	30/30-T/69		Electric Furnace Rate - 69 KV	672,248	716,789	721,708	537,347	898,621	1,115,044	316,839
28	30/30-T/115		Electric Furnace Rate - 115 KV	1,490,017	1,556,819	1,562,523	924,846	0	582,793	0
29	31/31-T/115		Military Reservation Service - 115 KV	15,895,101	16,462,212	14,271,130	10,897,409	8,985,505	9,354,990	9,496,033
30	34/34-S		Cotton Gin Service - S	120	0	10,339	12,566	529,973	422,612	463,490
31	38/38-S		Interruptible Service Rate - Large Power - S	840,333	959,840	874,465	774,755	718,524	451,172	463,490
32	38/38-P		Interruptible Service Rate - Large Power - P	8,578,459	9,280,481	9,066,607	8,217,168	5,270,303	3,420,539	3,835,040
33	41/41-S		City and County Transition Service - S	6,466,191	6,523,516	6,031,654	5,148,616	4,698,449	4,813,190	4,662,700
34	41/41-P		City and County Transition Service - P	3,393,476	3,263,883	3,162,286	2,377,229	2,268,163	2,502,582	2,645,370
35	41/42-S		City and County School Service - S	14,503,510	16,989,072	20,309,799	16,392,554	14,838,677	14,528,551	13,495,740
36	41/42-P		City and County School Service - P	2,428,984	2,454,255	2,451,514	2,092,301	2,182,637	1,766,590	1,576,577
37	43/43-P		University Service - S	457,615	525,492	473,808	383,680	370,444	275,601	56,725
38	43/43-P		University Service - P	4,874,487	5,084,861	5,282,341	4,663,129	4,966,928	4,029,514	4,443,932
39	45/45-P		Supplementary Power Service - P	0	0	0	0	0	0	0
40	45/46-P		Maintenance & Backup Power Service - P	698,613	708,055	712,232	939,558	779,368	575,405	699,648
41			Total Texas	546,857,509	534,727,433	511,970,308	431,552,527	393,222,398	396,350,995	435,200,086

EL PASO ELECTRIC COMPANY
2009 RATE CASE FILING
SCHEDULE O-1.4: MONTHLY ADJUSTED TEST YEAR DATA BY RATE CLASS
SPONSOR: CURTIS HUTCHESON
PREPARER: ANTHONY P. LOPEZ

Line No.	Rate & Voltage	(a)	(b) Description	(i) (all values in kWh)												(o) Total Energy
				February 2009	March 2009	April 2009	May 2009	June 2009								
			Texas Energy at Meter													
1	01/01-S		Residential Service - S	112,052,066	98,847,912	99,345,642	122,351,129	144,964,586								
2	01/05-S		Residential w/Qualified Space Heating - S	6,956,539	5,396,023	4,772,867	6,073,427	7,232,469								
3	02/02-S		Small Commercial Service - S	15,834,568	15,238,624	15,547,188	17,981,464	20,127,841								
4	07/07-S		Outdoor Recreational Lighting Service - S	414,723	368,966	338,805	568,451	320,104								
5	07/07-P		Outdoor Recreational Lighting Service - P	13,230	7,650	2,700	4,000	3,900								
6	08/08-S		Governmental Street Lighting & Signal Service - S	3,745,516	3,785,744	3,364,487	3,199,061	2,953,456								
7	11/11-S		Municipal Pumping Service - S	8,242,720	7,495,769	7,787,170	8,650,979	10,994,678								
8	11/11-P		Municipal Pumping Service - P	4,128,481	3,839,294	3,233,895	3,587,094	3,587,829								
9	15/15-S		Electrolytic Refining Service - S	20,092	31,255	34,860	31,722	33,054								
10	15/15-T		Electrolytic Refining Service - T	3,790,762	4,233,896	4,674,144	4,178,010	4,798,964								
11	15/A-S		Curtailable Electrolytic Refining Service - S	0	0	0	0	0								
12	15/A-T		Curtailable Electrolytic Refining Service - T	421,912	855,247	2,103,365	1,974,945	2,340,934								
13	WH-S		Off-Peak Electric Water Heating Service - S	1,948,655	1,894,107	1,949,798	1,641,365	1,407,866								
14	22/22-S		Irrigation Service - S	131,160	129,854	207,941	272,044	273,576								
15	24/24-S		General Service - S	97,883,689	97,264,195	102,360,382	117,558,490	127,634,142								
16	24/24-P		General Service - P	3,319,827	2,826,667	2,926,193	3,344,563	3,822,897								
17	25/25-S		Large Power Service - S	29,129,678	30,003,581	31,978,934	34,528,083	34,759,700								
18	25/25-P		Large Power Service - P	8,933,507	8,887,670	9,669,153	9,862,288	10,028,004								
19	25/25-T		Large Power Service - T	0	0	0	0	0								
20	25/25-T/69		Large Power Service - 69 KV	198,158	181,339	178,128	161,870	159,077								
21	25/25-T/115		Large Power Service - 115 KV	0	0	0	0	0								
22	29/29-T/115		Transmission Voltage Service - 115 KV	1,539,032	1,562,998	1,932,606	2,018,779	1,711,433								
23	26/26-T/115		Petroleum Refining Service - 115 KV	30,664,330	33,548,275	33,989,357	34,766,690	31,177,991								
24	27/30-T/115		Interruptible Power Service - 115 KV	7,308,727	5,096,590	5,369,946	6,293,463	8,068,490								
25	27/31-T/115		Interruptible Power Service - 115 KV	8,272,175	8,435,581	8,195,175	7,466,264	8,557,397								
26	28/28-S		Private Area Lighting Service - S	2,157,960	2,181,136	1,938,431	1,843,123	1,701,618								
27	30/30-T/69		Electric Furnace Rate - 69 KV	490,619	398,059	416,548	524,512	552,897								
28	30/30-T/115		Electric Furnace Rate - 115 KV	694,977	421,210	499,231	838,289	847,119								
29	31/31-T/115		Military Reservation Service - 115 KV	9,237,951	9,296,010	11,092,682	13,746,793	17,433,023								
30	34/34-S		Cotton Gin Service - S	14,681	13,535	12,258	2,040	0								
31	38/38-S		Interruptible Service Rate - Large Power - S	354,633	391,480	468,529	546,310	595,237								
32	38/38-P		Interruptible Service Rate - Large Power - P	4,460,183	6,676,208	9,117,459	8,275,607	9,028,776								
33	41/41-S		City and County Transition Service - S	4,699,723	4,319,064	4,698,894	5,638,054	5,489,256								
34	41/41-P		City and County Transition Service - P	2,432,462	2,340,937	2,333,853	2,880,937	2,836,939								
35	41/42-S		City and County School Service - S	15,307,573	13,253,756	14,878,203	19,467,778	14,893,728								
36	41/42-P		City and County School Service - P	1,810,533	1,861,844	1,787,212	2,317,144	2,087,247								
37	43/43-S		University Service - S	316,297	319,731	338,248	338,070	401,527								
38	43/43-P		University Service - P	4,192,705	4,051,772	4,243,424	4,438,776	4,618,757								
39	45/45-P		Supplementary Power Service - P	0	0	0	0	0								
40	45/46-P		Maintenance & Backup Power Service - P	551,374	616,098	646,573	648,122	580,295								
41			Total Texas	391,641,208	376,012,167	392,434,081	450,019,777	486,014,807								

