

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Office of the City Attorney
AGENDA DATE: July 1, 2008
CONTACT PERSON/PHONE: Bertha Ontiveros, (915) 541-4550
DISTRICT(S) AFFECTED: Citywide

SUBJECT:

El Paso Electric Company New Rate Schedules.

BACKGROUND / DISCUSSION:

On July 12, 2005, the City Council approved a Rate Agreement with El Paso Electric Company establishing the electric utility rates within the City of El Paso until 2010. El Paso Electric Company and the El Paso Water Utilities have negotiated an extension and renewal of a Contract for Electric Power Service and Agreement for Interruptible Electric Service, and an Electric Power Service agreement for Critical Peak Pricing regarding the rates to be paid for electric utility services. The Agreements contemplate two new Rate Schedules in order for El Paso Electric Company to change the applicable rates. The Agreements and rate changes will result in lower electricity costs for the Water Utilities. The approval of these rate changes will not affect other provisions of the Rate Agreement or adversely affect any other customer classes or rates.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

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RESOLUTION

WHEREAS, on July 12, 2005, the City Council of the City of El Paso approved a Rate Agreement with El Paso Electric Company dated July 5, 2005 establishing the electric utility rates within the City of El Paso until 2010;

WHEREAS, pursuant to the Rate Agreement and applicable law, the City of El Paso maintains original jurisdiction over rates of El Paso Electric Company for rates charged within the City limits of the City of El Paso;

WHEREAS, El Paso Electric Company and El Paso Water Utilities have negotiated an extension and renewal of a Contract for Electric Power Service and Agreement for Interruptible Electric Service ("EPWU Interruptible Agreement") and an Electric Power Service Agreement for Critical Peak Pricing ("CCP Agreement") regarding the rates to be paid for electric utility services;

WHEREAS, the CCP Agreement contemplates a new Rate Schedule No. 11-TOU in order that El Paso Electric Company may charge the rates contemplated by the CCP Agreement, effective January 1, 2008;

WHEREAS, the EPWU Interruptible Agreement contemplates different terms (fewer hours of interruption) than the standard terms provided in Rate Schedule No. 38, which requires the approval of a new Rate Schedule No. 38-MP, effective July 1, 2008;

WHEREAS, El Paso Electric Company has requested that the El Paso City Council approve such changes to the rates charged under the rate tariffs;

WHEREAS, the City Council finds that the requested changes arise from a negotiated agreement between El Paso Electric Company and El Paso Water Utilities and are expected to provide lower electricity costs for El Paso Water Utilities; and

WHEREAS, the City Council finds that the approval of these rate changes will not affect other provisions of the Rate Agreement or adversely affect any other customer classes or rates.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

1. That pursuant to the Rate Agreement between the City of El Paso and El Paso Electric Company dated July 5, 2005, El Paso Electric is hereby authorized to

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vary the terms of Rate Schedule No. 38 as set forth in a new Rate Schedule No. 38-MP, Interruptible Service for Municipal Pumping (effective July 1, 2008), attached hereto as **Exhibit A**, in order to effectuate the extension and renewal of Contract for Electric Power Service and Agreement for Interruptible Electric Service between El Paso Electric Company and El Paso Water Utilities.

2. That a new Rate Schedule No. 11-TOU (effective January 1, 2008 for those accounts with time of use metering currently installed) be added as set forth as attached hereto in **Exhibit B**, in order to effectuate the El Paso Electric Company's Electric Power Service Agreement for Critical Peak Pricing agreement with the El Paso Water Utilities.
3. That nothing in this Resolution or approval shall operate or be construed to be a precedent or approval of the concept or implementation of Critical Peak Pricing for any other Customer or Customer Class.

PASSED AND APPROVED this _____ day of _____, 2008

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

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APPROVED AS TO FORM:



Bertha A. Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



William F. Studer, Jr., Deputy City Manager
Financial Services

EXHIBIT A

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EL PASO ELECTRIC COMPANY

SCHEDULE NO. 38 MP
INTERRUPTIBLE SERVICE FOR MUNICIPAL PUMPING

(N)

APPLICABILITY

Available to municipal pumping customers with total connected capacity requirements of at least 2,500 KW and not served at a transmission voltage level, and at the sole discretion of the Company and only when the Company has available capacity in excess of its firm system requirements. The minimum level of firm demand to be required from qualifying customers is 1,500 KW. Service is available under this schedule only if the utilization of such service is of such character that such service is capable of being interrupted at any time upon request without damage to property or persons and without adversely affecting the public health, safety and welfare. This schedule is not available for standby, temporary, resale or interruptible service not in conjunction with firm service under other applicable rate schedules. All service will be taken at the point of delivery designated by the Company and at one of the Company's standard types of service.

At customer's expense, customer will install all necessary communication, relay and breaker equipment, to qualify for service under this schedule, subject to Company approval and will pay for associated hardware costs.

TERRITORY

Within the city limits of the City of El Paso, Texas.

MONTHLY RATE

The monthly charge for interruptible power service hereunder, excluding fuel, shall be comprised of the following rate elements:

Demand Charge

\$3.17 per kilowatt

Energy Charge

\$0.00220 per kilowatt-hour

O&M Energy Adder

\$.00325 per kilowatt-hour

FIXED FUEL FACTOR

The above rates are subject to the provisions of Company's Tariff Schedule No. 98 entitled Fixed Fuel Factor.

DETERMINATION OF DEMAND AND ENERGY

Maximum demand will consist of both firm and interruptible demand, and will be defined as the highest thirty (30) minute average kilowatt load determined by measurement. The measured demand will be adjusted for billing when the metering adjustment clause is applicable.

When the maximum demand established during the off-peak period exceeds the maximum

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EL PASO ELECTRIC COMPANY

(N)

SCHEDULE NO. 38 MP
INTERRUPTIBLE SERVICE FOR MUNICIPAL PUMPING

demand established during the on-peak period, the Total Billing Demand will be 1/2 of the maximum demand established during the on-peak period plus 1/2 of the maximum demand established during the off-peak period. Otherwise, the Total Billing Demand will be the maximum demand established during the on-peak period. In no event shall Total Billing Demand be less than the Minimum Firm Contract Capacity specified in the Contract for Power- Service.

The on-peak period shall be from 10:00 A.M. to 8:00 P.M. Mountain Standard Time for weekdays of Monday through Friday. The off-peak period shall be all other hours of the week not covered in the on-peak period.

Firm Power Billing Demand shall be the lesser of (1) the Total Billing Demand or (2) the Contract Firm Power Demand established in the Contract for Power Service, but not less than the Minimum Firm Contract Capacity specified in the Contract for Power Service.

Firm Power Billing Demand as defined herein shall constitute the "demand used for billing" under the Customer's firm service rate schedule, and shall be billed in accordance with the rate schedule applicable to Customer's firm service. Interruptible Power Billing Demand shall be determined as (1) Total Billing Demand less (2) Firm Power Billing Demand, and shall be billed in accordance with this rate schedule.

Firm Energy shall be determined by multiplying the ratio of the Firm Power Billing Demand to the Total Billing Demand times the metered kilowatt-hours. Firm Energy shall be billed in accordance with the rate schedule applicable to Customer's firm service. Interruptible Energy shall be the difference between the metered kilowatt-hours and the Firm Energy. Interruptible Energy shall be billed in accordance with this rate schedule.

CONTRACT FOR SERVICE

A Contract for Power Service ("Contract") must be executed between EPEC and the Customer prior to taking service under this rate schedule. The Contract shall define the amount of the Customer's demand that shall be served as firm demand. As defined in the Applicability Section in this Schedule. All demand in excess of the amount of firm demand specified in the Contract shall constitute interruptible demand and shall be served and billed on that basis. The Contract term shall be for an initial period through July 1, 2010 and shall thereafter be automatically extended for up to two, two-year increments unless terminated by either party by written notice no less than sixty (60) days prior to the end of a term. The amount of Contract Firm Power Demand and Minimum Firm Contract Capacity specified in the Contract will supersede and control over any inconsistent level of demand specified in any preexisting agreement between EPEC and the Customer.

SCHEDULING PROCEDURES

The Company and the Customer shall agree upon detailed procedures for requesting providing notice of, and implementing interruptions, and shall set forth the same in the Contract for Power Service.