EL PASO ELECTRIC COMPANY
2009 RATE CASE FILING
SCHEDULE O-1.4: MONTHLY ADJUSTED TEST YEAR DATA BY RATE CLASS
SPONSOR: CURTIS HUTCHESON
PREPARER: ANTHONY P. LOPEZ

Line No.	Rate & Voltage	Description	(all values in kWh)														
			July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009								
New Mexico Energy at Meter																	
1	01/61-S	Residential Service - S	56,593,190	56,604,910	49,982,088	39,005,387	33,569,521	39,850,612	46,139,241								
2	01/64-S	Residential w/Qualified Space Heating - S	4,933,593	4,988,156	4,470,068	3,533,180	3,434,096	4,999,345	6,505,224								
3	01/62-S	Residential Water Heating Service - S	1,588,499	1,606,045	1,641,490	1,763,179	2,020,595	2,427,458	2,865,053								
4	03/79-S	Small Commercial Water Heating Service - S	18,231	19,358	18,867	20,385	22,328	26,458	30,862								
5	03/66-S	Small Commercial Service - S	18,782,410	18,901,355	17,030,745	14,898,690	13,552,949	13,449,511	14,217,988								
6	04/85-S	General Service Water Heating Service - S	0	0	0	0	0	0	0								
7	04/69-S	General Service - S	25,003,114	25,404,157	23,123,146	21,010,083	18,734,509	18,270,499	19,397,827								
8	04/69-P	General Service - P	1,502,743	1,493,992	1,390,641	1,324,371	1,207,994	1,300,090	1,513,344								
9	05/63-S	Irrigation Service - S	4,024,783	3,352,846	2,261,089	2,187,840	1,602,129	988,564	834,139								
10	07/86-S	City and County Service - S	7,279,111	7,838,897	8,315,026	7,290,210	6,297,838	6,125,630	6,106,839								
11	08/78-S	Municipal Pumping Service - S	2,634,323	2,444,891	2,055,151	2,125,810	1,930,193	1,856,880	1,936,978								
12	08/78-P	Municipal Pumping Service - P	220,200	229,800	211,200	216,600	325,800	303,000	312,000								
13	09/71-S	Large Power Service - S	6,673,203	6,769,355	6,256,615	5,899,435	5,544,411	5,250,674	5,610,956								
14	09/71-P	Large Power Service - P	3,590,234	3,331,907	2,640,937	2,920,788	2,778,587	2,970,239	3,159,364								
15	09/52-S	Large Power Interruptible Service - S	1,673,319	1,822,884	1,740,270	1,577,393	1,798,705	1,501,814	1,142,933								
16	09/52-P	Large Power Interruptible Service - P	1,417,520	1,577,318	1,447,168	1,278,319	1,233,199	1,192,029	1,098,718								
17	10/57-T	Military Research & Development - Sta	9,078,329	9,335,003	8,347,967	7,974,793	7,615,303	8,236,595	8,389,651								
18	10/57-T/115	Military Research & Development - 115 kV	8,678,580	8,676,535	7,588,231	6,695,119	6,237,967	6,031,625	5,995,855								
19	11/76-S	Street Lighting Service - S	229,821	246,277	257,849	288,515	300,191	322,526	314,807								
20	12/74-S	Private Area Lighting Service - S	374,694	401,521	420,388	470,385	489,422	525,838	513,251								
21	19/67-S	Seasonal-Agricultural Processing Service - S	218,179	245,879	96,028	179,141	692,919	755,013	321,154								
22	25/75-S	Outdoor Recreational Lighting Service - S	54,491	35,262	42,704	67,641	48,281	32,297	22,341								
23	26/81-P	State University Service - P	6,161,790	6,104,529	5,777,721	4,985,030	3,786,029	3,034,894	3,181,674								
24		Total New Mexico	160,730,357	161,410,877	145,115,389	125,712,294	113,222,968	119,453,591	129,610,199								
New Mexico Film																	
25	92/92	Texas-New Mexico Power Co. - Lordsburg	0	0	0	0	0	0	0								
26	93/93	FERC Jurisdiction & CFE at Meter	0	0	0	0	0	0	0								
27	94/94	Rio Grande Co-Op - Van Horn	1,976,472	2,042,406	1,403,154	1,771,434	916,794	883,800	830,439								
28	95/95	Rio Grande Co-Op - Dell City	3,200,496	3,550,932	2,807,160	2,245,740	1,845,000	1,751,940	1,530,396								
29	96/96	Comision Federal de Electricidad	0	0	0	0	0	0	0								
30		Total FERC & CFE	5,176,968	5,593,338	4,210,314	4,017,174	2,761,794	2,635,740	2,360,835								
31		Total Company at Meter	712,784,834	701,731,648	661,296,011	561,281,995	509,207,158	518,440,326	567,171,120								
		Total Company															

EL PASO ELECTRIC COMPANY
2009 RATE CASE FILING
SCHEDULE O-1.4: MONTHLY ADJUSTED TEST YEAR DATA BY RATE CLASS
SPONSOR: CURTIS HUTCHESON
PREPARER: ANTHONY P. LOPEZ

(all values in kWh)

Line No.	Rate & Voltage	Description	February 2009	March 2009	April 2009	May 2009	June 2009	Total Energy
New Mexico Energy at Meter								
1	01/61-S	Residential Service - S	37,232,214	34,086,100	33,085,577	38,809,623	47,994,005	512,952,468
2	01/64-S	Residential w/Qualified Space Heating - S	5,235,114	4,172,265	3,241,761	3,657,334	4,380,342	53,530,478
3	01/62-S	Residential Water Heating Service - S	2,470,219	2,366,996	2,242,758	1,960,551	1,763,004	24,715,847
4	03/79-S	Small Commercial Water Heating Service - S	27,311	25,008	24,377	22,040	19,722	274,947
5	03/66-S	Small Commercial Service - S	12,728,727	12,631,735	12,779,813	14,662,865	16,437,999	180,074,787
6	04/85-S	General Service Water Heating Service - S	0	0	0	0	0	0
7	04/69-S	General Service - S	17,528,302	18,157,011	18,911,656	20,326,928	21,749,604	247,616,836
8	04/69-P	General Service - P	1,544,434	1,472,178	1,448,481	1,468,292	1,318,156	16,984,716
9	05/63-S	Irrigation Service - S	1,898,210	2,874,341	3,952,796	4,601,475	4,521,286	33,099,498
10	07/86-S	City and County Service - S	5,839,986	5,880,207	5,786,085	6,339,276	6,351,380	80,110,485
11	08/78-S	Municipal Pumping Service - S	1,721,150	2,006,133	2,244,833	2,330,148	2,458,511	25,745,001
12	08/78-P	Municipal Pumping Service - P	355,800	189,600	211,800	252,600	304,800	3,133,200
13	09/71-S	Large Power Service - S	5,140,216	5,166,775	5,799,482	5,838,328	6,182,681	70,132,131
14	09/71-P	Large Power Service - P	2,924,619	3,163,515	3,457,768	2,974,599	3,065,437	36,977,994
15	09/52-S	Large Power Interruptible Service - S	1,221,658	1,274,020	1,276,709	1,393,200	1,571,000	17,983,905
16	09/52-P	Large Power Interruptible Service - P	1,152,793	1,151,319	1,287,787	1,180,920	1,312,459	15,329,549
17	10/57-T	Military Research & Development - Sta	7,736,129	7,272,974	8,070,321	8,444,181	9,020,735	99,523,981
18	10/57-T/115	Military Research & Development - 115 kV	5,808,962	5,690,265	6,233,646	7,042,335	7,536,901	82,216,021
19	11/76-S	Street Lighting Service - S	273,940	276,883	246,073	233,974	216,011	3,206,867
20	12/74-S	Private Area Lighting Service - S	446,623	451,421	401,189	381,463	352,176	5,228,371
21	19/67-S	Seasonal-Agricultural Processing Service - S	17,576	11,789	29,123	120,250	232,470	2,919,521
22	25/75-S	Outdoor Recreational Lighting Service - S	22,729	36,643	49,438	60,006	73,740	545,573
23	26/61-P	State University Service - P	3,344,798	3,369,332	3,580,314	3,992,324	3,471,161	50,799,596
24		Total New Mexico	114,671,510	111,726,510	114,371,787	126,752,712	140,333,580	1,563,111,772
New Mexico Firm								
25	92/92	Texas-New Mexico Power Co. - Lordsburg	0	0	0	0	0	0
26	93/93	FERC Jurisdiction & CFE at Meter	0	0	0	0	0	0
27	94/94	Rio Grande Co-Op - Van Horn	931,113	1,799,199	2,314,080	2,221,290	1,962,810	19,052,991
28	95/95	Rio Grande Co-Op - Dell City	1,730,220	3,572,808	3,939,240	3,852,960	4,273,200	34,300,092
29	96/96	Comision Federal de Electricidad	0	0	0	0	0	0
30		Total FERC & CFE	2,661,333	5,372,007	6,253,320	6,074,250	6,236,010	53,353,083
31		Total Company at Meter	508,974,051	493,110,684	513,059,188	582,846,739	632,584,397	6,962,468,151
		Total Company						

EL PASO ELECTRIC COMPANY
2009 RATE CASE FILING
SCHEDULE O-1.4: MONTHLY ADJUSTED TEST YEAR DATA BY RATE CLASS
SPONSOR: CURTIS HUTCHESON
PREPARER: ANTHONY P. LOPEZ