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EL PASO ELECTRIC COMPANY

(N)

SCHEDULE NO. 38 MP
INTERRUPTIBLE SERVICE FOR MUNICIPAL PUMPING

GENERAL CONDITIONS

EPEC may make intentional interruptions at any time and from time to time, at EPEC's sole discretion, for up to 300 hours in any calendar year until July 1, 2010. However, EPEC may not interrupt the customer (1) due solely to differences in EPEC's marginal cost of energy and the energy-related charges for Interruptible Power Service, or (2) to continue or make non-firm off-system sales. In the event of an interruption, EPEC will provide 30 minutes notice prior to interruptions. The time period required to interrupt load commences when the Customer acknowledges receipt of an interruption notice from the Company. Emergency conditions are deemed to exist at any time, in the judgment of EPEC, that demands for electricity exceed or are expected to be likely to exceed EPEC's available electric supply for whatever reasons including, but not limited to, breakdown of generating units, distribution equipment or other critical facilities; short or long term shortages of fuel or generation, distribution, and other facilities, and requirements or orders of governmental agencies.

An hour of interruption shall be any clock-hour or part thereof during which EPEC invokes an intentional interruption. The number of hours of interruption remaining in a calendar year shall be reduced by each interruption occasion. No more than two interruptions may be required in any calendar day.

Interruptions will be directly controlled by EPEC's system operator with the appropriate notice provided to customer.

TERMS OF PAYMENT

The due date of the bill for utility service shall not be less than sixteen (16) days after issuance. A bill becomes delinquent if not received at the Company by the due date.

OTHER TERMS AND CONDITIONS

During the term of Customer's Contract for Power Service, Customer may use self-generation to maintain operations during periods in which electric service is interrupted by the Company.

If it is determined at any time by the Company that the Customer has not acted appropriately so that there can be compliance with the provisions of this rider, then the Customer will be immediately billed on the standard rate schedule for firm power for the period since service was first commenced under this rider.

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EXHIBIT B

CITY CLERK RPT.
09 JUN 25 PM 3:10

EL PASO ELECTRIC COMPANY

(N)

SCHEDULE NO. 11-TOU
TIME OF USE MUNICIPAL PUMPING SERVICE RATE

APPLICABILITY

Service available to legal property taxing authorities for pumping of water, sewage, storm water and sewage disposal. As of November 1979, El Paso Electric Company will provide the transformation necessary for all new accounts except those receiving service at primary voltages (2,400 volts and higher).

TERRITORY

Within the city limits of the City of El Paso, Texas.

SERVICE VOLTAGES

Service to locations existing as of December 1, 1974, to be maintained on existing voltages. All new locations will have the following type of service: 10 HP or less connected - 120/240 volt, single phase; 11 HP to 49 HP connected - 120/240 volt, three phase; 50 HP to 1,000 HP connected - 277/480 volt, three phase; and over 1,000 HP connected at the Company's specified standard primary voltage.

MONTHLY RATE

\$23.25 Customer Charge plus

Critical Peak Energy Base Rate

\$0.18224 per KWH for all energy measured within the Critical Peak hours between 1:00 P.M. to 5:00 P.M. weekdays, Monday through Friday for the months of June through September.

On-Peak Energy Base Rate

\$0.09313 per KWH for all energy measured within the On Peak hours between 10:00 A.M. to 1:00 P.M., and 5:00 P.M. to 8:00 P.M., weekdays, Monday through Friday for the months of June through September.

Off-Peak Energy Base Rate

\$0.03775 per KWH for energy measured for all other hours not defined by the Critical Peak Period Rate and the On-Peak Period Rate.

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EL PASO ELECTRIC COMPANY

(N)

SCHEDULE NO. 11-TOU
TIME OF USE MUNICIPAL PUMPING SERVICE RATE

MONTHLY MINIMUM

Customer Charge

FIXED FUEL FACTOR

The above rates are subject to the provisions of Company's Tariff Schedule No. 98 entitled Fixed Fuel Factor, Schedule No. 98-FFF.

TERMS OF PAYMENT

The due date of the bill for utility service shall not be less than sixteen (16) days after issuance. A bill becomes delinquent if not received at the Company by the due date.

TERMS AND CONDITIONS

The Company's Rules and Regulations apply to service under this schedule. The Term of Contract under this schedule shall be not less than one (1) year.

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CLARK, THOMAS & WINTERS

A PROFESSIONAL CORPORATION

TELEPHONE (512) 472-8800

POST OFFICE BOX 1148
AUSTIN, TEXAS 78767

FAX (512) 474-1129

300 WEST 6TH STREET, 15TH FLOOR
AUSTIN, TEXAS 78701

June 25, 2008

Mayor John Cook
City of El Paso
#2 Civic Center Plaza
10th floor of City Hall
El Paso, Texas 79901

Re: El Paso Electric Company's Request for Approval of Rates Applicable to El Paso
Water Utilities

Dear Mayor Cook:

El Paso Electric Company (EPE) requests expedited approval, at the July 1st Council Meeting, of two new tariffs. Both of these have resulted from negotiation and agreement between EPE and El Paso Water Utilities (EPWU) and are embodied in new rate agreements. The attached affidavit from Evan Evans, Director-Regulatory Services, provides additional information. EPWU is interested in EPE obtaining approval of these proposed new tariffs on July 1, 2008.

The first, Rate Schedule 38-MP, is Interruptible Service for Municipal Pumping that has a few differences from the terms of service contained in EPE's existing Rate Schedule No. 38 – Interruptible Service for Large Power tariff. The most significant difference is a reduction in the number of hours per year that a customer can be interrupted from 400 hours to 300 hours. Therefore, it is necessary for EPE to obtain the City of El Paso's approval as EPE's local regulatory authority.

The second is entitled: Rate Schedule No. 11-TOU, Time of Use Municipal Pumping Service Rate. If approved, this rate schedule would allow the customer to manage its electrical costs by shifting its load from EPE's peak periods. EPE currently does not have a tariff that offers time of use pricing on this basis, and therefore, it is necessary for EPE to obtain the City of El Paso's approval as EPE's local regulatory authority. EPWU and EPE have agreed that because of the seasonal nature of the pricing under this tariff, that it should be effective retroactively for EPWU as of January 1, 2008.

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EPE requests that the City Council, as the regulatory authority within the municipal limits of the City of El Paso, approve both of these new tariffs, and authorize EPE to observe the Rate Schedule No. 11-TOU retroactively to January 1, 2008.

Respectfully Submitted,


Bret J. Stocum

cc Bertha A. Ontiveros
Joyce Wilson, City Manager
William Studer, Deputy City Manager

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County of El Paso
State of Texas

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**AFFIDAVIT OF EVAN D. EVANS
IN SUPPORT OF
EL PASO ELECTRIC COMPANY'S
REQUEST FOR APPROVAL OF
RATES APPLICABLE TO EL PASO WATER UTILITIES**

BEFORE ME, the undersigned authority, on this day personally appeared EVAN D. EVANS, who, having been placed under oath by me, did depose as follows: My name is Evan D. Evans. I am of sound mind, over the age of 21, a resident of the State of Texas, and competent to make this affidavit.

1. As Director-Regulatory Services at El Paso Electric Company ("EPE"), I am authorized to make this affidavit, and I have personal knowledge of the facts stated herein.

2. El Paso Electric is proposing a new Rate Schedule No. 38-MP - Interruptible Service Rate for Municipal Pumping as it will be applied to a single El Paso Water Utilities (EPWU) account and is proposing a new Rate Schedule No. 11-TOU – Time of Use Municipal Pumping Service Rate to be available to all municipal pumping service accounts in the City of El Paso.

3. Prior to March 1, 2007, ten (10) large EPWU's electric metering points were served under EPE Rate Schedule No. 11-A, pursuant to an Electric Service Agreement entered into as of March 1, 2004, between EPWU and EPE. These ten large EPWU facilities were conjunctive metered and EPE could curtail a designated portion of EPWU's load at these facilities by enabling EPE to start and stop EPWU's standby generation.