Line No.	Rate & Voltage	Description	(all values in kWh)						
			July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009
Texas Energy at Source									
1	01/01-S	Residential Service - S	190,225,237	183,500,105	167,884,737	128,194,850	109,163,593	129,761,821	147,626,005
2	01/05-S	Residential w/Qualified Space Heating - S	9,664,234	9,242,703	8,275,279	6,279,393	5,466,635	7,349,018	9,530,114
3	02/02-S	Small Commercial Service - S	18,652,218	17,661,986	17,776,977	16,244,966	16,285,547	16,897,850	18,581,820
4	07/07-S	Outdoor Recreational Lighting Service - S	349,464	339,263	416,605	502,846	518,881	469,401	415,519
5	07/07-P	Outdoor Recreational Lighting Service - P	2,321	4,220	14,633	14,189	15,360	11,383	12,744
6	08/08-S	Governmental Street Lighting & Signal Service - S	3,375,987	3,617,708	3,787,701	4,238,172	4,409,686	4,737,781	4,624,386
7	11/11-S	Municipal Pumping Service - S	10,456,490	7,710,630	8,383,024	8,020,639	8,429,118	9,701,361	8,634,426
8	11/11-P	Municipal Pumping Service - P	3,668,206	3,490,337	3,613,590	3,311,207	4,198,838	4,987,570	4,369,254
9	15/15-S	Electrolytic Refining Service - S	29,709	1,868	2,108	23,801	20,631	23,247	21,678
10	15/15-T	Electrolytic Refining Service - T	5,008,724	4,875,481	5,160,331	4,822,215	5,384,755	4,052,321	5,388,097
11	15/A-S	Curtailable Electrolytic Refining Service - S	0	0	0	0	0	0	0
12	15/A-T	Curtailable Electrolytic Refining Service - T	3,851,709	4,507,870	2,688,049	3,722,749	3,383,780	2,883,632	2,147,685
13	WH-S	Off-Peak Electric Water Heating Service - S	1,349,220	1,281,637	1,433,146	1,427,492	1,736,043	2,142,980	2,426,865
14	22/22-S	Irrigation Service - S	310,775	189,664	174,709	189,755	156,167	113,925	99,791
15	24/24-S	General Service - S	142,952,673	135,124,744	136,501,254	119,291,662	114,052,647	107,107,260	112,485,608
16	24/24-P	General Service - P	5,087,319	5,367,089	5,062,964	4,216,633	3,883,564	3,583,848	3,839,386
17	25/25-S	Large Power Service - S	49,891,704	47,160,267	42,534,852	38,529,318	38,617,955	32,062,109	32,923,381
18	25/25-P	Large Power Service - P	11,746,643	12,890,715	12,158,401	11,061,545	10,808,517	9,393,693	9,831,011
19	25/25-T	Large Power Service - T	0	0	0	0	0	0	0
20	25/25-T/69	Large Power Service - 69 KV	333,436	462,668	471,522	273,501	282,519	262,303	241,687
21	25/25-T/115	Large Power Service - 115 KV	0	0	0	0	0	0	0
22	29/29-T/115	Transmission Voltage Service - 115 KV	2,414,245	2,555,790	2,301,154	1,975,613	2,119,269	2,027,032	2,194,145
23	26/26-T/115	Petroleum Refining Service - 115 KV	32,992,219	36,006,073	32,801,847	31,755,346	29,957,175	26,789,725	34,925,118
24	27/30-T/115	Interruptible Power Service - 115 KV	15,276,519	14,794,158	14,626,776	8,393,056	51,689	228,602	5,967,293
25	27/31-T/115	Interruptible Power Service - 115 KV	9,670,982	8,698,569	8,660,793	8,398,515	8,468,795	9,282,229	9,741,247
26	28/28-S	Private Area Lighting Service - S	1,945,056	2,084,324	2,182,263	2,441,799	2,540,617	2,729,646	2,664,316
27	30/30-T/69	Electric Furnace Rate - 69 KV	692,413	738,290	743,356	553,465	925,576	1,148,491	326,343
28	30/30-T/115	Electric Furnace Rate - 115 KV	1,530,450	1,599,065	1,604,924	949,943	949,943	0	586,608
29	31/31-T/115	Military Reservation Service - 115 KV	16,328,430	16,908,931	14,658,391	11,193,121	9,229,336	9,608,847	9,712,632
30	34/34-S	Cotton Gin Service - S	129	0	11,108	13,501	569,388	855,063	454,042
31	38/38-S	Interruptible Service Rate - Large Power - S	902,830	1,031,225	939,501	832,375	771,962	484,727	497,961
32	38/38-P	Interruptible Service Rate - Large Power - P	9,050,060	9,790,675	9,585,044	8,668,907	5,560,038	3,608,583	4,045,871
33	41/41-S	City and County Transition Service - S	6,947,095	7,008,683	6,480,240	5,631,529	5,047,882	5,171,157	5,009,474
34	41/41-P	City and County Transition Service - P	3,580,032	3,443,315	3,336,133	2,507,917	2,392,855	2,640,161	2,790,799
35	41/42-S	City and County School Service - S	15,582,165	18,252,583	21,820,279	17,611,701	15,942,259	15,609,068	14,499,445
36	41/42-P	City and County School Service - P	2,562,465	2,599,188	2,586,286	2,207,325	2,302,627	1,863,708	1,663,249
37	43/43-S	University Service - S	491,649	564,574	509,046	412,215	397,995	296,098	60,944
38	43/43-P	University Service - P	5,142,462	5,364,401	5,572,738	4,919,485	5,239,985	4,251,037	4,688,237
39	45/45-P	Supplementary Power Service - P	0	0	0	0	0	0	0
40	45/46-P	Maintenance & Backup Power Service - P	737,019	746,980	751,387	991,632	922,214	607,038	738,322
41		Total Texas	582,801,290	569,595,791	545,492,147	459,722,377	419,156,898	422,742,706	463,777,513

EL PASO ELECTRIC COMPANY
2009 RATE CASE FILING
SCHEDULE O-1.4: MONTHLY ADJUSTED TEST YEAR DATA BY RATE CLASS
SPONSOR: CURTIS HUTCHESON
PREPARER: ANTHONY P. LOPEZ