4. That agreement expired on March 1, 2007, the curtailable arrangement ceased, and the facilities were transferred to EPE's standard rate for Municipal Pumping Service, Rate Schedule No. 11.

5. EPE and EPWU have renewed the previous agreement under which EPWU's largest facility will be served under EPE's Rate Schedule No. 25 - Large Power Service Rate and under EPE's Rate Schedule No. 38 - Interruptible Service Rate for Large Power, except for an agreed modification to reduce the maximum hours of interruption in any calendar year from 400 hours to 300 hours until July 1, 2010 and clarification of the notice of interruption. This deviation from the current Rate Schedule No. 38 for this EPWU load requires the creation of a new tariff, Rate Schedule 38-MP to reflect this different term of service. The new Rate Schedule 38-MP is reasonable and will benefit EPE's other customers by reducing the need and associated cost for EPE to acquire additional peak load capacity through July 1, 2010.

6. In addition, EPE is proposing the new Rate Schedule No. 11-TOU – Time of Use Municipal Pumping Service Rate. This rate will be available to the other nine large loads and any other account within the City of El Paso that is currently served under EPE's Rate Schedule No. 11 – Municipal Pumping Service.

7. The proposed Time of Use Municipal Pumping Service Rate contains specific time of use pricing features that will encourage EPWU to reduce its loads during EPE's peak summer hours. The resulting reduction to EPE's summer peak loads will benefit EPE's other customers by reducing the need and associated cost for EPE to acquire additional peak load capacity in the future.

8. The proposed Time of Use Municipal Pumping Service Rate was designed based upon the electric consumption characteristics of the other nine large loads. Specifically, this rate was designed in a such a manner that if these loads do not change their consumption from their historical patterns, the total bills for these loads on an annual basis should not change from what they otherwise would have been as a result of taking service under this proposed rate.

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Consequently, the accounts served under the proposed rate should experience lower annual electric bills if EPWU reduces its on-peak consumption and should experience higher annual bills if it increases its on-peak consumption.

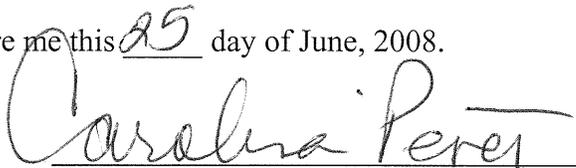
9. In order to increase the potential reductions to EPE's peak load requirements, the proposed Time of Use Municipal Pumping Service Rate is also being offered to any EPWU account within the City of El Paso that is currently served under EPE's Rate Schedule No. 11 – Municipal Pumping Service.

10. The approval of the proposed new Rate Schedule No. 38-MP - Interruptible Service Rate for Municipal Pumping for the one EPWU account and the proposed new Rate Schedule No. 11-TOU – Time of Use Municipal Pumping Service Rate is not expected to negatively impact any other EPE customer and should provide benefits to all EPE customers.

11. EPE is requesting an effective date of July 1, 2008 for the proposed new Rate Schedule No. 38-MP - Interruptible Service Rate for Municipal Pumping for the one EPWU account and an effective date of January 1, 2008 for proposed new Rate Schedule No. 11-TOU – Time of Use Municipal Pumping Service Rate. EPE proposes to adjust billing for all affected accounts served under the proposed Rate Schedule No. 11-TOU for which adequate TOU metering has been installed.

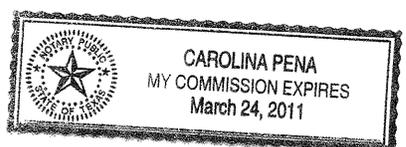

EVAN D. EVANS

SUBSCRIBED AND SWORN TO before me this 25 day of June, 2008.


Notary Public in and for the State of Texas

My commission expires: 3/24/11

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EL PASO ELECTRIC COMPANY

(N)

SCHEDULE NO. 38 MP

INTERRUPTIBLE SERVICE FOR MUNICIPAL PUMPING

APPLICABILITY

Available to municipal pumping customers with total connected capacity requirements of at least 2,500 KW and not served at a transmission voltage level, and at the sole discretion of the Company and only when the Company has available capacity in excess of its firm system requirements. The minimum level of firm demand to be required from qualifying customers is 1,500 KW. Service is available under this schedule only if the utilization of such service is of such character that such service is capable of being interrupted at any time upon request without damage to property or persons and without adversely affecting the public health, safety and welfare. This schedule is not available for standby, temporary, resale or interruptible service not in conjunction with firm service under other applicable rate schedules. All service will be taken at the point of delivery designated by the Company and at one of the Company's standard types of service.

At customer's expense, customer will install all necessary communication, relay and breaker equipment, to qualify for service under this schedule, subject to Company approval and will pay for associated hardware costs.

TERRITORY

Within the city limits of the City of El Paso, Texas.

MONTHLY RATE

The monthly charge for interruptible power service hereunder, excluding fuel, shall be comprised of the following rate elements:

Demand Charge

\$3.17 per kilowatt

Energy Charge

\$0.00220 per kilowatt-hour

O&M Energy Adder

\$.00325 per kilowatt-hour

FIXED FUEL FACTOR

The above rates are subject to the provisions of Company's Tariff Schedule No. 98 entitled Fixed Fuel Factor.

DETERMINATION OF DEMAND AND ENERGY

Maximum demand will consist of both firm and interruptible demand, and will be defined as the highest thirty (30) minute average kilowatt load determined by measurement. The measured demand will be adjusted for billing when the metering adjustment clause is applicable.

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EL PASO ELECTRIC COMPANY

(N)

SCHEDULE NO. 38 MP

INTERRUPTIBLE SERVICE FOR MUNICIPAL PUMPING

When the maximum demand established during the off-peak period exceeds the maximum demand established during the on-peak period, the Total Billing Demand will be 1/2 of the maximum demand established during the on-peak period plus 1/2 of the maximum demand established during the off-peak period. Otherwise, the Total Billing Demand will be the maximum demand established during the on-peak period. In no event shall Total Billing Demand be less than the Minimum Firm Contract Capacity specified in the Contract for Power- Service.

The on-peak period shall be from 10:00 A.M. to 8:00 P.M. Mountain Standard Time for weekdays of Monday through Friday. The off-peak period shall be all other hours of the week not covered in the on-peak period.

Firm Power Billing Demand shall be the lesser of (1) the Total Billing Demand or (2) the Contract Firm Power Demand established in the Contract for Power Service, but not less than the Minimum Firm Contract Capacity specified in the Contract for Power Service.

Firm Power Billing Demand as defined herein shall constitute the "demand used for billing" under the Customer's firm service rate schedule, and shall be billed in accordance with the rate schedule applicable to Customer's firm service. Interruptible Power Billing Demand shall be determined as (1) Total Billing Demand less (2) Firm Power Billing Demand, and shall be billed in accordance with this rate schedule.

Firm Energy shall be determined by multiplying the ratio of the Firm Power Billing Demand to the Total Billing Demand times the metered kilowatt-hours. Firm Energy shall be billed in accordance with the rate schedule applicable to Customer's firm service. Interruptible Energy shall be the difference between the metered kilowatt-hours and the Firm Energy. Interruptible Energy shall be billed in accordance with this rate schedule.

CONTRACT FOR SERVICE

A Contract for Power Service ("Contract") must be executed between EPEC and the Customer prior to taking service under this rate schedule. The Contract shall define the amount of the Customer's demand that shall be served as firm demand. As defined in the Applicability Section in this Schedule. All demand in excess of the amount of firm demand specified in the Contract shall constitute interruptible demand and shall be served and billed on that basis. The Contract term shall be for an initial period through July 1, 2010 and shall thereafter be automatically extended for up to two, two-year increments unless terminated by either party by written notice no less than sixty (60) days prior to the end of a term. The amount of Contract Firm Power Demand and Minimum Firm Contract Capacity specified in the Contract will supersede and control over any inconsistent level of demand specified in any preexisting agreement between EPEC and the Customer.

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SCHEDULING PROCEDURES

The Company and the Customer shall agree upon detailed procedures for requesting, providing notice of, and implementing interruptions, and shall set forth the same in the Contract for Power Service.