Line No.	Rate & Voltage	Description	February 2009	March 2009	April 2009	May 2009	June 2009	Total Energy
<i>Texas Energy at Source</i>								
1	01/01-S	Residential Service - S	120,385,592	106,199,429	106,734,176	131,450,627	155,745,892	1,676,872,064
2	01/05-S	Residential w/Qualified Space Heating - S	7,473,911	5,797,336	5,127,835	6,525,120	7,770,362	86,501,939
3	02/02-S	Small Commercial Service - S	17,012,216	16,371,951	16,703,463	19,318,781	21,624,789	213,132,565
4	07/07-S	Outdoor Recreational Lighting Service - S	445,587	396,439	364,003	610,728	343,911	5,172,625
5	07/07-P	Outdoor Recreational Lighting Service - P	13,957	8,071	2,848	4,220	4,114	108,061
6	08/08-S	Governmental Street Lighting & Signal Service - S	4,024,078	4,067,297	3,614,711	3,436,982	3,173,110	47,107,598
7	11/11-S	Municipal Pumping Service - S	8,855,748	8,053,266	8,366,317	9,294,370	11,812,374	107,717,763
8	11/11-P	Municipal Pumping Service - P	4,355,444	4,050,359	3,411,678	3,784,294	3,785,070	47,026,849
9	15/15-S	Electrolytic Refining Service - S	21,586	33,579	37,238	34,081	35,512	285,038
10	15/15-T	Electrolytic Refining Service - T	3,927,006	4,386,066	4,842,137	4,328,172	4,971,444	57,146,750
11	15/A-S	Curtailable Electrolytic Refining Service - S	0	0	0	0	0	0
12	15/A-T	Curtailable Electrolytic Refining Service - T	437,076	885,985	2,178,962	2,045,928	2,425,070	31,159,506
13	WH-S	Off-Peak Electric Water Heating Service - S	2,093,580	1,970,513	2,094,908	1,763,437	1,512,572	21,232,293
14	22/22-S	Irrigation Service - S	140,915	139,512	223,406	292,276	293,922	2,324,817
15	24/24-S	General Service - S	105,163,495	104,997,928	109,973,128	126,301,550	137,126,548	1,450,578,497
16	24/24-P	General Service - P	3,502,334	2,982,063	3,087,060	3,528,430	4,033,061	48,168,762
17	25/25-S	Large Power Service - S	31,296,110	32,235,007	34,357,271	37,096,006	37,344,848	454,048,828
18	25/25-P	Large Power Service - P	9,424,627	9,376,270	10,200,715	10,404,467	10,579,294	127,875,898
19	25/25-T	Large Power Service - T	0	0	0	0	0	0
20	25/25-T/69	Large Power Service - 69 kV	204,102	186,778	183,471	166,725	163,849	3,232,561
21	25/25-T/115	Large Power Service - 115 kV	0	0	0	0	0	0
22	29/29-T/115	Transmission Voltage Service - 115 kV	1,585,197	1,609,882	1,990,576	2,079,334	1,762,769	24,615,006
23	26/26-T/115	Petroleum Refining Service - 115 kV	31,496,437	34,458,641	34,911,692	35,710,119	32,024,037	393,828,430
24	27/30-T/115	Interruptible Power Service - 115 kV	7,507,057	5,234,891	5,515,665	8,518,514	8,277,165	94,391,386
25	27/31-T/115	Interruptible Power Service - 115 kV	8,496,649	8,664,489	8,417,559	7,668,869	8,789,611	104,956,306
26	28/28-S	Private Area Lighting Service - S	2,318,452	2,343,351	2,082,596	1,980,200	1,828,171	27,140,791
27	30/30-T/69	Electric Furnace Rate - 69 kV	505,336	410,040	429,043	540,245	569,482	7,582,080
28	30/30-T/115	Electric Furnace Rate - 115 kV	713,896	432,640	512,778	861,037	870,106	9,673,386
29	31/31-T/115	Military Reservation Service - 115 kV	9,488,692	9,548,267	11,393,693	14,119,826	17,906,086	150,094,191
30	34/34-S	Cotton Gin Service - S	15,773	14,542	13,170	2,192	0	1,948,897
31	38/38-S	Interruptible Service Rate - Large Power - S	381,008	420,595	503,374	586,940	639,506	7,992,004
32	38/38-P	Interruptible Service Rate - Large Power - P	4,705,382	7,043,233	9,618,691	8,730,558	9,525,133	89,912,175
33	41/41-S	City and County Transition Service - S	5,017,020	4,640,281	5,048,360	6,057,367	5,887,503	67,856,591
34	41/41-P	City and County Transition Service - P	2,566,187	2,469,630	2,462,157	3,039,359	2,992,900	34,221,445
35	41/42-S	City and County School Service - S	16,446,028	14,239,464	15,984,725	20,915,636	16,001,404	202,904,758
36	41/42-P	City and County School Service - P	1,910,067	1,964,199	1,885,464	2,444,529	2,201,993	26,181,101
37	43/43-S	University Service - S	339,821	343,510	363,404	363,213	431,389	4,573,857
38	43/43-P	University Service - P	4,423,199	4,274,518	4,476,706	4,682,798	4,872,673	57,908,238
39	45/45-P	Supplementary Power Service - P	0	0	0	0	0	0
40	45/46-P	Maintenance & Backup Power Service - P	581,686	649,968	582,118	683,753	612,197	8,604,314
41		Total Texas	417,275,107	400,399,991	417,795,001	473,370,682	517,947,867	5,696,077,370

EL PASO ELECTRIC COMPANY
2009 RATE CASE FILING
SCHEDULE O-1.4: MONTHLY ADJUSTED TEST YEAR DATA BY RATE CLASS
SPONSOR: CURTIS HUTCHESON
PREPARER: ANTHONY P. LOPEZ

Line No.	Rate & Voltage	Description	(all values in kWh)												
			July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009						
1	01/61-S	New Mexico Energy at Source	60,802,139	60,814,730	53,699,356	41,906,296	36,066,153	42,814,382	49,570,709						
2	01/64-S	Residential Service - S	5,300,514	5,337,648	4,802,516	3,795,950	3,689,497	5,371,156	6,989,031						
3	01/62-S	Residential w/Qualified Space Heating - S	1,706,639	1,725,490	1,763,571	1,894,310	2,170,871	2,807,993	3,078,133						
4	03/79-S	Small Commercial Water Heating Service - S	19,587	20,798	20,270	21,901	23,989	28,426	33,157						
5	03/66-S	Small Commercial Service - S	20,179,295	20,307,087	18,297,356	16,006,735	14,560,909	14,449,778	15,275,408						
6	04/85-S	General Service Water Heating Service - S	0	0	0	0	0	0	0						
7	04/69-S	General Service - S	26,862,646	27,293,515	24,842,861	22,572,645	20,127,832	19,629,313	20,840,482						
8	04/69-P	General Service - P	1,585,356	1,576,124	1,467,091	1,371,178	1,274,403	1,371,562	1,596,540						
9	05/63-S	Irrigation Service - S	4,324,114	3,602,204	2,429,251	2,350,554	1,721,283	1,062,085	896,176						
10	07/86-S	City and County Service - S	7,820,473	8,421,891	8,933,431	7,832,397	6,766,221	6,581,205	6,561,017						
11	08/78-S	Municipal Pumping Service - S	2,830,243	2,626,722	2,207,997	2,283,911	2,073,745	1,994,980	2,081,035						
12	08/78-P	Municipal Pumping Service - P	232,305	242,433	222,811	228,508	343,711	319,657	329,152						
13	08/71-S	Large Power Service - S	7,169,502	7,272,805	6,721,932	6,338,188	5,956,760	5,641,177	6,028,254						
14	09/71-P	Large Power Service - P	3,787,607	3,515,079	2,786,123	3,081,358	2,931,340	3,133,528	3,333,050						
15	09/52-S	Large Power Interruptible Service - S	1,797,767	1,958,456	1,869,697	1,694,707	1,932,478	1,613,507	1,227,935						
16	09/52-P	Large Power Interruptible Service - P	1,495,448	1,664,031	1,526,726	1,348,595	1,300,994	1,257,561	1,159,120						
17	10/57-T	Military Research & Development - Sta	9,404,613	9,670,512	8,648,001	8,261,415	7,889,005	8,534,698	8,691,163						
18	10/57-T/115	Military Research & Development - 115 KV	8,914,082	8,911,981	7,794,145	6,876,798	6,407,240	6,195,299	6,159,559						
19	11/76-S	Street Lighting Service - S	246,913	264,593	277,026	309,972	322,517	346,513	338,220						
20	12/74-S	Private Area Lighting Service - S	402,561	431,383	451,653	505,368	525,821	564,946	551,423						
21	19/67-S	Seasonal-Agricultural Processing Service - S	234,405	264,166	103,170	192,464	744,453	811,165	345,039						
22	25/75-S	Outdoor Recreational Lighting Service - S	58,544	37,985	45,880	72,672	51,872	34,699	24,003						
23	26/81-P	State University Service - P	6,500,534	6,440,125	6,095,351	5,259,082	3,994,166	3,201,737	3,356,587						
24		Total New Mexico	171,675,289	172,399,658	155,006,214	134,231,004	120,875,259	127,565,368	138,464,211						
25	92	FERC Jurisdiction & CFE Energy at Source	0	0	0	0	0	0	0						
26	93	Texas-New Mexico Power Co. - Lordsburg	0	0	0	0	0	0	0						
27	94	FERC Jurisdiction & CFE at Source	2,053,159	2,121,651	1,457,596	1,840,166	952,366	918,091	862,660						
28	95	Rio Grande Co-Op - Van Horn	3,312,833	3,675,570	2,905,691	2,324,565	1,909,760	1,813,433	1,584,113						
29	96	Comision Federal de Electricidad	0	0	0	0	0	0	0						
30		Total FERC & CFE	5,365,993	5,797,221	4,363,288	4,164,731	2,862,125	2,731,525	2,446,773						
31		Total Company at Source	759,842,572	747,792,670	704,861,649	598,118,112	542,894,282	553,039,599	604,688,497						
		Total Company													

EL PASO ELECTRIC COMPANY
2009 RATE CASE FILING
SCHEDULE O-1.4: MONTHLY ADJUSTED TEST YEAR DATA BY RATE CLASS
SPONSOR: CURTIS HUTCHESON
PREPARER: ANTHONY P. LOPEZ