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EL PASO ELECTRIC COMPANY

SCHEDULE NO. 38 MP

(N)

INTERRUPTIBLE SERVICE FOR MUNICIPAL PUMPING

GENERAL CONDITIONS

EPEC may make intentional interruptions at any time and from time to time, at EPEC's sole discretion, for up to 300 hours in any calendar year until July 1, 2010. However, EPEC may not interrupt the customer (1) due solely to differences in EPEC's marginal cost of energy and the energy-related charges for Interruptible Power Service, or (2) to continue or make non-firm off-system sales. In the event of an interruption, EPEC will provide 30 minutes notice prior to interruptions. The time period required to interrupt load commences when the Customer acknowledges receipt of an interruption notice from the Company. Emergency conditions are deemed to exist at any time, in the judgment of EPEC, that demands for electricity exceed or are expected to be likely to exceed EPEC's available electric supply for whatever reasons including, but not limited to, breakdown of generating units, distribution equipment or other critical facilities; short or long term shortages of fuel or generation, distribution, and other facilities, and requirements or orders of governmental agencies.

An hour of interruption shall be any clock-hour or part thereof during which EPEC invokes an intentional interruption. The number of hours of interruption remaining in a calendar year shall be reduced by each interruption occasion. No more than two interruptions may be required in any calendar day.

Interruptions will be directly controlled by EPEC's system operator with the appropriate notice provided to customer.

TERMS OF PAYMENT

The due date of the bill for utility service shall not be less than sixteen (16) days after issuance. A bill becomes delinquent if not received at the Company by the due date.

OTHER TERMS AND CONDITIONS

During the term of Customer's Contract for Power Service, Customer may use self-generation to maintain operations during periods in which electric service is interrupted by the Company.

If it is determined at any time by the Company that the Customer has not acted appropriately so that there can be compliance with the provisions of this rider, then the Customer will be immediately billed on the standard rate schedule for firm power for the period since service was first commenced under this rider.

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EL PASO ELECTRIC COMPANY

(N)

SCHEDULE NO. 11-TOU
TIME OF USE MUNICIPAL PUMPING SERVICE RATE

APPLICABILITY

Service available to legal property taxing authorities for pumping of water, sewage, storm water and sewage disposal. As of November 1979, El Paso Electric Company will provide the transformation necessary for all new accounts except those receiving service at primary voltages (2,400 volts and higher).

TERRITORY

Within the city limits of the City of El Paso, Texas.

SERVICE VOLTAGES

Service to locations existing as of December 1, 1974, to be maintained on existing voltages. All new locations will have the following type of service: 10 HP or less connected - 120/240 volt, single phase; 11 HP to 49 HP connected - 120/240 volt, three phase; 50 HP to 1,000 HP connected - 277/480 volt, three phase; and over 1,000 HP connected at the Company's specified standard primary voltage.

MONTHLY RATE

\$23.25 Customer Charge plus

Critical Peak Energy Base Rate

\$0.18224 per KWH for all energy measured within the Critical Peak hours between 1:00 P.M. to 5:00 P.M. weekdays, Monday through Friday for the months of June through September.

On-Peak Energy Base Rate

\$0.09313 per KWH for all energy measured within the On Peak hours between 10:00 A.M. to 1:00 P.M., and 5:00 P.M. to 8:00 P.M., weekdays, Monday through Friday for the months of June through September.

Off-Peak Energy Base Rate

\$0.03775 per KWH for energy measured for all other hours not defined by the Critical Peak Period Rate and the On-Peak Period Rate.

MONTHLY MINIMUM

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EL PASO ELECTRIC COMPANY

(N)

SCHEDULE NO. 11-TOU
TIME OF USE MUNICIPAL PUMPING SERVICE RATE

Customer Charge

FIXED FUEL FACTOR

The above rates are subject to the provisions of Company's Tariff Schedule No. 98 entitled Fixed Fuel Factor, Schedule No. 98-FFF.

TERMS OF PAYMENT

The due date of the bill for utility service shall not be less than sixteen (16) days after issuance. A bill becomes delinquent if not received at the Company by the due date.

TERMS AND CONDITIONS

The Company's Rules and Regulations apply to service under this schedule. The Term of Contract under this schedule shall be not less than one (1) year.

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Effective with energy consumed on or
after