Line No.	Rate & Voltage	Description	(all values in kWh)					Total Energy
			February 2009	March 2009	April 2009	May 2009	June 2009	
New Mexico Energy at Source								
1	01/61-S	Residential Service - S	40,001,248	36,621,151	35,546,218	41,695,972	51,563,415	551,101,769
2	01/64-S	Residential w/Qualified Space Heating - S	5,624,460	4,482,955	3,482,857	3,929,337	4,706,117	57,511,647
3	01/62-S	Residential Water Heating Service - S	2,653,934	2,543,034	2,409,556	2,106,361	1,894,122	26,554,014
4	03/79-S	Small Commercial Water Heating Service - S	29,342	26,868	26,190	23,679	21,189	295,395
5	03/66-S	Small Commercial Service - S	13,675,388	13,571,182	13,730,273	15,753,372	17,660,526	193,467,309
6	04/85-S	General Service Water Heating Service - S	0	0	0	0	0	0
7	04/69-S	General Service - S	18,831,917	19,507,384	20,318,154	21,838,682	23,367,166	266,032,595
8	04/69-P	General Service - P	1,629,339	1,553,111	1,528,111	1,549,011	1,590,622	17,918,451
9	05/63-S	Irrigation Service - S	2,039,384	3,088,111	4,246,773	4,943,686	4,857,543	35,561,174
10	07/86-S	City and County Service - S	6,274,317	6,317,530	6,216,408	7,519,826	6,823,745	86,068,462
11	08/78-S	Municipal Pumping Service - S	1,849,155	2,411,786	2,411,786	2,503,446	2,641,355	27,659,708
12	08/78-P	Municipal Pumping Service - P	375,360	200,023	223,444	266,487	321,556	3,305,448
13	09/71-S	Large Power Service - S	5,522,504	5,551,038	6,230,801	6,272,536	6,642,499	75,347,998
14	09/71-P	Large Power Service - P	3,085,400	3,337,429	3,647,859	3,138,128	3,233,959	39,010,859
15	09/52-S	Large Power Interruptible Service - S	1,312,515	1,368,771	1,371,660	1,496,815	1,932,148	19,332,148
16	09/52-P	Large Power Interruptible Service - P	1,214,613	1,358,583	1,358,583	1,245,841	1,394,611	16,172,291
17	10/57-T	Military Research & Development - S	8,014,173	7,534,372	8,360,376	8,747,673	9,344,949	103,100,872
18	10/57-T/115	Military Research & Development - 115 kV	5,966,594	5,844,676	6,402,802	7,233,436	7,741,422	84,447,035
19	11/76-S	Street Lighting Service - S	294,313	297,475	264,374	251,375	232,076	3,445,368
20	12/74-S	Private Area Lighting Service - S	479,839	484,994	431,026	409,833	378,368	5,617,215
21	19/67-S	Seasonal-Agricultural Processing Service - S	18,883	12,666	31,289	129,193	248,759	3,136,652
22	25/75-S	Outdoor Recreational Lighting Service - S	24,419	39,368	53,115	64,469	79,224	586,148
23	26/81-P	State University Service - P	3,528,678	3,554,561	3,787,692	4,211,802	3,661,988	53,592,304
24		Total New Mexico	122,447,333	119,506,258	122,079,347	135,330,971	149,884,051	1,669,264,952
FERC Jurisdiction & CFE Energy at Source								
25	92	Texas-New Mexico Power Co. - Lordsburg	0	0	0	0	0	0
26	93	FERC Jurisdiction & CFE at Source	0	0	0	0	0	0
27	94	Rio Grande Co-Op - Van Horn	967,240	1,869,008	2,403,866	2,307,476	2,038,967	19,792,247
28	95	Rio Grande Co-Op - Dell City	1,790,951	3,698,214	4,077,507	3,988,199	4,423,189	35,504,025
29	96	Comision Federal de Electricidad	0	0	0	0	0	0
30		Total FERC & CFE	2,758,191	5,567,221	6,481,374	6,295,675	6,462,156	55,296,272
31		Total Company at Source	542,480,631	525,273,470	546,355,722	620,997,328	674,294,074	7,420,638,604
		Total Company						

EL PASO ELECTRIC COMPANY
BASE PERIOD DATA BY RATE CLASS
FOR THE TEXAS JURISDICTION
FOR THE TWELVE MONTHS ENDED DECEMBER 2012

Line	Rate Class	Rate No.	MWH - Texas												Total MWH
			(a) Jan 2012	(b) Feb 2012	(c) Mar 2012	(d) Apr 2012	(e) May 2012	(f) Jun 2012	(g) Jul 2012	(h) Aug 2012	(i) Sep 2012	(j) Oct 2012	(k) Nov 2012	(l) Dec 2012	
1	Residential Service	1	155,562	126,446	118,485	116,083	126,003	168,802	201,321	195,587	187,056	148,481	121,587	152,858	1,818,271
2	Small Commercial Service	2	25,467	21,901	22,289	22,833	24,778	30,530	33,518	31,934	31,410	26,983	23,927	25,967	321,148
3	Outdoor Recreational Lighting	7	418	455	490	456	488	444	455	395	511	538	553	422	5,626
4	Private Area Lighting Service	8	4,288	3,798	3,930	3,612	3,482	3,307	3,455	3,634	3,757	4,087	4,213	4,447	46,020
5	Municipal Pumping	11	12,726	12,583	12,618	12,031	14,642	13,961	13,721	12,115	11,553	13,176	13,971	13,434	156,532
6	Municipal Pumping	11TOU	-	-	-	-	-	-	-	-	-	-	-	-	
7	Electrolytic Refining Service	15	6,366	6,425	6,775	7,217	7,074	7,081	7,443	7,496	7,555	6,618	8,065	8,128	86,244
8	Water Heating Service	21	2,345	2,210	2,142	2,020	1,766	1,532	1,366	1,287	1,436	1,465	1,712	2,182	21,464
9	Irrigation Service	22	65	131	198	182	231	382	343	239	280	204	147	230	2,613
10	General Service	24	104,961	97,633	98,683	106,748	116,227	139,175	150,261	143,569	143,320	123,592	105,211	106,736	1,436,116
11	Large Power Service	25	37,868	37,642	38,335	42,585	41,336	47,458	47,723	47,024	49,030	44,607	41,280	41,661	516,550
12	Petroleum Refining Service	26	32,709	27,359	31,226	36,112	34,973	36,095	36,153	36,690	37,089	35,351	35,062	40,189	419,008
13	Interruptible Service - Transmission	27	-	-	-	-	-	-	-	-	-	-	-	-	
14	Municipal Street Lights	28	2,624	2,208	2,236	1,993	1,904	1,774	1,893	2,057	2,160	2,430	2,520	2,758	26,558
15	Transmission Voltage Service in R25	29	1,416	1,696	1,789	1,727	1,661	1,788	1,686	1,789	1,702	1,628	1,683	1,540	20,105
16	Electric Furnace Service	30	1,196	1,432	1,511	1,459	1,403	1,511	1,424	1,511	1,437	1,375	1,421	1,300	16,981
17	Military Reservation Service	31	29,392	28,713	29,007	28,602	27,167	28,629	29,814	30,256	28,600	24,549	29,478	32,068	346,274
18	Cotton Gin Service	34	289	14	13	13	5	4	4	4	9	90	693	703	1,840
19	Interruptible Service - Large Power	38	19,479	20,926	22,188	24,364	25,383	31,250	30,191	31,200	28,996	24,088	21,865	21,620	301,550
20	City / County Service	41	24,399	25,537	23,240	25,289	29,599	27,477	28,128	32,698	35,757	29,242	26,159	25,789	333,314
21	University Service	43	5,009	4,883	4,990	5,343	5,380	5,863	6,562	6,115	6,616	6,253	5,534	5,713	66,160
22	CoGeneration Service	45	615	406	657	765	1,206	2,168	1,808	1,475	1,229	930	738	779	12,765
23	Total MWH - Texas		467,194	422,998	420,701	439,426	484,719	549,231	597,270	587,075	579,482	495,698	445,820	488,121	5,957,137

Forecast Code	Rate Code	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
S101	1	144,539	117,275	109,734	107,770	116,269	155,881	184,207	178,623	170,583	135,337	110,354	138,105	1,688,677
S116	1	10,814	8,978	8,562	8,127	9,523	12,689	16,849	16,707	16,227	12,951	11,037	14,527	146,992
S121	21	2,264	2,133	2,068	1,954	1,712	1,480	1,320	1,243	1,386	1,416	1,653	2,105	20,735
S128	28	183	159	161	143	137	127	142	146	153	172	178	188	1,887
S302	2	23,800	20,980	21,413	21,968	23,855	29,450	32,338	30,824	30,256	25,833	21,354	22,834	304,906
S303	21	80	76	72	65	53	51	46	44	50	49	59	76	720
S307	7	36	37	38	39	36	36	36	28	31	36	42	39	435
S320	22	2	3	4	14	5	9	7	3	3	8	2	2	62
S322	22	49	47	79	107	151	242	204	153	177	120	75	56	1,460
S324	24	96,813	89,867	90,758	98,179	106,636	127,863	138,280	131,577	131,629	113,805	96,706	98,109	1,320,221
S325	25	14,935	15,018	15,491	17,433	17,141	20,051	19,958	19,230	20,560	18,419	16,488	16,419	211,144
S328	28	1,388	1,229	1,238	1,104	1,053	980	1,039	1,120	1,179	1,325	1,369	1,471	14,496
S332	2	710	34	32	33	11	9	10	10	22	221	1,701	1,725	4,518
S333	25	257	12	12	12	4	3	4	4	8	8	617	626	1,638
S334	34	289	14	13	13	5	4	4	4	9	90	693	703	1,840
S344	24	79	103	102	102	88	104	110	107	117	84	87	88	1,170
S400	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S415	15	6,366	6,425	6,775	7,217	7,074	7,081	7,443	7,496	7,555	6,618	8,065	8,128	86,244
S424	24	0	0	0	0	0	0	0	0	0	0	0	0	0
S425	25	18,225	18,455	18,641	20,147	19,185	21,431	21,405	21,865	22,539	20,780	19,456	19,862	241,991
S426	26	32,709	27,359	31,226	36,112	34,973	36,095	36,153	36,890	37,089	35,351	35,062	40,189	419,008
S427	38	7,270	8,576	8,854	8,596	8,428	8,721	8,342	8,652	7,913	7,529	8,466	7,768	99,115
S428	28	19	14	16	15	13	12	13	14	15	17	19	20	187
S429	29	1,416	1,696	1,789	1,727	1,661	1,788	1,686	1,789	1,702	1,628	1,683	1,540	20,105
S430	30	1,196	1,432	1,511	1,459	1,403	1,511	1,424	1,511	1,437	1,375	1,421	1,300	16,981
S438	38	3,706	4,002	4,152	4,701	4,336	5,997	5,198	5,573	5,592	5,145	4,483	4,497	57,482
S444	24	680	754	746	784	739	907	806	812	820	666	818	839	9,370
S508	8	3,811	3,526	3,508	3,237	3,134	2,976	3,103	3,256	3,361	3,643	3,751	3,955	41,261
S509	8	477	272	422	375	358	330	352	378	396	445	461	493	4,759
S601	1	209	191	187	185	208	230	264	256	245	192	196	224	2,587
S602	2	957	888	844	833	912	1,070	1,170	1,100	1,133	939	872	1,008	11,724
S603	21	1	1	1	1	1	1	1	1	1	1	1	1	8
S607	7	381	418	452	417	452	408	419	368	480	502	511	382	5,190
S611	11	7,185	7,154	7,169	6,752	8,277	7,806	7,653	6,780	6,412	7,451	7,989	7,643	88,271
S612	11	664	574	584	696	748	858	875	734	789	669	560	603	8,355
S618	1	1	2	1	1	3	2	1	1	0	1	1	1	15
S620	22	4	9	9	8	20	12	8	8	1	5	2	5	92
S622	22	9	72	106	54	55	119	124	75	80	70	69	167	998
S624	24	7,389	6,909	7,077	7,684	8,764	10,302	11,065	11,073	10,755	9,037	7,600	7,700	105,355
S625	25	4,450	4,157	4,191	4,993	5,006	5,973	6,356	5,926	5,924	5,328	4,719	4,754	61,777
S627	38	6,170	6,123	6,452	7,448	8,745	11,486	11,710	11,882	10,515	8,302	6,519	6,874	102,225
S628	38	1,034	806	822	731	701	655	699	777	814	916	954	1,079	9,988
S631	31	29,392	28,713	29,007	28,602	27,167	28,629	29,814	30,256	28,600	24,549	29,478	32,068	346,274
S638	38	2,333	2,225	2,730	3,619	3,875	5,046	4,940	5,093	4,876	3,112	2,397	2,482	42,728
S639	11	0	0	0	0	0	0	0	0	0	0	0	0	0
S641	41	24,399	25,537	23,240	25,289	29,599	27,477	28,128	32,698	35,757	29,242	26,159	25,789	333,314
S643	43	5,009	4,883	4,890	5,343	5,380	5,863	6,562	6,115	6,616	6,253	5,534	5,713	68,160
S644	24	0	0	0	0	0	0	0	0	0	0	0	0	0
S645	45	615	406	657	755	1,206	2,168	1,808	1,475	1,229	930	738	779	12,765
S648	11	4,876	4,855	4,865	4,583	5,617	5,298	5,194	4,601	4,352	5,057	5,422	5,187	59,906
Total Texas		467,194	422,398	420,701	439,426	464,719	549,231	597,270	587,075	579,482	495,698	445,820	488,121	5,957,137